

ORCUTT UNION SCHOOL DISTRICT  
Regular Closed Meeting of the Board of Trustees  
Wednesday, January 13, 2021  
Closed Session – 6:00 P.M. Public Session – 6:30 P.M.  
District Board Room, 500 Dyer St., Orcutt, CA 93455

**There will be a link posted on the district website home page prior to the start of the meeting. To view the meeting go to that link. If you want to just listen to the meeting or make a public comment, you will need to follow the instructions below.**

**Due to Covid 19 Pandemic and need for Social Distancing, the physical Board meeting is closed to the public, however you can access the board meeting via audio teleconference**

**Orcutt Conference Call**

Please join the meeting from your computer, tablet or smartphone.

<https://www.gotomeet.me/orcutt> You can also dial in using your phone United States: [+1 \(571\) 317-3122](tel:+15713173122)

Access Code: 887-747-125

**CALL TO ORDER** 6:00 P.M.

- A. Pledge of Allegiance
- B. Open Session of our board meetings are audio recorded and are being live streamed. Those in attendance should expect that the recordings will capture all activity and discussions before, during and after meetings.

**CLOSED SESSION PUBLIC COMMENTS**

- A. This section of the agenda is intended for members of the public to address the Board of Trustees on items that are being considered in Closed Session. Those wishing to speak about items to be discussed in closed session will need to email Alice Salazar, at [asalazar@orcutt-schools.net](mailto:asalazar@orcutt-schools.net) and state that you want to make a public comment. Speakers are allowed a maximum of three (3) minutes to address the Board. The Board will limit any response to public comments to brief statements, referral to staff, or referral to a future board meeting.

**ADJOURN TO CLOSED SESSION**

- A. Adjourn to Closed Session for the purpose of discussing matters expressly authorized by Government Code Section 3549.1, 54956.95, 54957, and 54957.6.
  - 1. Public Employment per Personnel Report.
  - 2. Public Employee Employment/Discipline/Dismissal/Release.
  - 3. Conference with labor negotiator Dr. Holly Edds, Superintendent and/or Susan Salucci
    - a. OEA
    - b. CSEA
  - 4. Conference with labor negotiators for unrepresented employees:
    - a. Certificated and Classified Management, and Confidential. Agency representative – Superintendent.
    - b. Superintendent. Agency representative – Board of Trustees
  - 5. Student disciplinary/expulsion matters.
  - 6. Conference with Legal Counsel: Anticipated Litigation Pursuant to California Government section 54956.9(d) (2).

**RECONVENE TO PUBLIC SESSION** 6:30 P.M.

- A. Public Report on Action Taken in Closed Session
- C. Adoption of January 13, 2021 Agenda

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**C. PUBLIC COMMENT ANNOUNCEMENT**

The Board of Trustees welcomes comments about items appearing or not appearing on tonight's agenda. Audience members wishing to address the Board during the Public Comment segment of the agenda are asked to email Alice Salazar at [asalazar@orcutt-schools.net](mailto:asalazar@orcutt-schools.net). You will need to join the meeting, and you will be called upon during the public comment section of the agenda.

A maximum of thirty (30) minutes is set aside for Public Comment; speakers are allowed a maximum of three (3) minutes to address the Board on any items within the Board's jurisdiction in accordance with the Brown Act. The Board will limit any response to public comments to brief statements, referral to staff, or referral to a future board meeting.

**ITEMS SCHEDULED FOR INFORMATION/DISCUSSION**

A. Superintendent's Report

An opportunity for the Superintendent to share matters of special interest or importance which are not on the board agenda and/or special presentations of district programs or activities such as curriculum/instructional updates, timely events/information, and district activities.

1. OAHS ASB Update
2. Technology presentation
3. School Reopening Update

B. Items from the Board

C. Public Comment

The public comment section of the agenda is an opportunity for the public to provide input to the Board of Trustees. Any request to speak must be emailed to Alice Salazar at [asalazar@orcutt-schools.net](mailto:asalazar@orcutt-schools.net) and state that you want to make a public comment. If you are speaking to an item that is not on the agenda, you can only speak during the public comment section.

Those wishing to speak about an item that is on the agenda may do so during the public comment section, or when the item is being considered. If you choose to speak on an item at the time it is being considered, your name will be called before the Board's deliberation.

Speakers are allowed a maximum of three (3) minutes to address the Board. The Board will limit any response to public comments to brief statements, referral to staff, or referral to a future board meeting.

**Please make sure to join the meeting (see instructions on page 1) if you plan on making a public comment.**

D. Written Communication

Documents addressed to or by board members as communications during a Board of Education meeting is defined as letters from parents or community members regarding issues within the jurisdiction of authority of the Board of Education; information or reports from professional organizations, i.e., CSBA, SBCSBA, etc.; letters or reports from other public agencies; letters or reports from legislators; or letters or reports from district schools or staff.

**CONSENT AGENDA ITEMS**

Actions proposed for Consent Agenda (block vote) items are consistent with approved practices of the district and are deemed routine in nature. Since trustees receive board agenda backup information in advance of scheduled meetings, they are prepared to vote with knowledge on the block vote items. Consent Agenda items are voted on at one time, although any such item can be considered separately at a board member's request.

- A. Classified Personnel Action Report
- B. Certificated Personnel Action Report
- C. Approval of Warrants
- D. Minutes, Regular Board Meeting Minutes, December 9, 2020
- E. Minutes, Special Annual Organizational Board Meeting Minutes, December 16, 2020
- F. Innovation Center, change order #4 for \$529.00
- G. BP 3280, Sale, Lease, Rental of District-Owned Property, for the Second Reading
- H. BP 3530, Risk Management Insurance, for the Second Reading
- I. BB 9250 Remuneration, Reimbursement and Other Benefits, for the second reading

It is recommended that the Board of Trustees approve Consent Agenda Items A through I, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**ITEMS SCHEDULED FOR ACTION**

**A. BUSINESS SERVICES**

**Action Items**

1. 2019-2020 Audit Report for Orcutt Union School District

It is recommended that the Board of Trustees approve the 2019-2020 Audit Report for Orcutt Union School District, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

2. 2019-2020 Audit Report for Measure G Bond

It is recommended that the Board of Trustees approve the 2019-2020 Audit Report for the Measure G Bond, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

3. Resolution No. 12 Retiree Benefit Fund (Fund 71)

It is recommended that the Board of Trustees approve Resolution No. 12, Retiree Benefit Fund (Fund 71), as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

4. Youth League Facility Use Agreements, Orcutt National Little League, Orcutt American Little League and Orcutt Youth Softball Association

It is recommended that the Board of Trustees approve the Youth League Facility Use Agreements, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**C. EDUCATIONAL SERVICES**

1. Board Policy 5113.1 Chronic Absence and Truancy

It is recommended that the Board of Trustees approve the revisions to Board Policy 5113.1 Chronic Absence and Truancy for the first reading and that it be placed on the next Consent Agenda for the second reading.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

2. Board Policy 5145.7 Sexual Harassment

It is recommended that the Board of Trustees approve the revisions to Board Policy 5145.7 Sexual Harassment for the first reading and that it be placed on the next Consent Agenda for the second reading.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

3. Board Policy 6161.1 Selection and Evaluation of Instructional Materials

It is recommended that the Board of Trustees approve the revisions to Board Policy 6161.1 Selection and Evaluation of Instructional Materials for the first reading and that it be placed on the next Consent Agenda for the second reading.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**D. HUMAN RESOURCES**

1. Board Policy 4119.11, 4219.11, 4319.11 – Sexual Harassment

It is recommended that the Board of Trustees approve the revisions to Board Policy 4119.11, 4219.11, 4319.11, Sexual Harassment, for the first reading and that it be placed on the next Consent Agenda for the second reading.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

2. Board Policy 4157, 4257, 4357 – Employee Safety

It is recommended that the Board of Trustees approve the revisions to Board Policy 4157, 4257, 4357, Employee Safety, for the first reading and that it be placed on the next Consent Agenda for the second reading.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

3. Increase to District Nurse Salary Schedule

It is recommended that the Board of Trustees approve the Increase to the District Nurse Salary Schedule as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**GENERAL ANNOUNCEMENTS**

- A. Unless otherwise noticed, the next regular board meeting is scheduled for Wednesday, February 10, 2021, beginning with Closed Session starting at 6:00 p.m., Public Session at 6:30 p.m. in the District Office Board Room, 500 Dyer Street, Orcutt, CA.

**ADJOURN TO CLOSED SESSION (If Needed)**

- A. Public Report on Action Taken in Closed Session

**ADJOURN**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Superintendent's Office at (805) 938-8907. Notification 48 hours prior to the meeting will enable the district to make reasonable arrangements to ensure accessibility to this meeting.*

*All documents related to the open session agenda are available for review 72 hours prior to the meeting at the Orcutt Union School District Office, 500 Dyer Street, Orcutt, CA.*



## Orcutt Union School District

### Classified Personnel Action Report

Jan. 13, 2021

TO: Holly Edds, Ed.D.

FROM: Susan Salucci, Assistant Superintendent/Human Resources

RE: Recommendations for Board Approval

Name	Site/Dept.	Classification	Step/ Range	Hours	Rate of Pay	Effective	Action/Information
Badenell, Lisa	Transportation	Bus Attendant	11/6	4.0	\$200.00 per mo.	03/1/2021	Longevity – 25 years
Banks, Deanna	Patterson	Instructional Assistant, 1	12/6	3.5	\$19.73 per hr.	12/18/2020	Resignation
Booth, Christina	Technology	Data Specialist	31/5	8.0	\$50.00 per mo.	12/01/2020	1 Professional Growth increment (total of 4)
Chung, Mi Yong	Pupil Services	Instructional Assistant, 1	12/6	3.5	\$19.73 per hr.	01/11/2021	Resignation
Daniels, Michele	Patterson	Noon Duty Supervisor	6/4	1.75	\$15.43 per hr.	12/09/2020	Resignation from Classified position
Garnica, Terry	Nightingale	Office Manager	21/6	8.0	\$24.64 per hr.	01/29/2021	Resignation
Gauna, Kaylee	Central Kitchen	Child Nutrition Worker	7/6	2.0	\$17.44 per hr.	12/09/2020	Reinstate
Neely, Debra	Pine Grove	Instructional Assistant, 1	12/6	3.5	\$19.73 per hr.	01/11/2021	Permanent/Probationary
Robinson, Susan	Independent Study	Custodian	15/6	2.0	\$21.24 per hr.	01/15/2021	Retirement
Robinson, Susan	Child Nutrition	Child Nutrition Cook	10/6	3.0	\$18.78 per hr.	01/15/2021	Retirement
Speer, Raymond	Maintenance	Maintenance Craftsperson	26/4	8.0	\$4,399.00 per mo.	01/27/2021	Resignation
Teniente, McKenzie	Patterson	Instructional Assistant, 1	12/1	3.5	\$15.46 per hr.	01/11/2021	Permanent/Probationary
Woodard, Kelli Jo	Pine Grove	Child Nutrition Cashier	7/6	2.30	\$17.44 per hr.	12/11/2020	Retirement



# Orcutt Union School District

## Certificated Personnel Action Report

January 13, 2021

TO: Dr. Holly Edds, Superintendent

FROM: Susan Salucci, Assistant Superintendent / Human Resources

RE: Recommendations for Board Approval and Ratification

<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Belanger, Rebecca	District	Stipend	\$1600	2020-21	Induction Mentor
Bornhoft, Kristin	District	Stipend	\$800	2020-21	Induction Mentor
Brady, Laura	Orcutt JHS	III-3	\$52,936* \$2,500*	1/11-6/7/2021	Temporary, 50% Signing Bonus (1/4)
Bucquoy, Peggy	Orcutt JHS	Daily	\$278	1/11-6/7/2021	Distance Learning Long Term Sub
Daniels, Michele	Patterson Road	Hourly	\$25	2020-21	Intervention, 29 hrs wk
Dell'Armo, Sarah	District	Stipend	\$1600	2020-21	Induction Mentor
Devereaux, William	District	Stipend	\$1600	2020-21	Induction Mentor
Dunne, Anthony	Patterson Road District	Extra Duty Stipend	\$40/hr \$3000	2019-20 2020-21	Comp Day Payout, 12 hrs Induction Mentor
Grijalva, Rolando	District	Hourly	\$30	11/2-11/30/20	Home & Hospital, 20.5 hrs
Harlow, Kayla	District	Stipend	\$3000	2020-21	Induction Mentor
Hickey, Teresa	District	Stipend	\$3000	2020-21	Induction Mentor
Hodson, Joslyn	Patterson Road	Extra Duty	\$40/hr	2019-20	Comp Day Payout, 12 hrs
Hough, Roberta	District	Stipend	\$3000	2020-21	Induction Mentor
Hoyos, Angel	Lakeview JHS	Hourly	\$25	2020-21	Hourly Support Teacher, 22.5 hrs wk
Jackson, Kacie	District	Stipend	\$3000	2020-21	Induction Mentor
John, JoLynn	District	Hourly	\$30	11/3-11/20/20	Home & Hospital, 24 hrs
Johnson, Melissa	Ralph Dunlap	Hourly	\$25	11/3-11/12/20	Long Term Sub, IEP Meetings, 1.75 hrs
Jones, Cara	Ralph Dunlap	Daily	\$110	9/2/20	Shadow for Long Term Sub Assign, 1 day
Jones, Kari	Orcutt Academy HS	Hourly	\$25	2020-21	Hourly Support Teacher, 8 hrs wk
Joseph, Joy	District	Extra Duty	\$40/hr	11/3-11/20/20	Home & Hospital, 12 hrs

\*To be prorated

<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Lafin, Debra	Olga Reed	Extra Duty	\$40/hr	2019-20	Comp Day Payout, 12 hrs
Lee, Tanya	Olga Reed	Extra Duty	\$40/hr	2019-20	Comp Day Payout, 12 hrs
Lehman, Gregory	Patterson Road	Hourly	\$25	11/4-12/7/20	Long Term Sub, IEP Meetings, 8 hrs
Levey, Tracy	District	Stipend	\$1600	2020-21	Induction Mentor
Lovell, Stacey	Orcutt Academy K-8	Extra Duty	\$40/hr	2019-20	Comp Day Payout, 6 hrs
Nichols-Day, Shannon	Ralph Dunlap	Extra Duty	\$40/hr	6/12/20	Hearing Prep, 1.5 hrs
Pawley, Lise	District	Stipend	\$1600	2020-21	Induction Mentor
Perez, Cecilia	District	Stipend	\$1600	2020-21	Induction Mentor
Pollock, Christin	District	Stipend	\$3000	2020-21	Induction Mentor
Ramos, Lyn	District	Stipend	\$1600	2020-21	Induction Mentor
Rianda, Terry	District	Hourly	\$50	11/4-11/16/20 11/6-11/19/20	Intern Support Teacher, 3 hrs Induction Mentor, 12 hrs
Riezebos, Devin	District	Stipend	\$3000	2020-21	Induction Mentor
Riezebos, Stacy	Patterson Road	Extra Duty	\$40/hr	2019-20	Comp Day Payout, 12 hrs
Saylor, Garry	District	Stipend	\$1600	2020-21	Induction Mentor
Soriano, Yvette	Patterson Road	Extra Duty	\$40/hr	2019-20	Comp Day Payout, 12 hrs
Sternjacob, Zachary	Orcutt JHS	III-2	\$51,220*	1/11-6/7/2021	Temporary, 50%
Verch, Gregory	District	Stipend	\$1600	2020-21	Induction Mentor
Wagonseller, Jeff	District	Hourly Daily	\$50 \$300	10/21-11/19/20 10/21-11/20/20	CASC Mentor, 6 hrs Admin Sub, 22 days
Wells, John	Orcutt Academy HS	Hourly	\$25	2020-21	Hourly Support Teacher, 8 hrs wk
Yamamoto, Alana	District	Stipend	\$3000	2020-21	Induction Mentor
Zamudio, Kelli	District	Stipend	\$1600	2020-21	Induction Mentor

\*To be prorated

## Warrants

These materials are not included in this copy of the agenda. The warrants are available for review at the District Office, 500 Dyer Street, Orcutt, CA. Monday-Friday from 7:30 am- 4:30 pm.

This procedure is in compliance with the Public Document Law, Government Code Section Number 6257.



**ORCUTT UNION SCHOOL DISTRICT  
BOARD OF TRUSTEES  
REGULAR MEETING MINUTES  
December 9, 2020**

**CALL TO ORDER**

A regular meeting of the Board of Trustees of the Orcutt Union School District was held on Wednesday, December 9, 2020, in the District Board Room, beginning with Liz Phillips calling Public Session to order at 6:00 p.m. The Pledge of Allegiance was led by Dr. Nick Taylor. Members Present: Phillips, Waffle, Steller, Henderson, and Morinini. Administrators Present: Edds, Salucci, and Bertoldi. The Board Meeting was closed to the Public due to the Covid 19 Pandemic. The Board Meeting was teleconferenced via “Go to Meeting” and streamed via “You Tube”.

**CLOSED SESSION PUBLIC COMMENTS**

None

**ADJOURN TO CLOSED SESSION**

It was moved by Melanie Waffle seconded by Lisa Morinini and carried to adjourn to Closed Session at 6:02 p.m. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**RECONVENE TO PUBLIC SESSION**

The meeting reconvened to Public Session at 6:33 p.m. Liz Phillips reported that no action was taken in closed session.

**RECONVENE TO PUBLIC SESSION**

It was moved by Mark Steller seconded by Shaun Henderson to adopt the December 9, 2020 agenda.

**SUPERINTENDENT’S REPORT**

OAHS ASB provided a recorded video update. Sarah Slezak provided a recorded choir video. Jonathan Dollahite provided a recorded video from Rodney Streeper’s culinary class. Dr. Holly Edds gave a “School Reopening” update.

**PUBLIC COMMENT**

Monique Segura, President of the Orcutt Educators Association (OEA) thanked the Board for all their support and gave an OEA update. April Sargeant and Pamela Blythe spoke on Distance Learning, and School Reopening. Anna Zucker spoke on public communication. Phyllis Jackson gave a CSEA update and shared that this would be her last board meeting. Veronica Barrios-Timbroom will be taking over as the new CSEA President.

**ITEMS FROM THE BOARD**

Liz Phillips thanked Monique Segura for letting her participate in a Zoom class. Liz presented Holly Edds and Mark Steller with their certificate of participation in the California School Board Association (CSBA) Masters in Governance Courses that consisted of ten sessions. Lisa Morinini, Shaun Henderson, and Melanie Waffle also congratulated them on their completion of the MIG Courses. Mark Steller thanked Rodney Streeper and Jonathan Dollahite on the Culinary presentation. Mark shared that he misses seeing them in person.

**CONSENT AGENDA ITEMS**

- A. Classified Personnel Action Report
- B. Certificated Personnel Action Report
- C. Approval of Warrants
- D. Minutes, Regular Board Meeting Minutes, November 4, 2020
- E. Minutes, Special Bond Study Board Meeting Minutes, November 18, 2020
- F. SY 2021-22 Annual Renewal of Service Super Co-Op
- G. MOU for Santa Maria Valley Physical Therapy Group (SMVPT)
- H. Notices of Completion – Adopt the Notices of Completion, as submitted
- I. Innovation Center, change order #3 for \$21,976.00
- J. BP 1114, Community Relations, for the Second Reading
- K. BB 9010, Public Statements, for the Second Reading

It was moved by Shaun Henderson, seconded by Mark Steller and carried to approve consent agenda items A – K, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

## **ACTION AGENDA ITEMS**

### **Approval of Measure G Citizens Oversight Committee (COC) Applications**

It was moved by Melanie Waffle, seconded by Shaun Henderson, and carried to approve the applications for Lee Carroll, Michelle Southwick, Steve Southwick and Neal LeMaire, as submitted. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

### **2020-2021 First Interim Report**

It was moved by Lisa Morinini, seconded by Shaun Henderson and carried to approve the 2020-2021 First Interim report, as submitted. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

### **Resolution No. 10, 2020-2021 Delegation of Authority to District Staff**

It was moved by Melanie Waffle, seconded by Shaun Henderson, and carried to adopt Resolution No. 10, 2020-2021 Delegation of Authority to District Staff, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Resolution No. 11 to Commit and Uncommit the General Fund Balance**

It was moved by Shaun Henderson, seconded by Mark Steller, and carried to adopt Resolution No. 11 to Commit and Uncommit the General Fund Balance, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Accounting of Developer Fees for the 2019-2020 Fiscal Year (Annual Report) and Five-Year Developer Fee Report**

It was moved by Lisa Morinini, seconded by Shaun Henderson, and carried to approve the Accounting of Developer Fees for the 2019-2020 Fiscal Year (Annual Report) and Five-Year Developer Fee Report, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Approval of Sale of Disposal of Books, Equipment and Supplies**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to approve the Sale of Disposal of Books, Equipment and Supplies, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Facility Use Agreement Between Orcutt Union School District and Santa Barbara County Air Pollution Control District**

It was moved by Shaun Henderson, seconded by Melanie Waffle and carried to approve Facility Use Agreement Between Orcutt Union School District and Santa Barbara County Air Pollution Control District, as submitted. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

### **Board Policy 3280, Sale, Lease, Rental of District-Owned Property**

It was moved by Melanie Waffle, seconded by Shaun Henderson, and carried to approve the revisions made to Board Policy 3280, Sale, Lease, Rental of District-Owned Property, for the first reading, and that it be placed on the next Consent Agenda for the second reading. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Board Policy 3530, Risk Management Insurance**

It was moved by Shaun Henderson, seconded by Mark Steller, and carried to approve the revisions made to Board Policy 3530, Risk Management Insurance, for the first reading, and that it be placed on the next Consent Agenda for the second reading. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **School Plan for Student Achievement for Alice Shaw, Joe Nightingale, Lakeview JHS, Olga Reed, Orcutt Academy Charter**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to approve the School Plan for Student Achievement for Alice Shaw, Joe Nightingale, Lakeview JHS, Olga Reed, and Orcutt Academy Charter, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Local Control Funding Formula (LCFF) Budget Overview for Parents of Orcutt Union School District**

It was moved by Shaun Henderson, seconded by Mark Steller and carried to approve the Local Control Funding Formula (LCFF) Budget Overview for Parents of Orcutt Union School District, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**Local Control Funding Formula (LCFF) Budget Overview for Parents of Orcutt Academy Charter**

It was moved by Shaun Henderson, seconded by Mark Steller and carried to approve the Local Control Funding Formula (LCFF) Budget Overview for Parents of Orcutt Academy Charter, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**GENERAL ANNOUNCEMENTS**

Unless otherwise noticed, the next regular board meeting is scheduled for Wednesday, January 13, 2021, with Closed Session starting at 6:00 p.m., Public Session at 6:30 p.m. in the District Office Board Room, 500 Dyer Street, Orcutt, CA. There will be a Special Board Annual Organizational Meeting on Wednesday, December 16, 2020, beginning at 5:00 p.m. in the District Office Board Room, 500 Dyer Street, Orcutt, CA.

**ADJOURN**

It was moved by Mark Steller, seconded by Shaun Henderson and carried to adjourn the meeting at 8:45 PM.

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Holly Edds, Ed.D. Board Secretary

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Melanie Waffle, Clerk, Board of Trustees

**ORCUTT UNION SCHOOL DISTRICT  
BOARD OF TRUSTEES  
SPECIAL BOARD MEETING  
Open to the Public via Teleconference  
Wednesday, December 16, 2020**

**CALL TO ORDER**

A special Board meeting of the Board of Trustees of the Orcutt Union School District was held on Wednesday, December 16, 2020, beginning with Liz Phillips calling Public Session to order at 5:00 p.m. Janet Bertoldi led the Pledge of Allegiance. Members Present: Phillips, Waffle, Steller, Henderson, and Morinini. Administrators: Edds, Salucci, Bertoldi and Taylor. It was moved by Melanie Waffle seconded Lisa Morinini, and carried to adopt the December 16, 2020, agenda, as presented. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

**ADMINISTRATION OF OATH OF OFFICE FOR UNOPPOSED BOARD MEMBERS**

Dr. Holly Edds administrated the Oath of Office to Liz Phillips and Lisa Morinini

**ELECTION OF BOARD PRESIDENT**

Dr. Holly Edds thanked and acknowledged Liz Phillips for her past year as President of the Board. It was then moved by Shaun Henderson seconded by Mark Steller and carried to approve Melanie Waffle as the Board President. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

**ELECTION OF BOARD CLERK**

It was moved by Shaun Henderson seconded by Lisa Morinini and carried to approve Mark Steller as the Board Clerk. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

**DESIGNATION OF SUPERINTENDENT AS SECRETARY TO THE BOARD**

It was moved by Lisa Morinini seconded by Shaun Henderson and carried to approve Dr. Holly Edds as the Secretary to the Board. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

**SETTING OF DATE, TIME AND PLACE FOR ALL REGULAR BOARD MEETINGS IN 2021**

It was moved by Mark Steller seconded by Shaun Henderson and carried to approve the regular board meetings for 2021 with the exception of one revision to June 2<sup>nd</sup>, was change due June 16<sup>th</sup> to accommodate Fiscal services budget timeline. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

**SELECTION OF A REPRESENTATIVE TO THE COUNTY COMMITTEE ON SCHOOL DISTRICT ORGANIZATION**

It was moved by Liz Phillips seconded by Shaun Henderson and carried to approve Mark Steller as the Representative to the County Committee on School District Organization. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

**ITEMS FROM THE BOARD**

All Board members wished staff, parents and families Happy Holidays, and Happy Birthday wish to Janet Bertoldi

**PUBLIC COMMENT**

Monique Segura commented on Board Compensation

**BOARD BYLAW 9250 REMUNERATION REIMBURSEMENT AND OTHER BENEFITS**

It was moved by Shaun Henderson seconded by Lisa Morinini and carried to approve the revisions to BB 9250 Remuneration Reimbursement and Other Benefits for the first reading and that it be placed on the next consent agenda for the second reading. Ayes: Henderson, Morinini, Steller; Nays: Phillips and Waffle.

**ADJOURN**

It was moved by Liz Phillips, seconded by Lisa Morinini and carried to adjourn the meeting at 5:23 p.m.

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Holly Edds, Ed.D., Board Secretary

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Mark Steller, Clerk, Board of Trustees



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Nick Taylor  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** Construction Change Order- Quincon, Inc. for the Innovation Center

**BACKGROUND:** Attached is a change order request #4 from Quincon, Inc. in the amount of \$529.00 for the Innovation Center. The change order is related to some or all of the following reasons; unforeseen conditions during construction, design issue, or owner requested change.

The change order request was reviewed by the following parties, the Contractor, TELACU Construction Management firm, and district staff.

**RECOMMENDATION:** Staff recommends the Board of Trustees approve the change order for Quincon, Inc. for \$529.00, as submitted.

**FUNDING:** Fund 21 – Building fund for the Measure G Bond

# CHANGE ORDER

**Distribution:**

- OUSD
- SVA Architects
- Contractor
- TELACU Construction Management (TCM)
- Inspector of Record

Project:  
**OUSD Innovation Center**  
**Orcutt Union School District**  
 500 Dyer Street  
 Orcutt, CA 93455

Change Order Number: **4**

Date: **12/29/2020**

To Contractor:  
 Quincon, Inc.  
 PO Box 1029  
 Grover Beach, CA 93483

Contract Date: **3/20/2020**

The Contract Is Changed As Follows:  
**Refer to the attached summary page**

The original Contract Sum was	\$	<b>3,355,335.00</b>
The net change by previously authorized Change Orders	\$	<b>173,255.00</b>
The Contract Sum prior to this Change Order was	\$	<b>3,528,590.00</b>
The Contract Sum will be Increased by this new Change Order in the amount of	\$	<b>529.00</b>
The new Contract Sum including this Change Order will be	\$	<b>3,529,119.00</b>
The Contract Time will be <del>(increased)</del> <del>(decreased)</del> <b>(unchanged)</b> by -0- days.		
The date of Substantial Completion as of the date of this Change Order therefore is		<b>2/5/2020</b>

*Note: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price Which have been authorized by Construction Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.*

NOT VALID UNTIL SIGNED BY THE OWNER, CONTRACTOR, AND CONSTRUCTION MANAGER.

Owner	Contractor	Construction Mgr.	Architect of Record	Inspector of Record
Orcutt Union School District	Quincon, Inc.	TELACU Construction Management	SVA Architects	Kenco Construction Services, Inc.
500 Dyer Street Orcutt, CA 93455	PO Box 1029 Grover Beach, CA 93483	604 N. Eckhoff St. Orange, CA 92868	6 Hutton Centre Dr. Ste. 115 Santa Ana, CA 92707	1230 Doris Ave. Oxnard, CA 93030

BY (Signature)      BY (Signature)      BY (Signature)      BY (Signature)      BY (Signature)

DATE                      DATE                      DATE                      DATE                      DATE

**CHANGE ORDER 04- Summary Sheet**

<b>Item #</b>	<b>Title</b>	<b>PCO#</b>	<b>PCO Description</b>	<b>Final Price</b>
1	Countertop Supports (T&M)	22	Design Issue - The supports for the counter-top installation were not detailed on the DSA approved bid drawings. Per the SEOR's RFI #65 response, the contractor was directed to provide counter-tops supports using C3x6 steel at 32" on-center. The costs associated with this change include additional labor and materials to fabricate and install the supports for the counter-tops in the Repair Center per the RFI #096 response.	\$5,409.00
2	Replace Lavatories & Modify Electrical for Hand Dryers	34	Design Issue/Owner Requested - The originally specified sinks that were to be installed in the Men's and Woman's Restrooms included built-in features such as a soap dispenser and hand-dryers. During construction, it was noticed that the electrical provisions shown on the bid plans were not adequate to facilitate the originally specified sinks. An additional (8) dedicated circuits would've needed to be added in-order to have the sinks operate as intended. Per the District's request, the originally specified sink were substituted with a more basic type of sink that did not required additional electrical circuits. The credit associated with this change includes the cost of the originally specified sink offset by the cost of the sink substitution and costs for additional electrical labor and materials to provide provisions for electric hand-dryers on the adjacent walls.	-\$4,880.00
<b>Total Change Order Amount</b>				<b>\$529.00</b>

## **Business and Noninstructional Operations**

### **SALE, LEASE, RENTAL OF DISTRICT-OWNED PROPERTY**

The Board of Trustees believes that district facilities and resources should be utilized in an economical and practical manner. The Superintendent or designee shall periodically study the current and projected use of all district facilities to ensure efficient utilization of space for the effective delivery of instruction.

(cf. 1330 - Use of School Facilities)  
(cf. 7110 - Facilities Master Plan)  
(cf. 7111 - Evaluating Existing Buildings)  
(cf. 7160 - Charter School Facilities)

Prior to the sale or lease of any surplus real property, the Board shall appoint a district advisory committee to advise the Board regarding the use or disposition of schools or school building space which is not needed for school purposes. The Board may elect not to appoint a district advisory committee for any of the following: (Education Code 17388, 17391)

1. A rental of property for a period of time not exceeding 30 days
2. A lease or rental of surplus property to a private educational institution for the purpose of offering summer school
3. A sale, lease, or rental of surplus property to be used for teacher or other employee housing
4. Until July 1, 2024, a sale or lease of surplus property that has not previously operated, or was not constructed to be operated, as an early childhood education facility or a school for elementary or secondary instruction

(cf. 1220 - Citizen Advisory Committees)

In addition, to ensure that the proposed disposition of the property conforms with any general plan adopted by the local planning agency that affects or includes the area where the surplus property is located, the Board shall submit a report to the local planning agency describing the location of the surplus property and the purpose and extent of the proposed sale or lease. (Government Code 65402)

~~The Board shall appoint a district advisory committee prior to the sale or lease of any surplus real property to advise the Board regarding the use or disposition of schools or school building space which is not needed for school purposes. Rentals of surplus property not exceeding 30 days are exempted from this requirement. When the sale, lease, or rental of surplus property is for the purpose of teacher or other employee~~



## **Business and Noninstructional Operations**

BP 3280 (b)

~~housing or for the offering of summer school by a private educational institution, the Board may elect not to appoint a district advisory committee. (Education Code 17387-17391)~~

~~(cf. 1220 - Citizen Advisory Committees)~~

## **~~SALE, LEASE, RENTAL OF DISTRICT OWNED PROPERTY~~**

~~If the local planning agency has adopted a general plan that affects or includes the area where the surplus property is located, the Board shall submit a report to the local planning agency describing the location of the surplus property and the purpose and extent of the proposed sale or lease. (Government Code 65402)~~

The Board shall determine whether the sale or lease of the surplus property is subject to review under the California Environmental Quality Act. (Public Resources Code 21000-21177; 14 CCR 15061-15062)

**The Board may meet in closed session with its real property negotiator prior to the sale or lease of real property by the district in order to grant its negotiator authority regarding the minimum price or rent and terms of the sale or lease. (Government Code 54956.8)**

**(cf. 9321 - Closed Session)**

When selling or leasing district real property, the Board shall comply with **applicable** the ~~priorities and procedures~~ **and give priority to** specified **public agencies as require by** ~~in~~ **applicable** law. (Education Code 17230, 17464, 17485-17499; Government Code 54222)

(cf. 5148 - Child Care and Development)

(cf. 5148.2 - Before/After School Programs)

(cf. 5148.3 - Preschool/Early Childhood Education)

~~In addition, when selling real property purchased, constructed, or modernized with funds received within the past 10 years from a state school facilities funding program, the Board shall consider whether any of the proceeds from the sale will need to be returned to the State Allocation Board (SAB) pursuant to Education Code 17462.3.~~

### **Resolution of Intention to Sell or Lease**

Before ordering the sale or lease of any real property, the Board shall adopt a resolution by a two-thirds vote of all of its members at a regularly scheduled open meeting. The resolution shall describe the property proposed to be sold or leased in such a manner as to identify it, specify the minimum price or rent, describe the terms upon which it will be sold or leased, and specify the commission or rate, if any, which the Board will pay to a licensed real estate broker out of the minimum price or rent. The resolution shall fix a time, not less than three weeks thereafter, for a public meeting, held at the Board's regular meeting place, at which sealed proposals to purchase or lease will be received and considered. (Education Code 17466)

## Business and Noninstructional Operations

BP 3280 (c)

(cf. 9320 - Meetings and Notices)  
(cf. 9323.2 - Actions by the Board)

The Superintendent or designee shall provide notice of the adoption of the resolution and of the time and place of the meeting that will be held to consider bids by posting copies of the resolution, signed by the Board, in three public places not less than 15 days before the date of the meeting. In addition, the notice shall be published at least once a week for three successive weeks before the meeting, in a newspaper of general circulation published in the county in which the district is located, if such a newspaper exists. (Education Code 17469)

~~In accordance with Education Code 17470,~~ **At least 60 days prior to the public meeting,** the Superintendent or designee shall take reasonable steps to provide **written** notification **of the public meeting, by certified mail,** to the former owners **from whom the district acquired the property. (Education Code 17470)** ~~of the property of the district's intent to sell it.~~

### Acceptance/Rejection of Bids

At the public meeting specified in the resolution of intention to sell or lease property, the Board shall open, examine, and declare all sealed bids. Before accepting a written proposal, the Board shall call for oral bids in accordance with law. (Education Code 17472, 17473)

The Board may reject any and all bids, either written or oral, and withdraw the properties from sale when the Board determines that rejection is in the best public interest. If no proposals are submitted or the submitted proposals do not conform to all the terms and conditions specified in the resolution of intention to lease, the Board may lease the property in accordance with Education Code 17477. (Education Code 17476, 17477)

Of the proposals submitted by responsible bidders which conform to all terms and conditions specified in the resolution of intention to sell or lease, the Board shall finally accept the highest bid after deducting the commission, if any, to be paid to a licensed real estate broker, unless the Board accepts a higher oral bid or rejects all bids. (Education Code 17472)

The final acceptance of the bid may be made either at the same meeting specified in the resolution or at any adjourned/continued meeting held within 10 days. Upon acceptance of the bid, the Board may adopt a resolution of acceptance that directs the Board president, or any other Board member, to execute the deed or lease and to deliver the document upon performance and compliance by the successful bidder of all of the terms and conditions of the contract. (Education Code 17475-17478)

(cf. 1431 - Waivers)

## Use of Proceeds

The Superintendent or designee shall ensure that the proceeds from the sale or lease with an option to purchase of surplus district property are used for one-time expenditures and not for ongoing expenditures such as salaries and general operating expenses. (Education Code 17462; **2 CCR1700**)

Proceeds from a sale of surplus district property shall be used for capital outlay or maintenance costs that the Board determines will not recur within a five-year period. Proceeds from a lease of district property with an option to purchase may be deposited into a restricted fund for the routine repair of district facilities, as defined by the SAB, for up to a five-year period. (Education Code 17462)

**However**, if the Board and SAB determine that the district has no anticipated need for additional sites or building construction for the next 10 years and no major deferred maintenance requirements, the proceeds from the sale or lease with an option to purchase may be deposited in a special reserve fund for the future maintenance and renovation of school sites or in the district's general fund. ~~Proceeds from the sale or lease with option to purchase of district property may also be deposited in a special reserve fund for capital outlay or maintenance costs of district property that the Board determines will not recur within a five-year period.~~ (Education Code 17462)

(cf. 3100 - Budget)

(cf. 3460 - Financial Reports and Accountability)

**In addition, until July 1, 2024, if district surplus property was purchased entirely with local funds, the proceeds from the sale or lease of the property, together with any personal property located on the property, may be deposited into the general fund of the district and may be used for any one-time general fund purpose. Before exercising this authority, the Board shall:** (Education Code 17463.7)

- 1. Submit to SAB documents certifying that the sale of real property does not violate the provisions of a local bond act and the real property is not suitable to meet projected school construction needs for the next 10 years**
- 2. At a public meeting, adopt a plan for expending one-time resources from the sale or lease of the property which identifies the source and intended use of the surplus property proceeds and describes the reasons that the expenditure will not result in ongoing fiscal obligations for the district**

**Whenever the district sells real property that was purchased, improved, or modernized with funds that were received from a state school facilities funding program within the previous 10 years, the district shall notify OPSC within 90 calendar days of the sale of the property if the proceeds from the sale are not used for capital outlay and the property is not sold to a charter school, another school district, a county office of education, or an agency that will use the property exclusively for the delivery of child care and**

## Business and Noninstructional Operations

BP 3280 (e)

development services. If SAB subsequently makes a finding that the sale is subject to Education Code 17462.3, the district shall return the funds to the SAB within 90 calendar days of the finding. (2 CCR 1702)

### *Legal Reference:*

#### EDUCATION CODE

17219-17224 Acquisition of property not utilized as school site; nonuse payments; exemptions

17230-17234 Surplus property

17385 Conveyances to and from school districts

17387-17391 Advisory committees for use of excess school facilities

17400-17429 Leasing property

17430-17447 Leasing facilities

17453 Lease of surplus district property

17455-17484 Sale or lease of real property

17462.3 State Allocation Board program to reclaim funds

17485-17500 Surplus school playground (Naylor Act)

17515-17526 Joint occupancy

17527-17535 Joint use of district facilities

33050 Request for waiver

38130-38139 Civic Center Act

#### GOVERNMENT CODE

50001-50002 Definitions

54220-54232 Surplus land

54222 Offer to sell or lease property

54950-54963 Brown Act, especially:

54952 Legislative body, definition

#### PUBLIC RESOURCES CODE

21000-21177 California Environmental Quality Act

#### CODE OF REGULATIONS, TITLE 2

~~1700-1702 Surplus Property: use of proceeds~~ Definitions related to surplus property

#### COURT DECISIONS

San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District, (2006) 139 Cal.App.4th 1356

#### ATTORNEY GENERAL OPINIONS

94 Ops.Cal.Atty.Gen. 82 (2011)

Management Resources:

#### CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Closing a School Best Practices Guide

#### OFFICE OF PUBLIC SCHOOL CONSTRUCTION PUBLICATIONS

Unused Site Program Handbook,-December 2015

#### WEB SITES

CSBA: <http://www.csba.org>

California Department of Education, School Facilities Planning Division: <http://www.cde.ca.gov/ls/fa>

Coalition for Adequate School Housing: <http://www.cashnet.org>

Office of Public School Construction: <http://www.dgs.ca.gov/opsc>

Policy Adopted: ~~05-09-18~~ 01/13/21

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California

**RISK MANAGEMENT INSURANCE**

The Board of Trustees ~~strongly supports a risk management program that protects district resources and~~ **desires to** promote the safety of students, staff and the public **while protecting district resources**. The Superintendent or designee shall establish a risk management program that uses effective safety and loss control practices.

The district shall strive to keep its liability at a minimum and its insurance premiums as low as possible while maintaining adequate protection **against loss which may occur due to hazards facing the district**.

To determine the most economical means of insuring the district, and be consistent with required services, the Superintendent or designee shall annually review the district's options for obtaining coverage, including qualified insurance agents, a joint powers agency, self-insurance or a combination of these means. **Decisions regarding the means of insuring the district shall be based on a careful analysis of past claims records indicating the frequency and magnitude of losses and a prediction of future losses.**

~~The Board reserves the right to remove an insurance agent of record or a participating agent whenever, in the judgment of the Board, such action becomes desirable for the best interests of the district.~~

To ~~attempt to~~ minimize the district's exposure to liability, the Board shall adopt clear policies related to discrimination, harassment, safety procedures, and the timely handling of claims. The Superintendent or designee shall ensure that these policies and related procedures are enforced fairly and consistently. **The Superintendent or designee shall provide safety-related training and protective equipment to staff as appropriate for their position.**

(cf. 0410 - Nondiscrimination in District Programs and Activities)

**(cf. 0450 - Comprehensive Safety Plan)**

(cf. 3320 - Claims and Actions Against the District)

(cf. 4030 - Nondiscrimination in Employment)

(cf. 4119.11/4219.11/4319.11- Sexual Harassment)

(cf. 4132/4232/4332- Publication or Creation of Materials)

**(cf. 4157/4257/4357 - Employee Safety)**

(cf. 4157.1/4257.1/4357.1 - Work-Related Injuries)

**(cf. 5142 - Safety)**

~~(cf. 4158/4258/4358 - Employee Security)~~

~~(cf. 5141.4 - Child Abuse Prevention and Reporting)~~

(cf. 5145.3 - Nondiscrimination/Harassment)

(cf. 5145.7 - Sexual Harassment)

~~(cf. 6162.6 - Use of Copyrighted Materials)~~

(cf. 9260 - Legal Protection)

## **Business and Noninstructional Operations**

BP 3530 (b)

The Superintendent or designee shall periodically report to the Board on the district's risk management activities, including, but not limited to, the district's property and liability risks and exposures and the effectiveness of the district's risk management and loss control practices.

### Legal Reference:

#### EDUCATION CODE

17029.5 Contract funding; board liability

17565-17592 Board duties re property maintenance and control

32350 Liability on equipment loaned to district

35162 Power to sue, be sued, hold and convey property

35200-35214 Liabilities, especially:

35208 Liability insurance

35211 Driver training civil liability insurance

35213 Reimbursement for loss, destruction or damage of personal property

35214 Liability self-insurance

35331 Medical or hospital service for students on field trip

39837 Transportation of ~~pupil's~~ students to places of summer employment

41021 Requirement for employees' indemnity bonds

44873 Qualifications for physician (liability coverage)

49470-49474 District medical services and insurance

#### GOVERNMENT CODE

820.9 Board members not vicariously liable for injuries caused by district

989-991.2 Local public entity insurance

#### LABOR CODE

3200-4855 Workers' compensation

### Management Resources:

#### WEB SITES

California Association of Joint Powers Authorities: <http://www.cajpa.org>

California Association of School Business Officials: <http://www.casbo.org>

California Department of Industrial Relations, Division of Occupational Safety and Health: <http://www.dir.ca.gov/dosh>

Public Agency Risk Management Association: <http://www.parma.com>

Policy Adopted: ~~2/15/07~~ 01/13/21

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California

## REMUNERATION, REIMBURSEMENT AND OTHER BENEFITS

### ~~Remuneration~~ Compensation

Each member of the Board of Trustees may receive the maximum monthly compensation as provided for in Education Code 35120.

~~Each member of the Board of Trustees may receive the monthly compensation of \$80 per meeting attended, not to exceed \$240.00 per month. (Education Code 35120)~~ On an annual basis, the Board may increase the compensation of Board Members beyond the limit delineated in Education Code 35120 in an amount not to exceed five-percent based on the present monthly rate of compensation. (Education Code 35120)

Board members are not required to accept payment for meetings attended.

Any member who does not attend all Board meetings during the month is eligible to receive only a percentage of the monthly compensation equal to the percentage of meetings he/she attended, unless otherwise authorized by the Board in accordance with law. (Education Code 35120)

A member may be ~~paid~~ compensated for meetings he/she missed when the Board, by resolution, finds that he/she was performing designated services for the district at the time of the meeting or that he/she was absent because of illness, jury duty or a hardship deemed acceptable by the Board. (Education Code 35120)

### Reimbursement of Expenses

Board members shall be reimbursed for actual and necessary expenses incurred when performing authorized services for the district. Expenses for travel, telephone, business meals, or other authorized purposes shall be in accordance with policies established for district personnel and at the same rate of reimbursement. ~~traveling expenses incurred when authorized in advance by the~~

~~Board. (Education Code 35044)~~

(cf. 1160 - Political Processes)

(cf. 3100 - Budget)

(cf. 3350 - Travel Expenses)

(cf. 3513.1 - Cellular Phone Reimbursement)

(cf. 9240 - Board ~~Training~~ Development)

~~The rate of reimbursement shall be the same rate specified for district personnel.~~

~~(cf. 3350 - Travel Expenses)~~

Board members may use district-issued credit cards while on official district business and consistent with the limits established for district personnel. ~~Under no circumstances may~~



**REMUNERATION, REIMBURSEMENT AND OTHER BENEFITS**

~~personal expenses be charged on district credit cards.~~ **Personal expenses shall not be charged on a district-issued credit card, even if the Board member intends to subsequently reimburse the district for the personal charges.**

**Health and Welfare Benefits for Current Board Members**

Board members may participate in the health and welfare benefits program provided for district employees.

(cf. 4154/4254/4354 - Health and Welfare Benefits)

Health and welfare benefits for Board members shall be no greater than that received by district's nonsafety employees with the most generous schedule of benefits. (Government Code 53208.5)

The district shall pay the cost of all premiums required for Board members electing to participate in the district health and welfare benefits program to the same extent that the district pays premiums for district **employees.** ~~staff in accordance with Government Code 53208.5.~~

Health and welfare benefits provided to Board members shall be extended at the same level to their spouse/**registered domestic partner and to their eligibles**; dependent children **as specified in law and the health plan.** ~~under the age of 21, dependent children under the age of 25 who are full-time students at a college or university, and dependent children regardless of age who are physically or mentally incapacitated.~~

Legal Reference:

**EDUCATION CODE**

~~1090 Compensation for members and mileage allowance~~

33050-33053 General waiver authority

33362-33363 Reimbursement of expenses (~~Department of Education and CSBA~~ **for attendance at workshops**)

35012 Board members; number, election and term

35044 Payment of traveling expenses of representatives of board

35120 Compensation ~~(for services as member of governing board)~~

35172 Promotional activities

44038 Cash deposits for transportation purchased on credit

**FAMILY CODE**

**297-297.5 Rights, protections and benefits under law; registered domestic partners**

**GOVERNMENT CODE**

**8314 Use of public resources**

20322 Elective officers; election to become member

53200-53209 Group insurance

**HEALTH AND SAFETY CODE**

**1373 Health services plan, coverage for dependent children**

## REMUNERATION, REIMBURSEMENT AND OTHER BENEFITS

### INSURANCE CODE

10277-10278 Group and individual health insurance, coverage for dependent children

UNITED STATES CODE, TITLE 26

403(b) Tax-sheltered annuities

UNITED STATES CODE, TITLE 42

18011 Right to maintain existing health coverage

CODE OF FEDERAL REGULATIONS, TITLE 26

1.403(b)-2 Tax-sheltered annuities, definition of employee

### COURT DECISIONS

Thorning v. Hollister School District, (1992) 11 Cal.App.4th 1598

Board of Education of the Palo Alto Unified School District v. Superior Court of Santa Clara County, (1979) 93 Cal.App.3d 578

### ATTORNEY GENERAL OPINIONS

91 Ops.Cal.Atty.Gen. 37 (2008)

83 Ops.Cal.Atty.Gen. 124 (2000)

Management Resources:

### INSTITUTE FOR LOCAL GOVERNMENT PUBLICATIONS

Sample Expense and Use of Public Resources Policy Statement, January 2006

### INTERNAL REVENUE SERVICE PUBLICATIONS

Tax-Sheltered Annuity Plans (403(b) Plans) for Employees of Public Schools and Certain Tax-Exempt Organizations, Publication 571, rev. February 2013

### WEB SITES

CSBA: <http://www.csba.org>

Institute for Local Government: <http://www.ca-ilg.org>

Internal Revenue Service: <http://www.irs.gov>

Public Employees' Retirement System: <http://www.calpers.ca.gov>

Bylaw Adopted: ~~11/8/06~~ 01/13/21

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Nick Taylor, Ed. D.  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** 2019/20 QWUF "Audit Report

**BACKGROUND:** Education Code 41020 requires public school districts to annually conduct an audit of the district's financial records and internal operating procedures. This is accomplished through a qualified independent auditor who is responsible for completing and submitting this report to the District and the County Superintendent of Schools each year.

Notes from the Independent Auditors' Report are as follows: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Orcutt Union School District, as of June 30, 2020." Additionally, there were no findings but there were audit adjustments that are addressed in the management letter.

**RECOMMENDATION:** Staff recommends that the Board of Trustees accept the audit report ending June 30, 2020.

**FUNDING:** N/A



Financial Statements  
June 30, 2020

Orcutt Union School District



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## Independent Auditor's Report

To the Board of Directors  
Orcutt Union School District  
Orcutt, 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 Orcutt Union School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, budgetary comparison information on pages 74 and 75, schedule of changes in the District's net OPEB liability and related ratios on page 76, schedule of the District's proportionate share of the net OPEB liability – MPP program on page 77, schedule of the District's proportionate share of the net pension liability on page 78, and schedule of the District contributions on page 79, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 11, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Eide Bailly LLP*

Rancho Cucamonga, California  
December 11, 2020



Where a Dedicated Staff Means  
**KIDS COME FIRST**

**BOARD OF TRUSTEES**

LISA MORININI  
LIZ PHILLIPS  
MARK STELLER  
SHAUN HENDERSON  
MELANIE WAFFLE

DEBORAH BLOW, Ed.D.  
*District Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
SUSAN SALUCCI  
*Assistant Superintendent*  
HOLLY EDDS, Ed.D.  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

This section of Orcutt Union School District’s (the District) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2020, with comparative information for the year ended June 30, 2019. Please read it in conjunction with the District’s financial statements, which immediately follow this section.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**The Financial Statements**

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

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

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

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

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

The Primary unit of the government is the Orcutt Union School District.

## REPORTING THE DISTRICT AS A WHOLE

### The Statement of Net Position and the Statement of Activities

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

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

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

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

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

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

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

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

**Proprietary Funds** - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. In fact, the District's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

## THE DISTRICT AS A TRUSTEE

### Reporting the Districts Fiduciary Responsibilities

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

## THE DISTRICT AS A WHOLE

### Net Position

The District's net position was \$(3,345,602) for the fiscal year ended June 30, 2020. Of this amount, \$(32,292,915) was the unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use the net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

**Table 1**

	Governmental Activities	
	2020	2019
<b>Assets</b>		
Current and other assets	\$ 64,870,061	\$ 46,079,674
Capital assets	38,090,029	30,370,226
Total assets	102,960,090	76,449,900
Deferred outflows of resources	12,678,195	14,120,368
<b>Liabilities</b>		
Current liabilities	10,149,716	3,621,142
Long-term liabilities	102,987,935	84,368,127
Total liabilities	113,137,651	87,989,269
Deferred inflows of resources	5,846,236	4,701,703
<b>Net Position</b>		
Net investment in capital assets	14,759,987	15,923,855
Restricted	14,187,326	12,685,733
Unrestricted	(32,292,915)	(30,730,292)
Total net position	\$ (3,345,602)	\$ (2,120,704)

The \$(32,292,915) in unrestricted net deficit position of governmental activities represents the accumulated results of all past years' operations.

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 15. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

**Table 2**

	Governmental Activities	
	2020	2019
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 970,821	\$ 1,053,694
Operating grants and contributions	8,398,619	9,767,620
General revenues		
Federal and State aid not restricted	31,131,040	32,487,218
Property taxes	19,002,851	17,960,655
Other general revenues	4,591,360	3,991,702
Total revenues	<u>64,094,691</u>	<u>65,260,889</u>
<b>Expenses</b>		
Instruction-related	41,654,580	40,956,969
Pupil services	5,853,854	5,798,904
Administration	2,835,906	2,290,214
Plant services	5,818,227	7,664,547
Other	4,668,157	3,210,775
Total expenses	<u>60,830,724</u>	<u>59,921,409</u>
Change in net position	<u>\$ 3,263,967</u>	<u>\$ 5,339,480</u>

**Governmental Activities**

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was \$60,830,724. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$19,002,851 because the cost was paid by those who benefited from the programs (\$970,821) or by other governments and organizations who subsidized certain programs with grants and contributions (\$8,398,619). We paid for the remaining "public benefit" portion of our governmental activities with \$31,131,040 in State funds and with \$4,591,360 other revenues, like interest and general entitlements.

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

**Table 3**

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	\$ 41,654,580	\$ 40,956,969	\$ (35,339,964)	\$ (33,349,661)
Pupil services	5,853,854	5,798,904	(3,520,066)	(3,293,708)
Administration	2,835,906	2,290,214	(2,712,610)	(2,155,461)
Plant services	5,818,227	7,664,547	(5,798,466)	(7,659,993)
All other services	4,668,157	3,210,775	(4,090,178)	(2,641,272)
<b>Total</b>	<b>\$ 60,830,724</b>	<b>\$ 59,921,409</b>	<b>\$ (51,461,284)</b>	<b>\$ (49,100,095)</b>

**THE DISTRICT'S FUNDS**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the District as a whole is reflected in its governmental funds. As the District completed this fiscal year, its governmental funds reported a combined fund balance of \$55,057,264. This is an increase over last year. The District's governmental activities had more revenues than expenditures in 2020.

Beginning in fiscal year 2010-2011, GASB Statement No. 54 stated that Fund 20, Postemployment Benefits Fund, is not substantially composed of restricted or committed revenue sources. For this year, the fund will remain open for internal reporting purposes; however, it will be reported in these financials as an extension of the General Fund and, accordingly, combined with the General Fund for presentation in these audited financial statements.

As the District completed this year, our governmental funds reported a combined fund balance of \$55,057,264, which is an increase of \$17,016,525 from last year (Table 4).

**Table 4**

Governmental Fund	Balances and Activity			
	June 30, 2019	Revenues	Expenditures	June 30, 2020
General	\$ 14,959,511	\$ 50,211,701	\$ 45,941,012	\$ 19,230,200
Charter Schools	1,632,779	8,265,323	7,954,085	1,944,017
Building	11,290,497	20,672,673	9,710,105	22,253,065
Non-Major Governmental Funds	10,157,952	8,618,699	7,146,669	11,629,982
<b>Total</b>	<b>\$ 38,040,739</b>	<b>\$ 87,768,396</b>	<b>\$ 70,751,871</b>	<b>\$ 55,057,264</b>

### **General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased due to a grant to purchase a new school bus and disbursement of the ending fund balance from the Workers' Compensation pool.
- Supplies – saving in supplies due to delayed purchase of textbook and technology due to the COVID-19 pandemic.
- Capital Outlay – purchase of new school bus, largely funded with grant proceeds.

### **Education Protection Act**

The Education Protection Act (EPA) was created as a result of Proposition 30 which was passed by the electorate in November 2012. Revenues from taxes are deposited into the EPA account and the funds are released to K-14 school agencies. EPA funds did not provide additional funds to districts but instead are an offset from what otherwise would have been provided by the State of California. Proposition 30 did, however, help remove the threat of continued cuts to schools which was a welcome relief. The funds come with requirements that must be met. Each year local school agencies are required to discuss the plan to spend EPA funds in a public meeting of the governing board, and the funds cannot be used for administrative costs. At the end of each fiscal year, each local school agency is required to post on its website a report of the amount of EPA funds received for the year along with an accounting of how the funds were spent.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2020, the District had \$38,090,029 in a broad range of capital assets (net decrease of depreciation), including land, construction in progress, buildings and improvements, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$7,719,803 or 25%, from last year (Table 5).



**Table 5**

	Governmental Activities	
	2020	2019
Land and construction in progress	\$ 12,330,786	\$ 3,286,673
Buildings and improvements	22,733,015	23,647,123
Equipment	3,026,228	3,436,430
Total	\$ 38,090,029	\$ 30,370,226

This year's major additions included:

Construction in progress at various school sites for repair and upgrades

**Long-Term Liabilities**

At the end of this year, the District had \$102,987,935 in long-term liabilities outstanding versus \$84,368,127 last year, an increase of 22%. Long-term liabilities consisted of:

**Table 6**

	Governmental Activities	
	2020	2019
Long-Term Liabilities		
General obligation bonds	\$ 43,840,000	\$ 24,910,000
Unamortized premiums/(discounts)	1,892,720	826,868
Compensated absences	185,635	158,710
Net OPEB liability	6,329,606	7,770,741
Aggregate net pension liability	50,739,974	50,701,808
Total	\$ 102,987,935	\$ 84,368,127

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

The District is experiencing declining enrollment. Since 2014-15 the decline was quite modest. Since 2017-18, our number of enrolled students declined by 200. We receive approximately \$7800/student, this enrollment loss equates to a decrease in revenue of over \$1.5 million per year. A decline in enrollment can also have a negative effect on our unduplicated pupil percentage, which would have an additional negative impact on our revenue. While the economy appears to be relatively stable at the current time, we will continue to monitor key economic indicators in preparation for the next recession. Even with a stable economy, our District will continue to face challenges in the coming years due to the Local Control Funding Formula, declining enrollment, increasing special education costs, and increasing pension costs.

This is the eighth year of the Local Control Funding Formula (LCFF) which is a drastic change from the State revenue limit and categorical funding formula that has been in place for at least 40 years. The LCFF was designed to close the achievement gap and provides for a different distribution of dollars, not new funding. It only guarantees that the District will receive what would have been received in 2007-08 had we been fully funded. The new State formula funds base grants, plus supplemental and concentration grants based on the percentage of economically disadvantaged students, foster youth and English Learners. The formula has been phased in over several years and has now reached full implementation. From this point forward, the only increase in funding the District will receive is a Cost of Living Adjustment (COLA). Unfortunately, a COLA will barely cover step and column salary increases and PERS and STRS pension increases each year. As a result, the next several years will be a challenging time for our District, as well as districts throughout the State.

Under LCFF, the District receives only modest increases in comparison to neighboring districts in the Santa Maria Valley due to its demographic profile. This will make it increasingly more difficult to attract and retain high quality staff. The total impact on the finances of the District will continue to be extremely challenging as California continues to rank close to last in the nation in funding schools on a per student basis while still requiring high standards. Projected STRS and PERS increases over the next seven years at minimum without salary increases or additional staffing will be approximately \$2.5 million dollars. Adequacy of funding will be one of the most important issues for the District into the future.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Ms. Sandy Knight, Director of Fiscal Services, at Orcutt Union School District, 500 Dyer Street, Orcutt, California, 93455, or e-mail at [sknight@orcutt-schools.net](mailto:sknight@orcutt-schools.net).

Orcutt Union School District  
Statement of Net Position  
June 30, 2020

	Governmental Activities
<b>Assets</b>	
Deposits and investments	\$ 56,760,407
Receivables	8,059,925
Stores inventories	49,729
Capital assets not depreciated	12,330,786
Capital assets, net of accumulated depreciation	25,759,243
Total assets	102,960,090
<b>Deferred Outflows of Resources</b>	
Deferred charge on refunding	149,613
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	185,375
Deferred outflows of resources related to pensions	12,343,207
Total deferred outflows of resources	12,678,195
<b>Liabilities</b>	
Accounts payable	9,639,040
Interest payable	415,364
Unearned revenue	95,312
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	1,570,000
Long-term liabilities other than OPEB and pensions due in more than one year	44,348,355
Net other postemployment benefits liability	6,329,606
Aggregate net pension liability	50,739,974
Total liabilities	113,137,651

Orcutt Union School District  
Statement of Net Position  
June 30, 2020

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	Governmental Activities
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	\$ 1,286,265
Deferred inflows of resources related to pensions	4,559,971
Total deferred inflows of resources	5,846,236
Net Position	
Net investment in capital assets	14,759,987
Restricted for	
Debt service	3,656,942
Capital projects	5,830,179
Educational programs	3,167,559
Food Services	1,532,646
Unrestricted	(32,292,915)
Total net position	\$ (3,345,602)

Orcutt Union School District  
Statement of Activities  
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Instruction	\$ 34,351,831	\$ 256,742	\$ 5,505,310	\$ (28,589,779)
Instruction-related activities				
Supervision of instruction	2,387,935	10,684	506,207	(1,871,044)
Instructional library, media, and technology	1,290,156		7,286	(1,282,870)
School site administration	3,624,658	715	27,672	(3,596,271)
Pupil services				
Home-to-school transportation	1,389,827		-	(1,389,827)
Food services	1,911,532	520,189	1,299,703	(91,640)
All other pupil services	2,552,495	59,654	454,242	(2,038,599)
Administration				
All other administration	2,835,906	22,171	101,125	(2,712,610)
Plant services	5,818,227	544	19,217	(5,798,466)
Ancillary services	357,328	7,216	3,702	(346,410)
Community services	946,174		-	(946,174)
Interest on long-term liabilities	1,638,662		-	(1,638,662)
Other outgo	1,725,993	92,906	474,155	(1,158,932)
<b>Total governmental activities</b>	<b>\$ 60,830,724</b>	<b>\$ 970,821</b>	<b>\$ 8,398,619</b>	<b>(51,461,284)</b>
<b>General Revenues and Subventions</b>				
Property taxes, levied for general purposes				16,528,787
Property taxes, levied for debt service				2,474,064
Federal and State aid not restricted to specific purposes				31,131,040
Interest and investment earnings				753,795
Miscellaneous				3,837,565
<b>Subtotal, general revenues</b>				<b>54,725,251</b>
<b>Change in Net Position</b>				<b>3,263,967</b>
<b>Net Position - Beginning</b>				<b>(6,609,569)</b>
<b>Net Position - Ending</b>				<b>\$ (3,345,602)</b>

Orcutt Union School District  
Balance Sheet – Governmental Funds  
June 30, 2020

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Deposits and investments	\$ 14,127,566	\$ 1,406,983	\$ 27,676,175	\$ 11,689,838	\$ 54,900,562
Receivables	6,959,659	990,676	32,878	72,929	8,056,142
Due from other funds	431,676	226,385	-	9,341	667,402
Stores inventories	31,459	-	-	18,270	49,729
<b>Total assets</b>	<b>\$ 21,550,360</b>	<b>\$ 2,624,044</b>	<b>\$ 27,709,053</b>	<b>\$ 11,790,378</b>	<b>\$ 63,673,835</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,024,708	364,898	\$ 5,455,988	\$ 8,263	\$ 7,853,857
Due to other funds	235,726	315,129	-	116,547	667,402
Unearned revenue	59,726	-	-	35,586	95,312
<b>Total liabilities</b>	<b>2,320,160</b>	<b>680,027</b>	<b>5,455,988</b>	<b>160,396</b>	<b>8,616,571</b>
<b>Fund Balances</b>					
Nonspendable	46,959	-	-	18,270	65,229
Restricted	1,223,542	1,944,017	22,253,065	11,435,131	36,855,755
Committed	12,205,415	-	-	-	12,205,415
Assigned	4,345,080	-	-	176,581	4,521,661
Unassigned	1,409,204	-	-	-	1,409,204
<b>Total fund balances</b>	<b>19,230,200</b>	<b>1,944,017</b>	<b>22,253,065</b>	<b>11,629,982</b>	<b>55,057,264</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,550,360</b>	<b>\$ 2,624,044</b>	<b>\$ 27,709,053</b>	<b>\$ 11,790,378</b>	<b>\$ 63,673,835</b>

Orcutt Union School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2020

Total Fund Balance - Governmental Funds \$ 55,057,264

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

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

The cost of capital assets is	\$ 66,816,931
Accumulated depreciation is	<u>(28,726,902)</u>

Net capital assets	38,090,029
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In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred. (415,364)

An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. 78,445

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

Deferred charge on refunding	149,613
Other postemployment benefits	185,375
Net pension liability	<u>12,343,207</u>

Total deferred outflows of resources	12,678,195
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Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to

Other postemployment benefits	(1,286,265)
Net pension liability	<u>(4,559,971)</u>

Total deferred inflows of resources	(5,846,236)
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Orcutt Union School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2020

Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		\$ (50,739,974)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(6,329,606)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds	\$ (43,840,000)	
Unamortized debt premiums	(1,892,720)	
Compensated absences (vacations)	<u>(185,635)</u>	
Total long-term liabilities		<u>(45,918,355)</u>
Total net position - governmental activities		<u><u>\$ (3,345,602)</u></u>



**Orcutt Union School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**  
**Year Ended June 30, 2020**

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Local Control Funding Formula	\$ 39,329,800	\$ 7,299,414	\$ -	\$ -	\$ 46,629,214
Federal sources	1,557,962	-	-	1,243,187	2,801,149
Other State sources	4,344,410	611,316	-	338,381	5,294,107
Other local sources	4,894,529	354,593	172,673	3,742,410	9,164,205
Total revenues	<u>50,126,701</u>	<u>8,265,323</u>	<u>172,673</u>	<u>5,323,978</u>	<u>63,888,675</u>
<b>Expenditures</b>					
<b>Current</b>					
Instruction	28,395,161	4,202,784	-	191,802	32,789,747
Instruction-related activities					
Supervision of instruction	2,513,330	237,583	-	5,946	2,756,859
Instructional library, media, and technology	1,177,416	91,530	-	-	1,268,946
School site administration	2,711,728	687,242	-	22,245	3,421,215
Pupil services					
Home-to-school transportation	1,134,682	83,006	-	-	1,217,688
Food services	9,341	-	-	1,874,604	1,883,945
All other pupil services	2,249,773	296,530	-	-	2,546,303
Administration					
All other administration	1,190,645	1,633,879	-	107,678	2,932,202
Plant services	3,696,764	393,073	-	1,959	4,091,796
Ancillary services	105,093	243,458	-	-	348,551
Community services	948,444	-	-	-	948,444
Other outgo	1,725,977	-	-	16	1,725,993
Facility acquisition and construction	73,504	-	9,309,144	45,397	9,428,045
Debt service					
Principal	-	-	-	1,785,000	1,785,000
Interest and other	-	-	400,961	987,225	1,388,186
Total expenditures	<u>45,931,858</u>	<u>7,869,085</u>	<u>9,710,105</u>	<u>5,021,872</u>	<u>68,532,920</u>
<b>Excess (Deficiency) of Revenues</b>					
Over Expenditures	<u>4,194,843</u>	<u>396,238</u>	<u>(9,537,432)</u>	<u>302,106</u>	<u>(4,644,245)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	85,000	-	-	9,154	94,154
Other sources - proceeds from bond issuance	-	-	20,500,000	3,515,383	24,015,383
Transfers out	(9,154)	(85,000)	-	-	(94,154)
Other uses - payment to refunded bond escrow agent	-	-	-	(2,354,613)	(2,354,613)
Net Financing Sources (Uses)	<u>75,846</u>	<u>(85,000)</u>	<u>20,500,000</u>	<u>1,169,924</u>	<u>21,660,770</u>
Net Change in Fund Balances	4,270,689	311,238	10,962,568	1,472,030	17,016,525
Fund Balance - Beginning	14,959,511	1,632,779	11,290,497	10,157,952	38,040,739
Fund Balance - Ending	<u>\$ 19,230,200</u>	<u>\$ 1,944,017</u>	<u>\$ 22,253,065</u>	<u>\$ 11,629,982</u>	<u>\$ 55,057,264</u>

Orcutt Union School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds \$ 17,016,525

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

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

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

Capital outlays	\$ 9,487,099	
Depreciation expense	<u>(1,767,296)</u>	
Net expense adjustment		7,719,803

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used. (26,925)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. (2,290,365)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. 957,015

Proceeds received from Certificates of Participation or Sale of Bonds is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. (22,920,000)

Orcutt Union School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2020

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Deferred amounts on refunding (the difference between the reacquisition price of the net carrying amount of the refunded debt) are capitalized and amortized over the remaining life of the new or old debt, whichever is shorter.	\$ 149,613
Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium on issuance recognized	(1,095,383)
Premium amortization	29,531
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	3,990,000
Interest on long-term liabilities is recorded as an expenditure in the ☐ funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	(280,007)
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	<u>14,160</u>
Change in net position of governmental activities	<u>\$ 3,263,967</u>

Orcutt Union School District  
Statement of Net Position – Proprietary Funds  
June 30, 2020

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	<u>Governmental Activities - Internal Service Fund</u>
Assets	
Current assets	
Deposits and investments	\$ 1,859,845
Receivables	<u>3,783</u>
Total current assets	<u>\$ 1,863,628</u>
Liabilities	
Current liabilities	
Accounts payable	<u>\$ 1,785,183</u>
Net Position	
Restricted	<u>\$ 78,445</u>

Orcutt Union School District  
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds  
Year Ended June 30, 2020

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	Governmental Activities - Internal Service Fund
Nonoperating Revenues (Expenses)	
Interest income	\$ 14,160
Change in Net Position	14,160
Total Net Position - Beginning	64,285
Total Net Position - Ending	\$ 78,445

Orcutt Union School District  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Operating Activities	
Cash paid for employee benefits	\$ 6,948,173
Cash payments to other suppliers of goods or services	<u>(6,841,799)</u>
Net Cash From Operating Activities	<u>106,374</u>
Investing Activities	
Interest on investments	<u>14,160</u>
Net Change in Cash and Cash Equivalents	120,534
Cash and Cash Equivalents, Beginning	<u>1,739,311</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,859,845</u></u>
Reconciliation of Operating Loss to Net Cash From Operating Activities	
Adjustments to reconcile operating loss to net cash from operating activities	
Receivables	\$ 2,194
Accrued liabilities	<u>104,180</u>
Net Cash From Operating Activities	<u><u>\$ 106,374</u></u>

Orcutt Union School District  
Statement of Fiduciary Net Position – Fiduciary Funds  
June 30, 2020

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	<u>Agency Funds</u>
Assets	
Deposits and investments	\$ 58,529
Receivables	291
Stores inventories	<u>1,209</u>
Total assets	<u>\$ 60,029</u>
Liabilities	
Due to student groups	<u>\$ 60,029</u>

## **Note 1 - Summary of Significant Accounting Policies**

### **Financial Reporting Entity**

The Orcutt Union School District (the District) was established in 1884 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K -12 as mandated by the State and/or Federal agencies. The District operates eight elementary schools, with grades kindergarten through eight, and one charter school, with grades kindergarten through twelve.

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

### **Other Related Entities**

**Charter School** The District has an approved Charter for Orcutt Academy Charter pursuant to *Education Code* Section 47605. The Orcutt Academy Charter is operated by the District, and its financial activities are presented in the Charter School special revenue fund.

### **Basis of Presentation - Fund Accounting**

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

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

### **Major Governmental Funds**

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



Two funds currently defined as special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 14, Deferred Maintenance Fund, and Fund 20, Special Reserve Fund for Postemployment Benefits, is not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as extensions of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of \$8,833,945.

**Charter School Fund** The Charter School Fund may be used by authorizing districts to account separately for the operating activities of district-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

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

#### **Non-Major Governmental Funds**

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

- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

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

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (Education Code Section 42840).

**Debt Service Funds** The Debt Service funds are used to account for the accumulation of resources for, and the retirement of, principal and interest on general long-term liabilities.

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

**Proprietary Funds** Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service.

- **Internal Service Fund** Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates an internal service fund that is used to account for the District's risk management activities.

**Fiduciary Funds** Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

#### **Basis of Accounting - Measurement Focus**

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

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

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

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

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.
- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

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

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

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

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

### **Cash and Cash Equivalents**

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

### **Investments**

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

### **Stores Inventories**

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

### **Capital Assets and Depreciation**

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

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

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

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

### **Interfund Balances**

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

### **Compensated Absences**

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

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

### **Accrued Liabilities and Long-Term Liabilities**

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

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

### **Debt Issuance Costs, Premiums and Discounts**

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

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

### **Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items. The deferred amounts related to pension and OPEB relate to differences between contributions and the District's proportionate share of contributions, differences between expected and actual experiences, and differences between expected and actual earnings on investments.

### **Pensions**

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

### **Postemployment Benefits Other Than Pensions (OPEB)**

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

### **Fund Balances - Governmental Funds**

As of June 30, 2020, fund balances of the governmental funds are classified as follows:

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

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

**Committed** - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

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

**Unassigned** - all other spendable amounts.

### **Spending Order Policy**

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

### **Minimum Fund Balance Policy**

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.



### **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$12,444,019 of net position restricted by enabling legislation.

### **Operating Revenues and Expenses**

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

### **Interfund Activity**

Transfers between governmental and business-type activities in the government-wide financial statements are reported in the same manner as general revenues.

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

### **Estimates**

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

### **Property Tax**

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

### **Change in Accounting Principles**

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

The provisions of this Statement have been implemented as of June 30, 2020.

### **New Accounting Pronouncements**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the implementation of GASB No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.

- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets. That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.



The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The effects of this change on the District's financial statements have not yet been determined.

## Note 2 - Deposits and Investments

### Summary of Deposits and Investments

Deposits and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 54,900,562
Proprietary funds	1,859,845
Fiduciary funds	<u>58,529</u>
Total deposits and investments	<u><u>\$ 56,818,936</u></u>

Deposits and investments as of June 30, 2020, consist of the following:

Cash on hand and in banks	\$ 80,800
Cash in revolving	15,500
Investments	<u>56,722,636</u>
Total deposits and investments	<u><u>\$ 56,818,936</u></u>

### Policies and Practices

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

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

### General Authorizations

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

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

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool.

**Weighted Average Maturity**

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity in Days
Santa Barbara County Investment Pool	<u>\$ 56,722,636</u>	491

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Santa Barbara County Investment Pool is not required to be rated, nor has it been rated as of June 30, 2020.

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2020, the District's bank balance was not exposed to custodial credit risk.

**Note 3 - Fair Value Measurements**

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Santa Barbara County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share. The Santa Barbara County Treasury Investment Pool has a daily redemption frequency period and a one-day redemption notice period.

The District's fair value measurements are as follows at June 30, 2020:

Investment Type	Reported Amount	Uncategorized
Santa Barbara County Investment Pool	\$ 56,722,636	\$ 56,722,636

**Note 4 - Receivables**

Receivables at June 30, 2020, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds
Federal Government				
Categorical aid	\$ 1,588,464	\$ -	\$ -	\$ 23,859
State Government				
LCFF apportionment	4,786,209	943,966	-	-
Categorical aid	280,830	-	-	17,600
Lottery	213,483	39,220	-	-
Local Government				
Interest	36,976	5,670	32,878	31,288
Other local sources	53,697	1,820	-	182
Total	<u>\$ 6,959,659</u>	<u>\$ 990,676</u>	<u>\$ 32,878</u>	<u>\$ 72,929</u>
		Proprietary Funds	Total	Fiduciary Funds
Federal Government				
Categorical aid		\$ -	\$ 1,612,323	\$ -
State Government				
LCFF apportionment		-	5,730,175	-
Categorical aid		-	298,430	-
Lottery		-	252,703	-
Local Government		-	-	-
Interest		-	106,812	-
Other local sources		3,783	55,699	291
Total		<u>\$ 3,783</u>	<u>\$ 8,056,142</u>	<u>\$ 291</u>

**Note 5 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 1,878,255	\$ -	\$ -	\$ 1,878,255
Construction in progress	1,408,418	9,044,113	-	10,452,531
<b>Total capital assets not being depreciated</b>	<b>3,286,673</b>	<b>9,044,113</b>	<b>-</b>	<b>12,330,786</b>
Capital assets being depreciated				
Buildings and improvements	44,037,814	88,117	-	44,125,931
Furniture and equipment	10,005,345	354,869	-	10,360,214
<b>Total capital assets being depreciated</b>	<b>54,043,159</b>	<b>442,986</b>	<b>-</b>	<b>54,486,145</b>
<b>Total capital assets</b>	<b>57,329,832</b>	<b>9,487,099</b>	<b>-</b>	<b>66,816,931</b>
Accumulated depreciation				
Buildings and improvements	(20,390,691)	(1,002,225)	-	(21,392,916)
Furniture and equipment	(6,568,915)	(765,071)	-	(7,333,986)
<b>Total accumulated depreciation</b>	<b>(26,959,606)</b>	<b>(1,767,296)</b>	<b>-</b>	<b>(28,726,902)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 30,370,226</b>	<b>\$ 7,719,803</b>	<b>\$ -</b>	<b>\$ 38,090,029</b>

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

<b>Governmental Activities</b>	
Plant services	<u>\$ 1,767,296</u>

**Note 6 - Interfund Transactions**

**Interfund Receivables/Payables (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2020, between major and non-major governmental funds are as follows:

Due To	Due From			Total
	General Fund	Charter School Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 315,129	\$ 116,547	\$ 431,676
Charter School Fund	226,385	-	-	226,385
Non-Major Governmental Funds	9,341	-	-	9,341
Total	<u>\$ 235,726</u>	<u>\$ 315,129</u>	<u>\$ 116,547</u>	<u>\$ 667,402</u>

The balance of \$226,385 is due to the Charter School Fund from the General Fund for charter in lieu of property taxes and LCFF.

The balance of \$315,129 is due to the General Fund from the Charter School Fund for charter school fees.

A balance of 81,189 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for indirect and fuel costs.

All remaining balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system, and (3) payments between funds are made.

**Operating Transfers**

Interfund transfers for the year ended June 30, 2020, consisted of the following:

The Charter School Fund transferred to the General Fund for postretirement benefits.	\$ 85,000
The General Fund transferred to the Cafeteria Non-Major Governmental Fund to clear student bad debts.	9,138
The General Fund transferred to the County School Facility Non-Major Governmental Fund for a contribution to cover costs.	16
Total	\$ 94,154

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 7 - Accounts Payable**

Accounts payable at June 30, 2020, consisted of the following:

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds	Proprietary Funds	Total
Vendor payables	\$ 1,988,668	\$ 363,366	\$ -	\$ 6,337	\$ 1,785,183	\$ 4,143,554
Salaries and benefits	36,040	1,532	-	1,926	-	39,498
Construction	-	-	5,455,988	-	-	5,455,988
Total	\$ 2,024,708	\$ 364,898	\$ 5,455,988	\$ 8,263	\$ 1,785,183	\$ 9,639,040



**Note 8 - Unearned Revenue**

Unearned revenue at June 30, 2020, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 46,302	\$ -	\$ 46,302
State categorical aid	13,424	-	13,424
Other local	-	35,586	35,586
<b>Total</b>	<b>\$ 59,726</b>	<b>\$ 35,586</b>	<b>\$ 95,312</b>

**Note 9 - Long-Term Liabilities other than OPEB and Pensions**

**Summary**

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
<b>Long-Term Liabilities</b>					
General obligation bonds	\$ 24,910,000	\$ 22,920,000	\$ (3,990,000)	\$ 43,840,000	\$ 1,570,000
Unamortized debt premiums	826,868	1,095,383	(29,531)	1,892,720	-
Compensated absences	158,710	26,925	-	185,635	-
<b>Total</b>	<b>\$ 25,895,578</b>	<b>\$ 24,042,308</b>	<b>\$ (4,019,531)</b>	<b>\$ 45,918,355</b>	<b>\$ 1,570,000</b>

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments for compensated absences are typically liquidated in the fund in which the employee worked.

**Bonded Debt**

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds		Bonds Outstanding June 30, 2020
				Outstanding July 1, 2019	Issued / Redeemed	
03/01/2012	02/01/2031	2.0%-4.0%	\$ 4,150,000	\$ 2,830,000	\$ - / \$ (2,405,000)	\$ 425,000
03/01/2012	08/01/2028	2.0%-3.5%	1,525,000	1,025,000	- / (90,000)	935,000
07/15/2015	08/01/2030	3.25%	7,415,000	5,845,000	- / (445,000)	5,400,000
06/28/2018	08/01/2048	3.25%-5.00%	15,210,000	15,210,000	- / (1,050,000)	14,160,000
06/25/2020	08/01/2049	2.0%-4.0%	20,500,000	-	20,500,000 / -	20,500,000
06/25/2020	02/01/2031	.60%-1.80%	2,420,000	-	2,420,000 / -	2,420,000
				<u>\$ 24,910,000</u>	<u>\$ 22,920,000</u> / <u>\$ (3,990,000)</u>	<u>\$ 43,840,000</u>

On June 25, 2020, the District issued \$2,420,000 of 2020 General Obligation Refunding Bonds. The bonds were issued to refund certain maturities of the 2012 General Obligation Refunding Bonds, Series A. As a result, the outstanding obligation of the 2012 General Obligation Refunding Bonds, Series A is considered to be defeased and the liability has been removed from the government-wide statement of net position. The refunding resulted in a cumulative cash flow savings of \$4,084 over the life of the new debt and an economic gain of \$125,522 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 3.68%.

**Debt Service Requirements to Maturity**

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2021	\$ 1,570,000	\$ 1,232,783	\$ 2,802,783
2022	1,535,000	1,430,391	2,965,391
2023	1,205,000	1,307,048	2,512,048
2024	890,000	1,278,787	2,168,787
2025	1,000,000	1,254,003	2,254,003
2026-2030	5,960,000	5,760,284	11,720,284
2031-2035	3,660,000	4,874,837	8,534,837
2036-2040	6,050,000	3,912,232	9,962,232
2041-2045	9,405,000	2,706,719	12,111,719
2046-2050	12,565,000	978,317	13,543,317
Total	<u>\$ 43,840,000</u>	<u>\$ 24,735,401</u>	<u>\$ 68,575,401</u>

**Compensated Absences**

Compensated absences (unpaid employee vacation) for the District at June 30, 2020, amounted to \$185,635.

**Note 10 - Net Other Postemployment Benefits (OPEB) Liability**

For the fiscal year ended June 30, 2020, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	\$ 6,057,653	\$ 185,375	\$ 1,286,265	\$ (940,746)
Medicare Premium Payment (MPP) Program	271,953	-	-	(16,269)
Total	<u>\$ 6,329,606</u>	<u>\$ 185,375</u>	<u>\$ 1,286,265</u>	<u>\$ (957,015)</u>

The details of each plan are as follows:

**District Plan**

**Plan Administration**

The California Public Employees' Retirement System (CalPERS) administers the District's Postemployment Benefits Plan (the Plan) by maintaining the assets provided and payment at the direction of the District. The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. The Public Agency Retirement Services (PARS) administers the District's Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. Financial information for PARS can be found on the PARS website at: <http://www.pars.org>.

**Plan Membership**

At June 30, 2020, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	50
Active employees	<u>199</u>
Total	<u><u>249</u></u>

**Benefits Provided**

The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

**Contributions**

The contribution requirements of the Plan members and the District are established and may be amended by the District, Orcutt Educators Association, the local California Service Employees Association (CSEA), and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements and any additional amounts to prefund benefits with the District, Orcutt Educators Association, CSEA, and the unrepresented groups are based on availability of funds. For the measurement period of June 30, 2020, the District contributed \$1,586,117 to the Plan, of which \$736,117 was used for current premiums and \$850,000 was used to fund the OPEB Trust.

**Investment**

**Investment Policy**

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2020.

Asset Class	Long-Term Expected Real Rate of Return
US Large Cap	7.8%
US Small Cap	7.8%
Long-Term Corporate Bonds	4.5%
Long-Term Government Bonds	4.5%
Short-Term Government Fixed	3.3%

**Net OPEB Liability of the District**

The District's net OPEB liability of \$6,057,653 was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The components of the net OPEB liability of the District as of June 30, 2020, was as follows:

Total OPEB liability	\$ 10,546,518
Plan fiduciary net position	<u>(4,488,865)</u>
Net OPEB liability	<u>\$ 6,057,653</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>42.56%</u>

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75	percent
Salary increases	2.75	percent, average, including inflation
Investment rate of return	5.00	percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00	percent for 2020

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

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period of July 1, 2019 to June 30, 2020.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US Large Cap	7.8%
US Small Cap	7.8%
Long-Term Corporate Bonds	4.5%
Long-Term Government Bonds	4.5%
Short-Term Government Fixed	3.3%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2019	\$ 10,907,493	\$ 3,424,974	\$ 7,482,519
Service cost	530,760	-	530,760
Interest	540,240	-	540,240
Employer Contributions	-	1,586,117	(1,586,117)
Actual Investment Income	-	192,259	(192,259)
Changes of benefit terms			
Difference between expected and actual experience	(253,337)	-	(253,337)
Changes of assumptions	(442,521)	-	(442,521)
Investment Gains	-	31,230	(31,230)
Benefit payments	(736,117)	(736,117)	-
Administrative expense	-	(9,598)	9,598
Net change in total OPEB liability	(360,975)	1,063,891	(1,424,866)
Balance, June 30, 2020	<u>\$ 10,546,518</u>	<u>\$ 4,488,865</u>	<u>\$ 6,057,653</u>

There were no changes to changes of assumptions, other inputs, and benefits noted from the prior evaluation.

**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 percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (4.00%)	\$ 6,601,117
Current discount rate (5.00%)	6,057,653
1% increase (6.00%)	5,539,274

**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 percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3.0%)	\$ 5,309,299
Current healthcare cost trend rate (4.0%)	6,057,653
1% increase (5.0%)	6,903,787

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$(940,746). At June 30, 2020, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 140,505	\$ 328,301
Changes of assumptions	-	932,981
Net difference between projected and actual earnings on OPEB plan investments	44,870	24,983
Total	\$ 185,375	\$ 1,286,265

Deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as a reduction in the OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ (242,968)
2022	(242,968)
2023	(242,975)
2024	(257,922)
2025	(128,194)
Thereafter	14,137
Total	\$ (1,100,890)



## **Medicare Premium Payment (MPP) Program**

### **Plan Description**

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

### **Benefits Provided**

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

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

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

### **Net OPEB Liability and OPEB Expense**

At June 30, 2020, the District reported a liability of \$271,953 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, was 0.0730% and 0.0753%, respectively, resulting in a net decrease in the proportionate share of 0.0023%.

For the year ended June 30, 2020, the District recognized OPEB expense of (\$16,269).

**Actuarial Methods and Assumptions**

The June 30, 2019 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23% of the potentially eligible population (165,422).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

**Discount Rate**

The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37% from 3.87% as of June 30, 2018.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.50%)	\$ 296,763
Current discount rate (3.50%)	271,953
1% increase (4.50%)	249,141

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	\$ 254,901
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	271,953
1% increase (4.7% Part A and 5.1% Part B)	306,013

**Note 11 - Fund Balances**

Fund balances composed of the following elements:

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>					
Revolving cash	\$ 15,500	\$ -	\$ -	\$ -	\$ 15,500
Stores inventories	31,459	-	-	18,270	49,729
Total nonspendable	46,959	-	-	18,270	65,229
<b>Restricted</b>					
Legally restricted programs	1,223,542	1,944,017	-	1,532,646	4,700,205
Capital projects	-	-	22,253,065	5,830,179	28,083,244
Debt services	-	-	-	4,072,306	4,072,306
Total restricted	1,223,542	1,944,017	22,253,065	11,435,131	36,855,755
<b>Committed</b>					
Instructional Materials/ Technology	2,000,000	-	-	-	2,000,000
Reserve for Cashflow/COVID	10,205,415	-	-	-	10,205,415
Total committed	12,205,415	-	-	-	12,205,415
<b>Assigned</b>					
Postemployment Benefits	5,731	-	-	-	5,731
Deferred maintenance	4,339,349	-	-	-	4,339,349
Capital projects	-	-	-	176,581	176,581
Total assigned	4,345,080	-	-	176,581	4,521,661
<b>Unassigned</b>					
Reserve for economic uncertainties	1,409,204	-	-	-	1,409,204
Total	<u>\$ 19,230,200</u>	<u>\$ 1,944,017</u>	<u>\$ 22,253,065</u>	<u>\$ 11,629,982</u>	<u>\$ 55,057,264</u>

## **Note 12 - Risk Management**

### **Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2020, the District contracted with SISCII for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

### **Workers' Compensation**

For fiscal year 2020, the District participated in the SIPE, an insurance purchasing pool. The intent of the SIPE is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SIPE. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the name of SIPE. Each participant pays its workers' compensation premium based on its individual rate.

### **Employee Medical Benefits**

The District has contracted with the SISCIII to provide employee health benefits. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

## **Note 13 - Employee Retirement Systems**

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

For the fiscal year ended June 30, 2020, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 37,283,867	\$ 9,303,164	\$ 4,346,136	\$ 4,300,858
CalPERS	13,456,107	3,040,043	213,835	2,261,109
Total	<u>\$ 50,739,974</u>	<u>\$ 12,343,207</u>	<u>\$ 4,559,971</u>	<u>\$ 6,561,967</u>

The details of each plan are as follows:

### California State Teachers' Retirement System (CalSTRS)

#### Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required state contribution rate	10.328%	10.328%

### Contributions

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the District's total contributions were \$3,785,048.

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

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

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 37,283,867
State's proportionate share of the net pension liability	20,340,839
Total	\$ 57,624,706

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, was 0.0413% and 0.0420%, respectively, resulting in a net decrease in the proportionate share of 0.0007%.

For the year ended June 30, 2020, the District recognized pension expense of \$4,300,858. In addition, the District recognized pension expense and revenue of \$3,029,189 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,785,048	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	708,400	1,859,334
Differences between projected and actual earnings on pension plan investments	-	1,436,186
Differences between expected and actual experience in the measurement of the total pension liability	94,122	1,050,616
Changes of assumptions	4,715,594	-
Total	\$ 9,303,164	\$ 4,346,136

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ (144,864)
2022	(1,140,162)
2023	(236,716)
2024	85,556
Total	\$ (1,436,186)



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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 791,145
2022	791,146
2023	598,250
2024	763,077
2025	(153,839)
Thereafter	(181,613)
Total	\$ 2,608,166

#### Actuarial Methods and Assumptions

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

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.8%
Fixed income	12%	1.3%
Real estate	13%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	9%	1.8%
Inflation sensitive	4%	3.3%
Cash/liquidity	2%	-0.4%

**Discount Rate**

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 55,518,764
Current discount rate (7.10%)	37,283,867
1% increase (8.10%)	22,163,665

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

**Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:

<https://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

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

The CalPERS provisions and benefits in effect at June 30, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	19.721%	19.721%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the total District contributions were \$1,314,418.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$13,456,107. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, was 0.0462% and 0.0456%, respectively, resulting in a net increase in the proportionate share of 0.0006%.

For the year ended June 30, 2020, the District recognized pension expense of \$2,261,109. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,314,418	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	107,618	89,027
Differences between projected and actual earnings on pension plan investments	-	124,808
Differences between expected and actual experience in the measurement of the total pension liability	977,454	-
Changes of assumptions	640,553	-
Total	\$ 3,040,043	\$ 213,835

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 123,200
2022	(246,086)
2023	(37,292)
2024	35,370
Total	\$ (124,808)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 967,714
2022	458,695
2023	191,082
2024	19,107
Total	\$ 1,636,598

**Actuarial Methods and Assumptions**

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

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

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

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

**Discount Rate**

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 19,396,094
Current discount rate (7.15%)	13,456,107
1% increase (8.15%)	8,528,478

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,124,665 (10.328% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of \$1.1 billion for CalSTRS. A proportionate share of \$712,684 for these contributions has been recorded in these financial statements.

**Note 14 - Commitments and Contingencies**

**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect of the overall financial position of the District at June 30, 2020.

**Construction Commitments**

As of June 30, 2020, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Alice Shaw - full day kindergarten	\$ 221,546	06/30/21
District Office - innovation center	382,992	06/30/21
Joe Nightingale - phase II	22,379	06/30/21
Joe Nightingale - site safety	229,145	06/30/21
Joe Nightingale - full day kindergarten	596,223	06/30/21
Lakeview - Site Safety	217,248	06/30/21
Olga Reed - cafeteria alteration	558,191	06/30/21
Orcutt Academy High School - Modernization	503,498	06/30/21
Orcutt Academy High School - site safety	352,469	06/30/21
Orcutt Junior High School - site safety	30,711	06/30/21
Patterson Road - full day kindergarten	933,690	06/30/21
Pine Grove - Site Safety	259,814	06/30/21
Pine Grove - full day kindergarten	458,747	06/30/21
Pine Grove - parking lot	609,014	06/30/21
Ralph Dunlap - full day kindergarten	251,213	06/30/21
Total	<u>\$ 5,626,880</u>	

**Note 15 - Participation in Joint Powers Authorities**

The Orcutt Union School District participates in three joint ventures under joint powers agreements (JPAs): the Self-Insurance Program for Employees, the Self-Insured Schools of California II, and the Self-Insured Schools of California III. The relationships between the Orcutt Union School District and the JPAs are such that none of the JPAs are a component unit of the Orcutt Union School District for financial reporting purposes.

The JPAs are independently accountable for their fiscal matters. The insurance groups maintain their own accounting records. Budgets are not subject to any approval other than of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA.



**Self-Insurance Program for Employees (SIPE)**

SIPE was established to provide the services and other items necessary and appropriate for the development, operation, and maintenance of a self-insurance system for workers' compensation claims against the public educational agencies who are members thereof. The participants consist of the Office of the County Superintendent of Schools, school districts, and a community college. Each participant may appoint one representative to the governing board, the governing board is responsible for establishing premium rates and making budgeting decisions.

**Self-Insured School of California II (SISC II)**

SISC II arranges for and provides property and liability insurance for its member school districts. The Orcutt Union School District pays a premium commensurate with the level of coverage requested.

**Self-Insured School of California III (SISC III)**

SIPE III arranges for and provides health and welfare insurance for its member school districts. The Orcutt Union School District pays a premium commensurate with the level of health and welfare insurance provided.

The District made payments of \$276,267, \$458,706, and \$4,673,508 to SIPE, SISC II, and SISC III, respectively.

**Note 16 - Subsequent Events**

Subsequent to year end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to State apportionment deferrals.



Required Supplementary Information  
June 30, 2020

**Orcutt Union School District**

Orcutt Union School District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
<b>Revenues</b>				
Local Control Funding Formula	\$ 38,730,054	\$ 37,692,695	\$ 39,329,800	\$ 1,637,105
Federal sources	1,704,760	1,666,358	1,557,962	(108,396)
Other State sources	3,122,922	3,681,229	4,344,410	663,181
Other local sources	3,653,331	4,278,658	4,894,529	615,871
Total revenues <sup>1</sup>	<u>47,211,067</u>	<u>47,318,940</u>	<u>50,126,701</u>	<u>2,807,761</u>
<b>Expenditures</b>				
<b>Current</b>				
Certificated salaries	19,703,073	19,549,799	19,617,501	(67,702)
Classified salaries	6,899,383	7,167,725	7,131,610	36,115
Employee benefits	11,859,729	11,680,120	12,342,365	(662,245)
Books and supplies	2,813,135	1,409,523	1,327,153	82,370
Services and operating expenditures	3,495,344	3,527,239	3,392,722	134,517
Other outgo	1,521,846	1,745,836	1,722,263	23,573
Capital outlay	193,000	379,564	398,244	(18,680)
Total expenditures <sup>1</sup>	<u>46,485,510</u>	<u>45,459,806</u>	<u>45,931,858</u>	<u>(472,052)</u>
<b>Excess of Revenues Over Expenditures</b>				
	<u>725,557</u>	<u>1,859,134</u>	<u>4,194,843</u>	<u>2,335,709</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	85,000	85,000
Transfers out	(846,769)	(1,010,000)	(9,154)	1,000,846
Net financing sources (uses)	<u>(846,769)</u>	<u>(1,010,000)</u>	<u>75,846</u>	<u>1,085,846</u>
<b>Net Change in Fund Balances</b>	<u>(121,212)</u>	<u>849,134</u>	<u>4,270,689</u>	<u>3,421,555</u>
<b>Fund Balance - Beginning</b>	<u>14,959,511</u>	<u>14,959,511</u>	<u>14,959,511</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 14,838,299</u>	<u>\$ 15,808,645</u>	<u>\$ 19,230,200</u>	<u>\$ 3,421,555</u>

<sup>1</sup> Due to the consolidation of Fund 14, Deferred Maintenance Fund and Fund 20, Special Reserve Fund for Postemployment Benefits for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however are not included in the original and final General Fund budgets.

Orcutt Union School District  
 Budgetary Comparison Schedule – Charter School Special Revenue Fund  
 Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
<b>Revenues</b>				
Local Control Funding Formula	\$ 7,202,786	\$ 6,950,338	\$ 7,299,414	\$ 349,076
Federal sources	3,145	-	-	-
Other State sources	492,700	521,588	611,316	89,728
Other local sources	304,743	359,230	354,593	(4,637)
Total revenues	<u>8,003,374</u>	<u>7,831,156</u>	<u>8,265,323</u>	<u>434,167</u>
<b>Expenditures</b>				
<b>Current</b>				
Certificated salaries	3,189,730	3,222,894	3,200,923	(21,971)
Classified salaries	495,389	476,188	490,144	13,956
Employee benefits	1,639,905	1,683,794	1,767,654	83,860
Books and supplies	376,440	241,840	206,200	(35,640)
Services and operating expenditures	2,231,693	2,324,957	2,204,161	(120,796)
Total expenditures	<u>7,933,157</u>	<u>7,949,673</u>	<u>7,869,082</u>	<u>(80,591)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>70,217</u>	<u>(118,517)</u>	<u>396,241</u>	<u>514,758</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
Net Change in Fund Balances	(14,783)	(203,517)	311,241	514,758
Fund Balance - Beginning	<u>1,632,778</u>	<u>1,632,778</u>	<u>1,632,778</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 1,617,995</u></u>	<u><u>\$ 1,429,261</u></u>	<u><u>\$ 1,944,019</u></u>	<u><u>\$ 514,758</u></u>

Orcutt Union School District  
Schedule of Changes in the District's Net OPEB Liability and Related Ratios  
Year Ended June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 530,760	\$ 641,330	\$ 624,166
Interest	540,240	557,439	408,468
Difference between expected and actual experience	(253,337)	-	-
Changes of assumptions	(442,521)	(787,928)	-
Benefit payments	(736,117)	(662,926)	(637,429)
Net change in total OPEB liability	(360,975)	(252,085)	395,205
Total OPEB Liability - Beginning	10,907,493	11,159,578	10,764,373
Total OPEB Liability - Ending (a)	<u>\$ 10,546,518</u>	<u>\$ 10,907,493</u>	<u>\$ 11,159,578</u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 1,586,117	\$ 4,077,328	\$ 637,429
Actual Investment Income	192,259	85,360	-
Investment Gains/(Losses)	31,230	(74,788)	-
Benefit payments	(736,117)	(662,926)	(637,429)
Administrative expense	(9,598)	-	-
Net change in plan fiduciary net position	1,063,891	3,424,974	-
Plan Fiduciary Net Position - Beginning	3,424,974	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,488,865</u>	<u>\$ 3,424,974</u>	<u>\$ -</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 6,057,653</u>	<u>\$ 7,482,519</u>	<u>\$ 11,159,578</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	42.56%	31.40%	0.00%
Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Net OPEB Liability as a Percentage of Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

<sup>1</sup> The District's OPEB Plan is administered through a trust, however, contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

Orcutt Union School District  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2020

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.0730%	0.0753%	0.0754%
Proportionate share of the net OPEB liability	\$ 271,953	\$ 288,222	\$ 317,280
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

**Orcutt Union School District**  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>						
Proportion of the net pension liability	0.0413%	0.0420%	0.0417%	0.0443%	0.0452%	0.0426%
Proportionate share of the net pension liability	\$ 37,283,867	\$ 38,556,718	\$ 38,523,730	\$ 35,807,180	\$ 30,402,486	\$ 24,868,700
State's proportionate share of the net pension liability	20,340,839	22,075,524	22,790,313	20,384,389	16,079,564	15,016,795
Total	\$ 57,624,706	\$ 60,632,242	\$ 61,314,043	\$ 56,191,569	\$ 46,482,050	\$ 39,885,495
Covered payroll	\$ 22,448,262	\$ 22,311,247	\$ 23,242,234	\$ 20,829,795	\$ 20,005,788	23,953,830
Proportionate share of the net pension liability as a percentage of its covered payroll	166.09%	172.81%	165.75%	171.90%	151.97%	103.82%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>CalPERS</b>						
Proportion of the net pension liability	0.0462%	0.0456%	0.0455%	0.0477%	0.0473%	0.0463%
Proportionate share of the net pension liability	\$ 13,456,107	\$ 12,145,090	\$ 10,865,013	\$ 9,420,506	\$ 6,971,325	\$ 5,260,178
Covered payroll	\$ 6,399,828	\$ 6,075,848	\$ 9,790,855	\$ 5,610,720	\$ 5,023,048	5,942,471
Proportionate share of the net pension liability as a percentage of its covered payroll	210.26%	199.89%	110.97%	167.90%	138.79%	88.52%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

**Orcutt Union School District**  
**Schedule of the District Contributions**  
**Year Ended June 30, 2020**

	2020	2019	2018	2017	2016	2015
<b>CaSTRS</b>						
Contractually required contribution	\$ 3,785,048	\$ 3,654,577	\$ 3,219,513	\$ 2,923,873	\$ 2,235,037	\$ 1,776,514
Less contributions in relation to the contractually required contribution	3,785,048	3,654,577	3,219,513	2,923,873	2,235,037	1,776,514
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$22,134,784</u>	<u>\$22,448,262</u>	<u>\$22,311,247</u>	<u>\$23,242,234</u>	<u>\$20,829,795</u>	<u>\$20,005,788</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
<b>CaIPERS</b>						
Contractually required contribution	\$ 1,314,418	\$ 1,155,937	\$ 943,640	\$ 1,359,754	\$ 664,702	\$ 591,263
Less contributions in relation to the contractually required contribution	1,314,418	1,155,937	943,640	1,359,754	664,702	591,263
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 6,665,068</u>	<u>\$ 6,399,828</u>	<u>\$ 6,075,848</u>	<u>\$ 9,790,855</u>	<u>\$ 5,610,720</u>	<u>\$ 5,023,048</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

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



## **Note 1 - Purpose of Schedules**

### **Budgetary Comparison Schedules**

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

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

These schedules present information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

### **Schedule of Changes in the District's Net OPEB Liability and Related Ratios**

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* – There were no changes in changes of assumptions since the previous valuation.

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.87% to 3.50% since the previous valuation.

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

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

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

#### **Schedule of District Contributions**

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



Supplementary Information  
June 30, 2020

Orcutt Union School District

Orcutt Union School District  
Schedule of Expenditures of Federal Awards  
June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through Santa Barbara County Special Education Local Plan Area			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	803,072
Special Education Grants to States - Private School ISPs	84.027	10115	31,317
Special Education Preschool Grants	84.173	13430	<u>38,312</u>
Total Special Education Cluster			<u>872,701</u>
Passed Through California Department of Education (CDE)			
Supporting Effective Instruction State Grants - Teacher Quality	84.367	14341	28,674
Title I Grants to Local Educational Agencies - Basic Grants			
Low-Income Neglected	84.010	14329	512,544
English Language Acquisition State Grants - English Learner			
Student Program	84.365	14346	108,514
Student Support and Academic Enrichment Program	84.424	15396	<u>35,529</u>
Total U.S. Department of Education			<u>1,557,962</u>
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	616,792
National School Lunch Program - Meal Supplements	10.555	13396	17,775
School Breakfast Program - Especially Needy Breakfast	10.553	13526	157,387
National School Lunch Program - Summer Food Program	10.559	13004	284,607
National School Lunch Program - Commodity			
Supplemental Food	10.555	13391	<u>166,626</u>
Total Child Nutrition Cluster			<u>1,243,187</u>
Total Expenditures of Federal Awards			<u>\$ 2,801,149</u>

**ORGANIZATION**

The Orcutt Union School District was established in 1884 and consists of an area comprising approximately 69.69 square miles. The District operates eight elementary schools, with grades kindergarten through eight, and one charter school, with grades kindergarten through twelve. There were no boundary changes during the current year.

**GOVERNING BOARD**

<b>MEMBER</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
Lisa Morinini	President	2022
Liz Phillips	Clerk/Secretary	2022
Mark Steller	Member	2022
Shaun Henderson	Member	2022
Melanie Waffle	Member	2022

**ADMINISTRATION**

<b>NAME</b>	<b>TITLE</b>
Dr. Deborah Blow, Ed.D.	Superintendent
William Young	Assistant Superintendent, Business Services
Ms. Susan Salucci	Assistant Superintendent, Human Resources
Dr. Holly Edds, Ed.D.	Assistant Superintendent, Educational Services
Mr. Kirby Fell	Chief Technology Officer

Orcutt Union School District  
Schedule of Average Daily Attendance  
Year Ended June 30, 2020

	Final Report	
	Second Period Report D9DA9860	Annual Report E48B2B92
<b>Regular ADA</b>		
Transitional kindergarten through third	1,710.28	1,710.28
Fourth through sixth	1,374.19	1,374.19
Seventh and eighth	1,014.85	1,014.85
Total Regular ADA	4,099.32	4,099.32
<b>Extended Year Special Education</b>		
Transitional kindergarten through third	2.37	2.37
Fourth through sixth	1.94	1.94
Seventh and eighth	1.61	1.61
Total Extended Year Special Education	5.92	5.92
Total ADA	4,105.24	4,105.24
 <b>Orcutt Academy Charter School</b>		
	FC88E73C	E62695F3
<b>Regular ADA</b>		
Transitional kindergarten through third	75.95	75.95
Fourth through sixth	55.69	55.69
Seventh and eighth	41.90	41.90
Ninth through twelfth	575.91	575.91
Total Regular ADA	749.45	749.45
<b>Classroom Based ADA</b>		
Transitional kindergarten through third	59.14	59.14
Fourth through sixth	42.04	42.04
Seventh and eighth	28.73	28.73
Ninth through twelfth	575.91	575.91
Total Classroom Based ADA	705.82	705.82

Orcutt Academy Charter High School operated a nonclassroom based independent study instruction program. Determination of funding for nonclassroom based independent study is not required due to the total amount of nonclassroom based ADA is below 20% of total Charter ADA.

Orcutt Union School District  
 Schedule of Instructional Time  
 Year Ended June 30, 2020

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	36,000	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		51,100	180	N/A	Complied
Grade 2		51,100	180	N/A	Complied
Grade 3		53,125	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		54,025	180	N/A	Complied
Grade 5		54,025	180	N/A	Complied
Grade 6		54,025	180	N/A	Complied
Grade 7		54,785	180	N/A	Complied
Grade 8		54,785	180	N/A	Complied

Orcutt Academy Charter School

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	58,200	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		55,500	180	N/A	Complied
Grade 2		55,500	180	N/A	Complied
Grade 3		55,860	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		55,860	180	N/A	Complied
Grade 5		55,860	180	N/A	Complied
Grade 6		55,860	180	N/A	Complied
Grade 7		55,860	180	N/A	Complied
Grade 8		55,860	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		65,055	180	N/A	Complied
Grade 10		65,055	180	N/A	Complied
Grade 11		65,055	180	N/A	Complied
Grade 12		65,055	180	N/A	Complied

Orcutt Union School District  
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
 Year Ended June 30, 2020

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Summarized below are the net asset reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	General Fund	Charter School Fund
Fund Balance		
Balance, June 30, 2020, Unaudited Actuals	\$ 23,719,065	\$ 1,624,339
Decrease in		
Cash with fiscal agent	(4,488,865)	-
Increase in		
Accounts receivable	-	319,678
	<u>\$ 19,230,200</u>	<u>\$ 1,944,017</u>
Balance, June 30, 2020, Audited Financial Statements	<u>\$ 19,230,200</u>	<u>\$ 1,944,017</u>



Orcutt Union School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2020

	(Budget) 2021 <sup>1</sup>	2020	2019	2018
General Fund <sup>3</sup>				
Revenues	\$ 44,495,908	\$ 49,846,953	\$ 50,677,579	\$ 46,110,908
Other sources	575,000	-	47,087	-
Total Revenues and Other Sources	<u>45,070,908</u>	<u>49,846,953</u>	<u>50,724,666</u>	<u>46,110,908</u>
Expenditures	46,324,721	44,119,920	48,344,562	43,654,770
Other uses and transfers out	427,398	2,853,575	-	754,984
Total Expenditures and Other Uses	<u>46,752,119</u>	<u>46,973,495</u>	<u>48,344,562</u>	<u>44,409,754</u>
Increase/(Decrease) in Fund Balance	<u>(1,681,211)</u>	<u>2,873,458</u>	<u>2,380,104</u>	<u>1,701,154</u>
Ending Fund Balance	<u>\$ 13,203,910</u>	<u>\$ 14,885,121</u>	<u>\$ 12,011,663</u>	<u>\$ 9,631,559</u>
Available Reserves <sup>2</sup>	<u>\$ 1,402,565</u>	<u>\$ 1,409,204</u>	<u>\$ 1,449,829</u>	<u>\$ 1,333,643</u>
Available Reserves as a Percentage of Total Outgo	<u>3.00%</u>	<u>3.00%</u>	<u>3.26%</u>	<u>3.00%</u>
Long-Term Liabilities	<u>N/A</u>	<u>\$ 102,987,935</u>	<u>\$ 84,368,127</u>	<u>\$ 87,745,086</u>
K-12 Average Daily Attendance at P-2 <sup>4</sup>	<u>4,102</u>	<u>4,105</u>	<u>4,180</u>	<u>4,289</u>

The General Fund balance has increased by \$5,253,562 over the past two years. The fiscal year 2020-2021 budget projects a decrease of \$1,681,211 (11.29%). For a district this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating deficit during the 2020-2021 fiscal year. Total long-term liabilities have increased by \$15,242,849 over the past two years.

Average daily attendance has decreased by 184 over the past two years. Additional decline of 3 ADA is anticipated during fiscal year 2020-2021.

<sup>1</sup> Budget 2021 is included for analytical purposes only and has not been subjected to audit.

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

<sup>3</sup> General Fund amounts do not include activity related to the consolidation of the Deferred Maintenance Fund and Special Reserve Fund for Postemployment Benefits as required by GASB Statement No. 54.

<sup>4</sup> Does not include Charter School.

<u>Name of Charter School and Charter Number</u>	<u>Included in Audit Report</u>
Orcutt Academy Charter (Charter No. 0967)	Yes

**Orcutt Union School District**  
 Combining Balance Sheet – Non-Major Governmental Funds  
 June 30, 2020

	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
<b>Assets</b>							
Deposits and investments	\$ 37,289	\$ 1,581,758	\$ 5,830,300	\$ -	\$ 176,719	\$ 4,063,772	\$ 11,689,838
Receivables	17,781	28,398	17,679	-	537	8,534	72,929
Due from other funds	-	9,341	-	-	-	-	9,341
Stores inventories	-	18,270	-	-	-	-	18,270
<b>Total assets</b>	<b>\$ 55,070</b>	<b>\$ 1,637,767</b>	<b>\$ 5,847,979</b>	<b>\$ -</b>	<b>\$ 177,256</b>	<b>\$ 4,072,306</b>	<b>\$ 11,790,378</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 1,926	\$ 5,662	\$ -	\$ -	\$ 675	-	\$ 8,263
Due to other funds	17,558	81,189	17,800	-	-	-	116,547
Unearned revenue	35,586	-	-	-	-	-	35,586
<b>Total liabilities</b>	<b>55,070</b>	<b>86,851</b>	<b>17,800</b>	<b>-</b>	<b>675</b>	<b>-</b>	<b>160,396</b>
<b>Fund Balances</b>							
Nonspendable	-	18,270	-	-	-	-	18,270
Restricted	-	1,532,646	5,830,179	-	-	4,072,306	11,435,131
Assigned	-	-	-	-	176,581	-	176,581
<b>Total fund balances</b>	<b>-</b>	<b>1,550,916</b>	<b>5,830,179</b>	<b>-</b>	<b>176,581</b>	<b>4,072,306</b>	<b>11,629,982</b>
<b>Total liabilities and fund balances</b>	<b>\$ 55,070</b>	<b>\$ 1,637,767</b>	<b>\$ 5,847,979</b>	<b>\$ -</b>	<b>\$ 177,256</b>	<b>\$ 4,072,306</b>	<b>\$ 11,790,378</b>

**Orcutt Union School District**  
**Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Non-Major Governmental Funds**  
**June 30, 2020**

	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
<b>Revenues</b>							
Federal sources	\$ -	\$ 1,243,187	\$ -	\$ -	\$ -	\$ -	\$ 1,243,187
Other State sources	229,816	85,639	-	-	-	22,926	338,381
Other local sources	-	570,486	682,183	-	3,103	2,486,638	3,742,410
<b>Total revenues</b>	<b>229,816</b>	<b>1,899,312</b>	<b>682,183</b>	<b>-</b>	<b>3,103</b>	<b>2,509,564</b>	<b>5,323,978</b>
<b>Expenditures</b>							
<b>Current</b>							
Instruction	191,802	-	-	-	-	-	191,802
Instruction-related activities							
Supervision of instruction	5,946	-	-	-	-	-	5,946
School site administration	22,245	-	-	-	-	-	22,245
Pupil services							
Food services	-	1,874,604	-	-	-	-	1,874,604
Administration							
All other administration	9,823	79,850	18,005	-	-	-	107,678
Plant services	-	1,959	-	-	-	-	1,959
Other outgo	-	-	-	16	-	-	16
Facility acquisition and construction	-	-	7,250	-	38,147	-	45,397
Debt service							
Principal	-	-	-	-	-	1,785,000	1,785,000
Interest and other	-	-	-	-	-	987,225	987,225
<b>Total expenditures</b>	<b>229,816</b>	<b>1,956,413</b>	<b>25,255</b>	<b>16</b>	<b>38,147</b>	<b>2,772,225</b>	<b>5,021,872</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>(57,101)</b>	<b>656,928</b>	<b>(16)</b>	<b>(35,044)</b>	<b>(262,661)</b>	<b>302,106</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	9,138	-	16	-	-	9,154
Other sources	-	-	-	-	-	3,515,383	3,515,383
Other uses	-	-	-	-	-	(2,354,613)	(2,354,613)
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>9,138</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>1,160,770</b>	<b>1,169,924</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(47,963)</b>	<b>656,928</b>	<b>-</b>	<b>(35,044)</b>	<b>898,109</b>	<b>1,472,030</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>1,598,879</b>	<b>5,173,251</b>	<b>-</b>	<b>211,625</b>	<b>3,174,197</b>	<b>10,157,952</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 1,550,916</b>	<b>\$ 5,830,179</b>	<b>\$ -</b>	<b>\$ 176,581</b>	<b>\$ 4,072,306</b>	<b>\$ 11,629,982</b>

See Note to Supplementary Information

## **Note 1 - Purpose of Schedules**

### **Schedule of Expenditures of Federal Awards (SEFA)**

#### Basis of Presentation

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

#### Summary of Significant Accounting Policies

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

#### Indirect Cost Rate

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

#### Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2020, the District had no food commodities in inventory.

### **Local Education Agency Organization Structure**

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

### **Schedule of Average Daily Attendance (ADA)**

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

### **Schedule of Instructional Time**

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

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

Due to school closures caused by COVID-19, the District filed the COVID-19 School Closure Certification certifying that schools were closed for 53 days due to the pandemic. As a result, the District received credit for these 53 days in meeting the annual instructional days requirement. In addition, planned minutes covered by the COVID 19 School Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

#### **Reconciliation of Annual Financial and Budget Report With Audited Financial Statements**

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

#### **Schedule of Financial Trends and Analysis**

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

#### **Schedule of Charter Schools**

This schedule lists all Charter Schools chartered by the District, and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

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

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



Independent Auditor's Reports  
June 30, 2020

Orcutt Union School District



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

To the Board of Directors  
Orcutt Union School District  
Orcutt, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orcutt Union School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 11, 2020.

**Internal Control over Financial Reporting**

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

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

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



**Compliance and Other Matters**

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

**Purpose of this Report**

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

Handwritten signature of Erik Bailly LLP in cursive script.

Rancho Cucamonga, California  
December 11, 2020



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

To the Board of Directors  
Orcutt Union School District  
Orcutt, California

### **Report on Compliance for the Major Federal Program**

We have audited Orcutt Union School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2020. The District's major federal program is 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 the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on the Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

### **Report on Internal Control over Compliance**

Management of the 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

*Eide Bailly LLP*

Rancho Cucamonga, California  
December 11, 2020



## Independent Auditor's Report on State Compliance

To the Board of Directors  
Orcutt Union School District  
Orcutt, California

### **Report on State Compliance**

We have audited Orcutt Union School District's (the District) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the state laws and regulations listed in the table below for the year ended June 30, 2020.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Compliance Requirements Tested**

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

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

We did not perform Continuation Education procedures because the program is not offered by the District.

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

The District does not have any Juvenile Court Schools; therefore, we did not perform procedures related to Juvenile Court Schools.

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

The District does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety Program.

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

The Charter School did not have more than 20% of their total ADA generated through Non Classroom-Based Instruction; therefore, we did not perform any related procedures.

Additionally, we did not perform procedures for the Charter School Facility Grant Program because the District did not receive funding for this program.

***Unmodified Opinion***

In our opinion, the District complied with the laws and regulations of the state programs referred to above for the year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

*Ede Sully LLP*

Rancho Cucamonga, California  
December 11, 2020

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

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

**Identification of major programs:**

Name of Federal Program or Cluster	CFDA Number
Special Education Cluster	84.027, 84.173
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

**STATE COMPLIANCE**

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



None reported.

None reported.

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



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Nick Taylor, Ed.  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** 2019/20 Measure G Audit Report

**BACKGROUND:** Proposition 39 requires public school districts to annually conduct an audit of the district's financial records and internal operating procedures. This is accomplished through a qualified independent auditor who is responsible for completing and submitting this report to the District and the County Superintendent of Schools each year.

Notes from the Independent Auditors' Report are as follows: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Orcutt Union School District, as of June 30, 2020." Additionally, there were no audit findings reported in the Schedule of Findings and Questions Costs.

**RECOMMENDATION:** Staff recommends that the Board of Trustees accept the Measure G Audit Report ending June 30, 2020.

**FUNDING:** N/A



Financial and Performance Audits  
Building Fund (Measure G)  
June 30, 2020

# Orcutt Union School District

**FINANCIAL AUDIT**

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Financial Audit  
Building Fund (Measure G)  
June 30, 2020

# Orcutt Union School District



## Independent Auditor's Report

Governing Board and  
Citizens Oversight Committee  
Orcutt Union School District  
Orcutt, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Orcutt Union School District's (the District), Building Fund (Measure G), as of and for the year ended June 30, 2020, and the related notes to the 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 statement 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 an opinion 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 of 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 financial statements, whether due to error or fraud. 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 principles 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 opinion.



**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure G) of Orcutt Union School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements of the Building Fund specific to Measure G are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Orcutt Union School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of Orcutt Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Orcutt Union School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Orcutt Union School District's internal control over financial reporting and compliance.



Rancho Cucamonga, California  
December 11, 2020

Orcutt Union School District  
Building Fund (Measure G)  
Balance Sheet  
June 30, 2020

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Assets	
Deposits and investments	\$ 27,676,175
Accounts receivable	<u>32,878</u>
Total assets	<u>\$ 27,709,053</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	<u>\$ 5,455,988</u>
Fund Balance	
Restricted for capital projects	<u>22,253,065</u>
Total liabilities and fund balance	<u>\$ 27,709,053</u>

Orcutt Union School District  
Building Fund (Measure G)  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
June 30, 2020

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Revenues	
Interest income	<u>\$ 172,673</u>
Expenditures	
Facility acquisition and construction	9,309,144
Debt service	
Interest and other	<u>400,961</u>
Total expenditures	<u>9,710,105</u>
Deficiency of Revenues over Expenditures	<u>(9,537,432)</u>
Other Financing Uses	
Other Sources - Proceeds from Bond Issuance	<u>20,500,000</u>
Net Change in Fund Balance	10,962,568
Fund Balance - Beginning	<u>11,290,497</u>
Fund Balance - Ending	<u><u>\$ 22,253,065</u></u>

## **Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Orcutt Union School District's (the District) Building Fund (Measure G) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The Orcutt Union School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

### **Financial Reporting Entity**

The financial statements include only the Building Fund of the Orcutt Union School District used to account for Measure G projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure G. These financial statements are not intended to present fairly the financial position and results of operations of the Orcutt Union School District in compliance with accounting principles generally accepted in the United States of America.

### **Fund Accounting**

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

### **Basis of Accounting**

The Building Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

### **Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

### **Encumbrances**

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid, and all outstanding encumbrances lapse at June 30.

### **Fund Balance - Building Fund (Measure G)**

As of June 30, 2020, the fund balance is classified as follows:

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

### **Spending Order Policy**

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

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that 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/expenses during the reporting period. Actual results could differ from those estimates.

## **Note 2 - Investments**

### **Policies and Practices**

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

**Investment in County Treasury**

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

**General Authorizations**

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

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

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Santa Barbara County Treasury Investment Pool. The District maintains a Building Fund (Measure G) investment of \$27,676,175 with the Santa Barbara County Treasury Investment Pool, with an average maturity of 491 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s investments in the Santa Barbara County Treasury Investment Pool is not rated.

**Note 3 - Fair Value Measurements**

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

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

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

Uncategorized - Investments in the Santa Barbara County Treasury Investment Pool and/or Local Agency Investment Funds/State Investment Pools are not measured using the input levels above because the District’s transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share. The County Treasury Investment Pool has a daily redemption frequency period and a one-day redemption notice period.

The District’s fair value measurements are as follows at June 30, 2020:

Investment Type	Reported Amount	Uncategorized
Santa Barbara County Investment Pool	<u>\$ 27,676,175</u>	<u>\$ 27,676,175</u>

**Note 4 - Accounts Receivable**

Accounts receivable at June 30, 2020, consisted of the following:

Interest	\$ 32,878
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**Note 5 - Accounts Payable**

Accounts payable at June 30, 2020, consisted of the following:

Capital outlay	\$ 5,455,988
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**Note 6 - Commitments and Contingencies**

As of June 30, 2020, the Building Fund (Measure G) had the following commitments with respect to unfinished projects:

Measure G Projects	Remaining Construction Commitment	Expected Date of Completion
Alice Shaw - full day kindergarten	\$ 221,546	06/30/21
District Office - innovation center	382,992	06/30/21
Joe Nightingale - phase II	22,379	06/30/21
Joe Nightingale - site safety	229,145	06/30/21
Joe Nightingale - full day kindergarten	596,223	06/30/21
Lakeview - Site Safety	217,248	06/30/21
Olga Reed - cafeteria alteration	558,191	06/30/21
Orcutt Academy High School - Modernization	503,498	06/30/21
Orcutt Academy High School - site safety	352,469	06/30/21
Orcutt Junior High School - site safety	30,711	06/30/21
Patterson Road - full day kindergarten	933,690	06/30/21
Pine Grove - Site Safety	259,814	06/30/21
Pine Grove - full day kindergarten	458,747	06/30/21
Pine Grove - parking lot	609,014	06/30/21
Ralph Dunlap - full day kindergarten	251,213	06/30/21
Total	\$ 5,626,880	

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.





Independent Auditor's Report  
June 30, 2020

# Orcutt Union School District



CPAs & BUSINESS ADVISORS

**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***

Governing Board and  
Citizens Oversight Committee  
Orcutt Union School District  
Orcutt, 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 Orcutt Union School District (the District) Building Fund (Measure G) as of and for the year ended June 30, 2020, and the related notes of the financial statements, and have issued our report thereon dated December 11, 2020.

**Emphasis of Matter**

As discussed in Note 1, the financial statements of the Building Fund specific to Measure G are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Orcutt Union School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Orcutt Union 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 Orcutt Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Orcutt Union 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's Building Fund (Measure G) financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### **Compliance and Other Matters**

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

#### **Purpose of this Report**

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

*Eide Bailly LLP*

Rancho Cucamonga, California  
December 11, 2020

None reported.

Orcutt Union School District  
Building Fund (Measure G)  
Summary of Schedule of Prior Audit Findings  
June 30, 2020

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



Performance Audit  
Building Fund (Measure G)  
June 30, 2020

**Orcutt Union School District**



## Independent Auditor's Report on Performance

Governing Board and  
Citizens Oversight Committee  
Orcutt Union School District  
Orcutt, California

We were engaged to conduct a performance audit of the Orcutt Union School District (the District) Building Fund (Measure G) for the year ended June 30, 2020.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Building Fund (Measure G) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District, and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California  
December 11, 2020

### **Authority for Issuance**

The general obligation bonds associated with Measure G were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California *Education Code*, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Board of Supervisors of the County on August 9, 2017 (the Resolution), pursuant to a request of the District made by a resolution adopted by the Board of Education of the District March 14, 2018.

The District received authorization from an election held on November 8, 2016, to issue bonds of the District in an aggregate principal amount not to exceed \$60,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55% of the votes cast by eligible voters within the District.

### **Purpose of Issuance**

To repair/upgrade Orcutt, Los Alamos Elementary, secondary schools, including deteriorated roofs, plumbing, and electrical systems, improve student safety, security and disabled access, keep schools well-maintained, acquire, renovate, construct classrooms/facilities/equipment and technology infrastructure to support programs in science, math, reading and arts, and replace aging portables with modern classrooms.

### **Authority for the Audit**

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55% of the electorate. In addition to reducing the approval threshold from two-thirds to 55%, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a citizen's oversight committee.



4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the Government Auditing Standards issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

### **Objectives of the Audit**

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure G.
2. Determine whether salary transactions, charged to the Building Fund were in support of Measure G and not for District general administration or operations.

### **Scope of the Audit**

The scope of our performance audit covered the period of July 1, 2019 to June 30, 2020. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2020, were not reviewed or included within the scope of our audit or in this report.

### **Methodology**

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2020, for the Building Fund (Measure G). Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure G as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
  - a. We considered all expenditures recorded in all object codes, including transfers out.
  - b. We considered all expenditures recorded in all projects that were funded from July 1, 2019 through June 30, 2020 from Measure G bond proceeds.
  - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately two percent of the total expenditures incurred.

- d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2019 and ending June 30, 2020.
3. Our sample included transactions totaling \$5,514,507. This represents 57% of the total expenditures of \$9,710,105, including transfers out.
  4. We reviewed the actual invoices and other supporting documentation to determine that:
    - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
    - b. Expenditures were supported by proper bid documentation, as applicable.
    - c. Expenditures were expended in accordance with voter-approved bond project list.
    - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
  5. We determined that the District has met the compliance requirement of Measure G if the following conditions were met:
    - a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
    - b. Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the Districts.

### **Conclusion**

The results of our tests indicated that, in all significant respects, Orcutt Union School District has properly accounted for the expenditures held in the Building Fund (Measure G) and that such expenditures were made for authorized Bond projects.

Orcutt Union School District  
Building Fund (Measure G)  
Schedule of Findings and Questioned Costs  
June 30, 2020

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None reported.

Orcutt Union School District  
Building Fund (Measure G)  
Summary of Schedule of Prior Audit Findings  
June 30, 2020

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



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Nick Taylor, Ed.D.  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** January 13, 2020

**BOARD AGENDA ITEM:** Resolution No. 12, Retiree Benefit Fund (Fund 71)

**BACKGROUND:** Fund 71 is established pursuant to Education Code Section 42850. The governing board of any school district may establish a fund for pension and other employee benefits to accumulate restricted moneys from salary reduction agreements, other contributions for employee retirement benefit payments, or both. Moneys may be transferred to the fund from other funds by periodic expense charges, in amounts based on existing and future obligation requirements. Payments from the pension plan and other employee benefits fund for insurance, annuities, administrative costs, or any other authorized purpose shall be made in accordance with all warrant approval requirements applicable under this code.

**RECOMMENDATION:** Staff recommends that the Board of Trustees approves the attached Resolution No. 12, Retiree Benefit Fund (Fund 71), as submitted.

**FUNDING:** N/A

**Resolution of the Board of Trustees**

**of the Orcutt Union School District**

**To Establish a Fund, in accordance with**

**Specified Code Section**

**Whereas**, the Board of Trustees of the Orcutt Union School District is desirous of maintaining a Retiree Benefit Fund (Fund 71); and

**Whereas**, Education Code Section 42850 authorizes the establishment of a Retiree Benefit Fund (Fund 71);

**Now, Therefore Be It Resolved** that the Board of Trustees of the Orcutt Union School District hereby requests that the Santa Barbara County Auditor’s Office establish a Retiree Benefit Fund (Fund 71) for the Orcutt Union School District School District;

**And, Be It Further Resolved**, that the interest earned on moneys deposited in the established Retiree Benefit Fund (Fund 71) remains in the fund.

**Passed and Adopted** this 13th of January, 2021 by the following vote:

**Ayes:** \_\_\_\_\_

**Noes:** \_\_\_\_\_

**Absent:** \_\_\_\_\_

**Abstain:** \_\_\_\_\_

(Signed) \_\_\_\_\_  
Board Clerk/Secretary



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Nick Taylor, Ed.D.  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** Youth League Facility Use Agreements

**BACKGROUND:** Several years ago district counsel recommended that we enter into annual Facility Use Agreements with three local youth groups. The Facility Use Agreements for the 20-21 school year are between Orcutt Union School District and Orcutt National Little League, Orcutt American Little League, and Orcutt Youth Softball respectively, are included for your review and approval.

**RECOMMENDATION:** Staff recommends that the Board of Trustees approve the Facility Use Agreements with the Orcutt American Little League, Orcutt National Little League, and Orcutt Youth Softball as submitted.

**FUNDING:** N/A

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# ORCUTT UNION SCHOOL DISTRICT

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## Facilities Use Agreement with Orcutt National Little League

1. This Agreement is entered into pursuant to the provisions of Article 2 (commencing with Section 38130) of Chapter 4 of Part 23 of Division 2 of Title 2 of the California Education Code known as the Civic Center Act.
2. The parties to this Agreement are the Orcutt Union School District, a public school district organized and operating under the laws of the State of California (hereinafter referred to as "District"), and **Orcutt National Little League**, a nonprofit unincorporated community association (hereinafter referred to as "Association").
3. The term of this Agreement shall be one (1) year commencing upon its execution by both parties. It may be extended or renewed upon written agreement by both parties.
4. The District hereby agrees that except as otherwise provided for in this Agreement, the Association shall have (during non-school hours) access to and full use of the baseball complex at **Orcutt Academy High School**, provided, however, that the District shall retain full access rights at all times. The District will not permit any use that is incompatible with the Little League's use of the complex.
5. The Association hereby agrees to assume full responsibility for maintenance of the complex, including, but not limited to mowing and watering of all grass areas, trimming and watering of vegetation, control of dust, picking up of all litter, trash and debris.
6. The Association shall assume full responsibility for vehicle control and parking during its hours of use of the facilities. All parking is on the street, only a delivery or maintenance vehicle is allowed to drive onto District property and this access may be revoked by the District at any time.
7. Any public address or other voice-amplification system operated by the Association in conjunction with its sponsored activities shall be operated at reasonable sound levels, and no such amplification system shall be operated after 9:30 p.m.
8. Additions to or expansion of the complex shall be undertaken by the Association only upon prior authorization from the District Board of Trustees.
9. The Association shall secure a written release, to be approved in form by the District, from each person using the complex under its auspices whereby such individual acknowledges that he/she recognizes that the Association is responsible for the use and maintenance of the property and that he/she is releasing the District from any and all liability for any accident or injury which may occur during such use of the complex.
10. The Association hereby agrees, as a condition of this Agreement, to provide evidence to the District of current personal and property liability insurance in an amount not less than two million dollars (\$2,000,000), with the District named as an additional insured. The Association further agrees to maintain such valid liability insurance for the term of this Agreement and any extension or renewal thereof.
11. The Association agrees to indemnify, defend and hold harmless the District, its officers and employees, against any and all actions, allegations, claims, costs, damages, fees, and judgments arising out of its use, control, construction, and maintenance of the complex or otherwise related to this Agreement.
12. This Agreement may be terminated by either party upon sixty (60) days written notice.



13. This Agreement constitutes the entire agreement between the parties relating to use of the complex and supersedes any previous oral or written agreement which may have existed between the parties. This Agreement may be amended only upon the further written agreement of the parties.
14. This Agreement shall be governed by and construed under the laws of the State of California and jurisdiction over any claim arising hereunder shall vest in the courts of Santa Barbara County, California.
15. Nothing in this Agreement is intended, or shall be deemed to constitute a partnership or joint venture between the District and the Association.
16. The failure of the District or Association to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision, nor in any way shall affect the validity of any part of this Agreement, or the right of the District or the Association to thereafter enforce each and every provision.
17. All the clauses of this Agreement are distinct and severable, and if any cause shall be deemed illegal, void or unreasonable, it shall not affect the validity, legal enforceability of any portion or clause of this Agreement.
18. The indemnification obligations hereunder shall survive termination or expiration of this Agreement.
19. All correspondence and notices hereunder shall be in writing and will be deemed to be delivered on the same day, if given and confirmed via facsimile transmission or electronic mail, the next day by overnight courier, on the fifth day if by registered or certified mail, or upon receipt by regular mail. In the event of an emergency, notice shall be given verbally and in writing.
20. The use of tobacco products and/or alcoholic beverages is strictly prohibited on District property. The Association shall use best efforts to ensure that these substances are not used on the District's property while the property is in use by the Association.
21. The Association shall forward a roster for the Association upon election of a new board or upon any change in board membership.
22. Dogs (except service dogs) are prohibited from the District campus at all times. The Association shall use its best efforts to ensure that this rule is followed during the Association's use of the property.

EXECUTED this 13<sup>th</sup> day of November at Orcutt, California, by:

ORCUTT UNION SCHOOL DISTRICT

ORCUTT NATIONAL LITTLE LEAGUE

by:

by:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Assistant Superintendent Business Services  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
EIN # for Non-Profit Status

# Orcutt Union School District

## Facilities Use Agreement with Orcutt American Little League

1. This Agreement is entered into pursuant to the provisions of Article 2 (commencing with Section 38130) of Chapter 4 of Part 23 of Division 2 of Title 2 of the California Education Code known as the Civic Center Act.
2. The parties to this Agreement are the Orcutt Union School District, a public school district organized and operating under the laws of the State of California (hereinafter referred to as "District"), and **Orcutt American Little League**, a nonprofit unincorporated community association (hereinafter referred to as "Association").
3. The term of this Agreement shall be one (1) year commencing upon its execution by both parties. It may be extended or renewed upon written agreement by both parties.
4. The District hereby agrees that except as otherwise provided for in this Agreement, the Association shall have (during non-school hours) access to and full use of the baseball complex at **Joe Nightingale School**, provided, however, that the District shall retain full access rights at all times. The District will not permit any use that is incompatible with the Little League's use of the complex.
5. The Association hereby agrees to assume full responsibility for maintenance of the complex, including, but not limited to mowing and watering of all grass areas, trimming and watering of vegetation, control of dust, picking up of all litter, trash and debris. The Association is responsible for the electricity it uses via a separate meter to be installed by March 2, 2013 with Association agreeing to pay for electric use each month. Effective December 1, 2013 the Association hereby agrees to be responsible for paying for the water use which also has a separate meter, with the same payment responsibilities as for electric use. Effective March 2016 the Association hereby agrees to be responsible for use of dumpster. Use of the dumpster will require an additional pick up by health sanitation. The monthly additional cost will be at fair market value; this amount will be invoiced to the association for the time they are using the fields. The District will invoice quarterly for the monthly charges and payment is due net 30 days.
6. The Association shall assume full responsibility for vehicle control and parking during its hours of use of the facilities. All parking is on the street, only a delivery or maintenance vehicle is allowed to drive onto District property and this access may be revoked by the District at any time.
7. Any public address or other voice-amplification system operated by the Association in conjunction with its sponsored activities shall be operated at reasonable sound levels, and no such amplification system shall be operated after 9:30 p.m.
8. Additions to, modifications to, or expansion of the complex shall be undertaken by the Association only upon prior written authorization from the District Board of Trustees
9. The Association shall secure a written release, to be approved in form by the District, from each person using the complex under its auspices whereby such individual acknowledges that he/she

recognizes that the Association is responsible for the use and maintenance of the complex and that he/she is releasing the District from any and all liability for any accident or injury which may occur during such use of the complex.

10. The Association hereby agrees, as a condition of this Agreement, to provide written evidence to the District of current personal and property liability insurance in an amount not less than two million dollars (\$2,000,000), with the District named as an additional insured. The Association further agrees to maintain such valid liability insurance for the term of this Agreement and any extension or renewal thereof.
11. The Association agrees to indemnify, defend and hold harmless the District, its officers and employees, against any and all actions, allegations, claims, costs, damages, fees, and judgments arising out of its use, control, construction, and maintenance of the complex or otherwise related to Association's performance under this Agreement.
12. This Agreement may be terminated by either party, with or without cause upon sixty (60) days written notice. Notwithstanding the foregoing, if Association is in breach of this Agreement, District shall give Association written notice of the breach, and if the breach is not cured within three (3) working days, District has the right to suspend Association's use of the complex.
13. This Agreement constitutes the entire agreement between the parties relating to use of the complex and supersedes any previous oral or written agreement which may have existed between the parties. This Agreement may be amended only upon the further written agreement of the parties.
14. This Agreement shall be governed by and construed under the laws of the State of California and jurisdiction over any claim arising hereunder shall vest in the courts of Santa Barbara County, California.
15. Nothing in this Agreement is intended, or shall be deemed to constitute a partnership or joint venture between the District and the Association.
16. The failure of the District or Association to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision, nor in any way shall affect the validity of any part of this Agreement, or the right of the District or the Association to thereafter enforce each and every provision.
17. All the clauses of this Agreement are distinct and severable, and if any cause shall be deemed illegal, void or unreasonable, it shall not affect the validity, legal enforceability of any portion or clause of this Agreement.
18. The indemnification obligations hereunder shall survive termination or expiration of this Agreement.
19. All correspondence and notices hereunder shall be in writing and will be deemed to be delivered on the same day, if given and confirmed via facsimile transmission or electronic mail, the next day by overnight courier, on the fifth day if by registered or certified mail, or upon receipt by regular mail. In the event of an emergency, notice shall be given verbally and in writing.
20. The use of tobacco products, illegal drugs or controlled substances and/or alcoholic beverages is strictly prohibited on District property. The Association shall use best efforts to ensure that these substances are not used on the District's property while the complex is in use by the Association.

21. The Association shall forward a roster for the Association upon election of a new board or upon any change in board membership.
22. Dogs (except service dogs) and other pets are prohibited from the District campus at all times. The Association shall use its best efforts to ensure that this rule is followed during the Association's use of the complex.

EXECUTED this 9<sup>th</sup> day of November at Orcutt, California, by:

ORCUTT UNION SCHOOL DISTRICT  
by:

ORCUTT AMERICAN LITTLE LEAGUE  
by:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Assistant Superintendent, Business Services  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
EIN # for Proof of Non-Profit Status

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# ORCUTT UNION SCHOOL DISTRICT

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## Facilities Use Agreement with Orcutt Youth Softball Association

1. This Agreement is entered into pursuant to the provisions of Article 2 (commencing with Section 38130) of Chapter 4 of Part 23 of Division 2 of Title 2 of the California Education Code known as the Civic Center Act.
2. The parties to this Agreement are the **ORCUTT UNION SCHOOL DISTRICT**, a public school district organized and operating under the laws of the State of California (hereinafter referred to as "District"), and **ORCUTT YOUTH SOFTBALL ASSOCIATION**, (hereinafter referred to as "Association") a non-profit 501(c)(3) organization, classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code .
3. The term of this Agreement shall be one (1) year commencing upon its execution by both parties. It may be extended or renewed upon written agreement by both parties.
4. The District hereby agrees that except as otherwise provided for in this Agreement, the Association shall have shared (during non-school hours) access with Orcutt Academy High School and full use of the softball complex and parking facilities generally described in Exhibit A., at **Lakeview Jr. High School**. The District shall retain full access rights at all times, and Orcutt Academy High School with the Association will strive to work together in creating schedules that are mutually respectful to each group's needs. In the event Association and Orcutt Academy High School cannot agree on a schedule of use, District reserves the right to make a final decision. The District will not permit any use that is incompatible with the Orcutt Academy High School's or Association's use of the complex.
5. The Association hereby agrees to assume full responsibility for maintenance of the grounds and facilities generally described in Exhibit A, including, but not limited to comprehensive maintenance of permanent and temporary structures, including snack shack, restrooms, storage shed, bleachers, and fencing; mowing and watering of all grass areas; trimming and watering of vegetation; control of dust on playing fields and parking area; collection and removal of litter, trash and debris. The Association shall insure that separate utility meters are installed and operational at all times. The District agrees to maintain field 5. Orcutt Academy High School is agreeable to assisting with work parties for the other fields as long as the coaches are notified prior to the work party date.
6. As indicated in Exhibit A, the Association has the use of fields 1-4. Field 5 may be used for games, tournaments, and practices, in conjunction with the use of fields 1-4. The general public may use field five if it not is used by the Orcutt Academy and/or the Association. The District retains the right to utilize all fields and areas during school hours. After hours, Orcutt Academy High School and the Association will share the use of fields for practice and games at times that are mutually designated by both parties, subject to the District's final determination in the event the parties cannot agree on a schedule.
7. OYSA and Orcutt Union School District have agreed to have Righetti High School and St. Joseph High use OYSA fields 1-4. Items number (21) and number (22) have been revised to reflect the additional school sites. The district requires that schedules of practices and games for each group using the fields be submitted to the Business Services office before the beginning of each season.

Seatrails and cement slabs will be allowed on district property and placed in an area agreed and approved by Orcutt Union School District and all parties involved. All cement work and maintenance will be at the cost of the Association.

## Orcutt Youth Softball Association Agreement

Page 2 of 6

8. The Association shall assume full responsibility for vehicle control and parking during all hours of their use of the softball complex. This shall include insuring that vehicles do not park or travel in unauthorized areas.
9. The use of tobacco products, illegal drugs or controlled substances, and/or alcoholic beverages is strictly prohibited on District property. The Association shall use best efforts to ensure that these substances are not used on the District's property while the property is in use by the Association.
10. The Association shall forward a roster for the Association upon the election of a new board or upon any change in board membership.
11. Dogs (other than service dogs) and other pets are prohibited from the District campus at all times. The Association shall use its best efforts to ensure that this rule is followed during the Association's use of the property.
12. Any public address or other voice-amplification system operated by the Association in conjunction with its sponsored activities shall be operated at reasonable sound levels, and no such amplification system shall be operated after daylight hours.
13. Lighting fixtures for the softball complex shall not be installed, and games shall not take place after the onset of darkness. Security lights may be installed at the snack bar and garage area.
14. Turf areas shall not be watered between 8:00 a.m. and 6:00 p.m. or excessively watered to maximize water conservation.
15. For purposes of conserving water used for turf areas, there shall be the regularly scheduled maintenance of the automatic or manual water system(s), and adherence to the watering schedule which is based on recommendations by the University of California Agriculture Cooperative Extension.
16. Plumbing and irrigation devices shall be low water flow devices with no greater than 3.0 gallon per flush toilets and 2.0 gallon per minute sink faucets.
17. Refuse, and recyclable materials shall be collected in containers with lids. If recyclable materials are used, a recycling program must be developed and approved by the County of Santa Barbara.
18. The Association shall encourage carpooling to games and practices, and shall encourage restriction of parking and loading/unloading to the school property designed for such use. The following is a required procedure:  
Before the first practice of each session, Santa Maria-Orcutt area participants shall be provided a form letter which encourages carpooling and discourages off-site parking and loading/unloading. A copy of this letter is attached, marked as Exhibit B.
19. Additions to, modifications to or expansion of the complex shall be undertaken by the Association only upon prior written authorization from the District Board of Trustees.
20. The Association shall secure a written release from each individual, organization, or entity using the softball complex or its facilities under its auspices whereby such individual, organization or entity acknowledges that the District shall be held harmless from any and all liability for any accident or injury which may occur during such use of the softball complex or its facilities.

21. The Association and all other schools that use the field under the Associations agreement hereby agree, as a condition of this Agreement, to provide written evidence naming the Orcutt Union School District as additional insured to the District of current personal and property liability insurance in an amount not less than two million dollars (\$2,000,000), and the Association further agrees to maintain such valid liability insurance for the term of this Agreement and any extension of renewal thereof.
22. The Association and all other schools that use the field under the Associations agreement agree to indemnify defend hold harmless the District, its officers, and employees, against any and all actions, allegations, claims, costs, damages, fees, and judgments arising out of its use, control, construction and maintenance of the complex generally described in Exhibit A or otherwise arising from or related to Association's performance under this Agreement.
23. This Agreement may be terminated with or without cause by either party upon sixty (60) days written notice, which shall explain the reasons for such termination. Notwithstanding the preceding, if Association is in breach of this Agreement, District shall give Association written notice of the breach, and if the breach is not cured within three (3) working days, District has the right to suspend Association's use of the complex.
24. This Agreement shall be governed by and construed under the laws of the State of California and jurisdiction over any claim arising hereunder shall vest in the courts of Santa Barbara County, California.
25. Nothing in this Agreement is intended or shall be deemed to constitute a partnership or joint venture between the District and the Association.
26. The failure of District or Association to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision, nor in any way shall affect the validity of any part of this Agreement, or the right of the District or the Association to thereafter enforce each and every provision.
27. The indemnification obligations hereunder shall survive termination or expiration of this Agreement.
28. All correspondence and notices hereunder shall be in writing and will be deemed to be delivered on the same day, if given and confirmed via facsimile transmission or electronic mail, the next day by overnight courier, on the fifth day if by registered or certified mail, or upon receipt by regular mail. In the event of an emergency, notice shall be given verbally and in writing.
29. This Agreement and the Exhibits attached hereto constitute the entire Agreement between the parties relating to the use of these facilities and superseded any previous oral or written agreement which may have existed between the parties. Should any portion of this Agreement be deemed unenforceable or otherwise illegal,, the remaining sections of this Agreement shall remain in force for the duration o the Agreement. This Agreement may be amended only upon further written agreement by both parties.

Orcutt Youth Softball Association Agreement  
Page 4 of 6

EXECUTED this 13th, day of November at Orcutt, California, by:

ORCUTT UNION SCHOOL DISTRICT

ORCUTT YOUTH SOFTBALL ASSOCIATION

by:

by:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

Assistant Superintendent Business Services  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

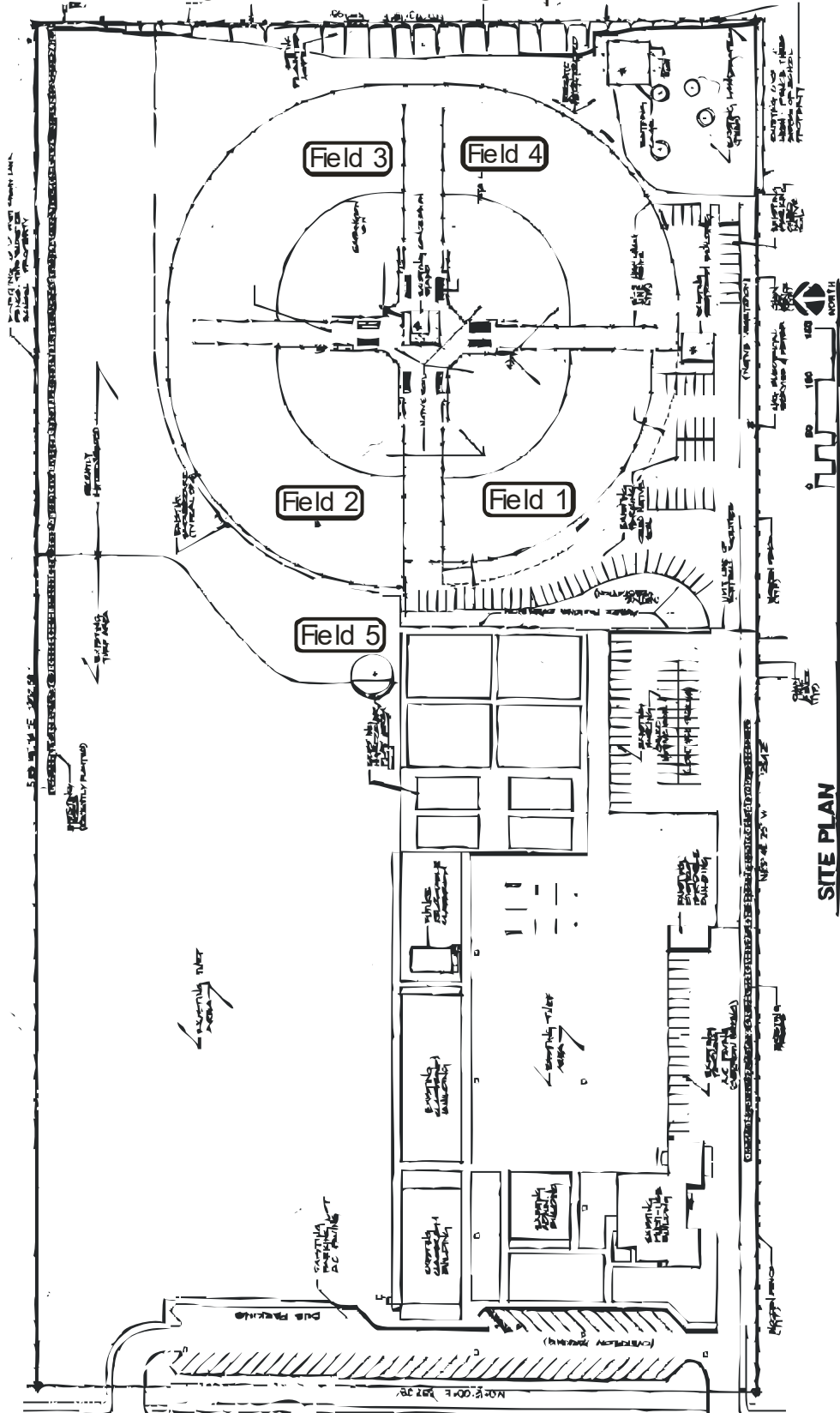
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EIN # for Proof of Non-Profit Status

Revised 10-3-2019



# Exhibit A

## Lakeview Junior High School Orcutt Youth Softball Complex



## Exhibit B

Date

Dear Softball Youth Parents:

The Orcutt School District has renewed the Use Agreement for the usage of the Softball Complex at Lakeview Jr. High. As a condition of the Agreement, the League is asking for your cooperation in reducing traffic in and out of the softball fields. We strongly urge you to:

1. Please make an effort to join or set up a car pool schedule to drop off and pick up players.
2. Please drop off players at the softball complex and not on side streets.
3. Please DO NOT park on side streets. Please park inside the complex.
4. Please enter and exit as indicated by the posted signs.
5. Please drive at 5 MPH while on school campus.
6. Tobacco products i.e., cigarettes, chewing tobacco, or cigars are not allowed on District property.
7. Alcoholic beverages and illegal drugs or controlled substances are strictly prohibited on District property.
8. Dogs (other than service dogs) and other pets are prohibited on District property at all times.

Thank you for your cooperation and assistance in helping the League meet the conditions of the Use Agreement.

Orcutt Youth Softball Association



## EDUCATIONAL SERVICES MEMORANDUM

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Janet Bertoldi, Interim Assistant Superintendent, Educational Services

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** Board Policy 5113.1 – Chronic Absence and Truancy

**BACKGROUND:** Policy updated to designate the attendance supervisor as the person responsible for performing various assignments related to absence and truancy; reflect a tiered approach for reducing chronic absence which includes universal strategies and letters to parents/guardians; expand material regarding early intervention; add the provision of training and information to staff for the implementation of a trauma-informed approach to chronic absence; reflect chronic absence as a measure of district and school performance on the California School Dashboard; and add grade level to the list of specific data to be provided to the board regarding attendance, absence, and truancy.

**RECOMMENDATION:** Staff recommends the Board of Trustees approve the proposed revisions to BP 5113.1, Chronic Absence and Truancy, for the first reading, and that it be placed on the next Consent Agenda for the second reading.

**FUNDING:** There are no funding implications.

## Students

### CHRONIC ABSENCE AND TRUANCY

The Board of Trustees believes that absenteeism whatever the cause, may be an early warning sign of poor academic achievement and may put students at risk of dropping out of school. The Board desires to ensure that all students attend school in accordance with the state's compulsory education law and take full advantage of educational opportunities provided by the district.

(cf. 5113 – Absences and Excuses)

**(cf. 5113.11 - Attendance Supervision)**

The Superintendent or designee shall establish a system to accurately track student attendance in order to identify individual students ~~classified as~~ **who are** chronic absentees and truants, as defined in law and administrative regulation and to identify patterns of absence throughout the district. ~~He/she shall provide the Board with data on school attendance, chronic absence, and truancy rates districtwide, for each school, and disaggregated for each numerically significant student subgroup as defined in Education Code 52052. Such data shall be used in the development of annual goals and specific actions for student attendance and engagement to be included in the district's local control and accountability plan and other applicable school and district plans.~~

~~(cf. 0400 – Comprehensive Plans)~~

~~(cf. 0420 – School Plans/Site Councils)~~

~~(cf. 0450 – Comprehensive Safety Plan)~~

~~(cf. 0460 – Local Control and Accountability Plan)~~

~~(cf. 0500 – Accountability)~~

The Superintendent or designee shall consult with students, parents/guardians, school staff, and other community agencies, as appropriate, to identify factors contributing to chronic absences and truancy.

**The Superintendent, attendance supervisor, or designee shall develop a tiered approach to reducing chronic absence. Such an approach shall include strategies for preventing attendance problems, which may include, but are not limited to, efforts to provide a safe and positive school environment, relevant and engaging learning experiences, school activities that help develop students' feelings of connectedness with the school, school-based health services, letters alerting parents/guardians to the value of regular school attendance, and incentives and rewards to recognize students who achieve excellent attendance or demonstrate significant improvement in attendance.**

**The tiered approach shall also provide for early outreach to students as soon as they show signs of poor attendance or if they were chronically absent in the prior school year. Early intervention may include personalized outreach, individual attendance plans, and/or mentoring to students with moderate levels of chronic absence, with additional intensive, interagency wrap-around services for students with the highest level of absence.**

**CHRONIC ABSENCE AND TRUANCY**

~~The Superintendent or designee shall develop strategies that focus on prevention of attendance problems, which may include, but are not limited to, efforts to provide a safe and positive school environment, relevant and engaging learning experiences, school activities that help develop students' feelings of connectedness with the school, school-based health services, and incentives and rewards to recognize students who achieve excellent attendance or demonstrate significant improvement in attendance. The Superintendent or designee also shall develop strategies that enable early outreach to students as soon as they show signs of poor attendance.~~

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 5126 - Awards for Achievement)

(cf. 5131 - Conduct)

(cf. 5131.2 - Bullying)

(cf. 5141.6 - School Health Services)

(cf. 5145.3 - Nondiscrimination/Harassment)

Students with serious attendance problems shall be provided with interventions specific to their needs, which may include, but are not limited to, health care referrals, transportation assistance, counseling for mental or emotional difficulties, academic supports, efforts to address school or community safety concerns, discussions with the student and parent/guardian about their attitudes regarding schooling, or other strategies to remove identified barriers to school attendance. The Superintendent, attendance supervisor, or designee may collaborate with child welfare services, law enforcement, courts, public health care agencies, other government agencies, and/or medical, mental health, and oral health care providers to make alternative educational programs and support services available for students and families.

~~Interventions for students with serious attendance problems shall be designed to meet the specific needs of the student and may include, but are not limited to, health care referrals, transportation assistance, counseling for mental or emotional difficulties, academic supports, efforts to address school or community safety concerns, discussions with the student and parent/guardian about their attitudes regarding schooling, or other strategies to remove identified barriers to school attendance. The Superintendent or designee may collaborate with child welfare services, law enforcement, courts, public health care agencies, other government agencies, and/or medical, mental health, and oral health care providers to make alternative educational programs and support services are available for students and families~~

(cf. 1400 - Relations Between Other Governmental Agencies and the Schools)

(cf. 5030 - Student Wellness)

(cf. 5146 - Married/Pregnant/Parenting Students)

(cf. 5147 - Dropout Prevention)

(cf. 6158 - Independent Study)

(cf. 6164.2 - Guidance/Counseling Services)

## CHRONIC ABSENCE AND TRUANCY

- (cf. 6164.5 - Student Success Teams)
- (cf. 6173 - Education for Homeless Children)
- (cf. 6173.1 - Education for Foster Youth)
- (cf. 6173.2 - Education of Children of Military Families)
- (cf. 6179 - Supplemental Instruction)
- (cf. 6181 - Alternative Schools/Programs of Choice)
- (cf. 6183 - Home and Hospital Instruction)
- (cf. 6184 - Continuation Education)
- (cf. 6185 - Community Day School)

The Superintendent or designee shall ensure that staff assigned to fulfill attendance-related duties are trained in implementing a trauma-informed approach to chronic absence and receive information about the high correlation between chronic absence and exposure to adverse childhood experiences.

- (cf. 4131 - Staff Development)

Students who are identified as truant shall be subject to the interventions specified in law and administrative regulation.

- (cf. 5113.12 - District School Attendance Review Board)

A student's truancy, tardiness, or other absence from school shall not be the sole basis for his/her out-of-school suspension or expulsion. Alternative disciplinary strategies and positive reinforcement for attendance shall be used whenever possible.

- (cf. 5144 - Discipline)
- (cf. 5144.1 - Suspension and Expulsion/Due Process)

The Superintendent, attendance supervisor, or designee shall periodically report to the Board regarding student attendance patterns in the district's progress in improving student attendance including rates of chronic absence and truancy districtwide and for each school, grade level, all students and for each numerically significant student subgroup as defined in Education Code 52052. population. Such information shall be used to evaluate the effectiveness of strategies implemented to reduce chronic absence and truancy and to develop annual goals and specific actions for student attendance and engagement to be included in the district's local control and accountability plan and other applicable school district plans. make changes as needed. As appropriate, the Superintendent or designee shall engage school staff in program evaluation and improvement and in the determination identification of how to best allocate available community resources.

- (cf. 0500 - Accountability)
- (cf. 0400 - Comprehensive Plans)
- (cf. 0420 - School Plans/Site Councils)
- (cf. 0450 - Comprehensive Safety Plan)
- (cf. 0460 - Local Control and Accountability Plan)

## CHRONIC ABSENCE AND TRUANCY

### ~~School Attendance Review Board~~

~~In accordance with law and administrative regulation, habitual truants may be referred to a school attendance review board (SARB).~~

~~The Superintendent or designee shall appoint members of the a SARB Consortia, who may include, but are not limited to, a parent/guardian as well as representatives of the district, county probation department, county welfare department, county office of education, law enforcement agencies, community-based youth service centers, school guidance personnel, child welfare and attendance personnel, school or county health care personnel, and school, county, or community mental health personnel, the county district attorney's office, and the county public defender's office. (Education Code 48321)~~

~~The district's SARB shall operate in accordance with Education Code 48320-48325 and procedures established by the Superintendent or designee.~~

### Legal Reference:

#### EDUCATION CODE

1740 - 1742 Employment of personnel to supervise attendance (county superintendent)

37223 Weekend classes

~~41601 Reports of average daily attendance~~

46000 Records (attendance)

46010-46014 Absences

46110-46119 Attendance in kindergarten and elementary schools

46140-46147 Attendance in junior high and high schools

48200-48208 Children ages 6-18 (compulsory full-time attendance)

48225.5 Work permits, entertainment and allied industries

48240-48246 Supervisors of attendance

48260-48273 Truants

48290-48296 Failure to comply; complaints against parents

48320-48324~~5~~ School attendance review boards

48340-48341 Improvement of student attendance

48400-48403 Compulsory continuation education

48900 Suspension and expulsion

49067 Unexcused absences as cause of failing grade

52052 Academic Performance Index; numerically significant student subgroups

60901 Chronic absence

#### GOVERNMENT CODE

54950-54963 The Ralph M. Brown Act

#### PENAL CODE

270.1 Chronic truancy; parent/guardian misdemeanor

**CHRONIC ABSENCE AND TRUANCY**

272 Parent/guardian duty to supervise and control minor child; criminal liability for truancy

830.1 Peace officers

**VEHICLE CODE**

13202.7 Driving privileges; minors; suspension or delay for habitual truancy

**WELFARE AND INSTITUTIONS CODE**

256-258 Juvenile hearing officer

601-601.4 Habitually truant minors

11253.5 Compulsory school attendance

**CODE OF REGULATIONS, TITLE 5**

306 Explanation of absence

420-421 Record of verification of absence due to illness and other causes

**COURT DECISIONS**

L.A. v. Superior Court of San Diego County, (2012) 209 Cal.App.4th 976

Management Resources:

~~CSBA PUBLICATIONS~~

~~Attendance Awareness Month, Fact Sheet, September 2014~~

~~ATTENDANCE WORKS PUBLICATIONS~~

~~District Attendance Tracking Tool~~

~~For School Board Members: Frequently Asked Questions About Chronic Absence~~

~~School Attendance Tracking Tool~~

~~Bringing Attendance Home: Engaging Parents in Preventing Chronic Absence, 2015~~

~~The Power of Positive Connections: Reducing Chronic Absence Through PEOPLE:~~

~~Priority Early Outreach for Positive Linkages and Engagement, 2014~~

~~Count Us in! Working Together to Show that Every School Day Matters, 2014~~

~~The Power of Positive Connections: Reducing Chronic Absence Through PEOPLE:~~

~~Priority Early Outreach for Positive Linkages and Engagement, 2014~~

~~WEB SITES~~

~~CSBA: <http://www.csba.org>~~

~~Attendance Works: <http://www.attendanceworks.org>~~

~~California Association of Supervisors of Child Welfare and Attendance:~~

~~<http://www.cascwa.org>~~

**CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS**

**School Attendance Review Board: A Road Map for Improved School Attendance and**

**Behavior, rev. 2018**

**WEB SITES**

CSBA: <http://www.csba.org>

Attendance Works: <http://www.attendanceworks.org>

California Association of Supervisors of Child Welfare and Attendance:

<http://www.cascwa.org>

California Department of Education: <http://www.cde.ca.gov>

California Healthy Kids Survey: <http://chks.wested.org>

California School Climate, Health, and Learning Survey System: [http://www.cal-](http://www.cal-schls.wested.org)

[schls.wested.org](http://www.cal-schls.wested.org)

Policy Adopted: ~~02/14/18~~ **02/10/21**

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California





## EDUCATIONAL SERVICES MEMORANDUM

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Janet Bertoldi, Interim Assistant Superintendent, Educational Services

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** Board Policy 5145.7 – Sexual Harassment

**BACKGROUND:** Policy updated to clarify that, in some instances, it may be necessary to concurrently review a sexual harassment complaint under both the Title IX sexual harassment complaint procedures and the district's uniform complaint procedures (UCP) in order to meet the applicable timelines. Policy also adds the requirement to provide supportive measures to the respondent as well as the complainant.

**RECOMMENDATION:** Staff recommends the Board of Trustees approve the proposed revisions to BP 5145.7, Sexual Harassment, for the first reading, and that it be placed on the next Consent Agenda for the second reading.

**FUNDING:** There are no funding implications.

**SEXUAL HARASSMENT**

The Board of Trustees is committed to maintaining a safe school environment that is free from harassment and discrimination. The Board prohibits, at school or at school-sponsored or school-related activities, sexual harassment targeted at any student by anyone. The board also prohibits retaliatory behavior or action against any person who reports, files a complaint, or testifies about, or otherwise supports a complainant in alleging sexual harassment.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 5131 – Conduct)

(cf. 5131.2 – Bullying)

(cf. 5137 - Positive School Climate)

(cf. 5145.3 – Nondiscrimination/Harassment)

The district strongly encourages students who feel that they are being or have been sexually harassed on school grounds or at a school-sponsored or school-related activity by another student or an adult, or who has experienced off-campus sexual harassment that has a continuing effect on campus, to immediately contact their teacher, the principal, the district's Title IX Coordinator, or any other available school employee. Any employee who receives a report or observes an incident of sexual harassment shall notify the Title IX Coordinator.

Once notified, the Title IX Coordinator shall ensure the complaint **or allegation** is addressed through **AR 5145.71 - Title IX Sexual Harassment eComplaint pProcedures or BP/AR 1312.3 – u Uniform eComplaint p Procedures, as applicable.; Because a complaint or allegation that is dismissed or denied under the Title IX complaint procedure may still be subject to consideration under state law, the Title IX Coordinator shall ensure that any implementation of AR 5145.71 concurrently meets the requirements of BP/AR 1312.3. and shall offer supportive measures to the complainant.**

(cf. 1312.1 - Complaints Concerning District Employees)

(cf. 1312.3 - Uniform Complaint Procedures)

(cf. 5141.4 - Child Abuse Prevention and Reporting)

(cf. 5145.71 - Title IX Sexual Harassment Complaint Procedures)

**The Title IX Coordinator shall offer supportive measures to the complainant and respondent, as deemed appropriate under the circumstances.**

The Superintendent or designee shall inform students and parents/guardians of the district's sexual harassment policy by disseminating it through parent/guardian notifications, publishing it on the district's web site, and including it in student and staff handbooks. All district staff shall be trained regarding the policy.

**Instruction/Information**

The Superintendent or designee shall ensure that all district students receive age- appropriate information on sexual harassment. Such instruction and information shall include:

1. What acts and behavior constitute sexual harassment, including the fact that sexual harassment could occur between people of the same sex and could involve sexual violence
2. A clear message that students do not have to endure sexual harassment under any circumstance

**SEXUAL HARASSMENT**

3. Encouragement to report observed ~~instances~~ **incidents** of sexual harassment, even when the alleged victim of the harassment has not complained
4. A clear message that student safety is the district's primary concern, and that any separate rule violation involving an alleged victim or any other person reporting a sexual harassment incident will be addressed separately and will not affect the manner in which the sexual harassment complaint will be received, investigated, or resolved
5. A clear message that, regardless of a complainant's noncompliance with the writing, timeline, or other formal filing requirements, every sexual harassment allegation that involves a student, whether as the complainant, respondent, or victim of the harassment, shall be investigated and action shall be taken to respond to harassment, prevent recurrence, and address any continuing effect on students
6. Information about the district's procedures for investigating complaints and the person(s) to whom a report of sexual harassment should be made
7. Information about the rights of students and parents/guardians to file a civil or criminal complaint, as applicable, including the right to file a civil or criminal complaint while the district investigation of a sexual harassment complaint continues
8. A clear message that, when needed, the district will implement supportive measures to ensure a safe school environment for a student who is the complainant or victim of sexual harassment and/or other students during an investigation.

Upon investigation of a sexual harassment complaint, any student found to have engaged in sexual harassment or sexual violence in violation of this policy shall be subject to disciplinary action. For students in grades 4-12, disciplinary action may include suspension and/or expulsion, provided that, in imposing such discipline, the entire circumstances of the incident(s) shall be taken into account.

(cf. 5144 - Discipline)

(cf. 5144.1 - Suspension and Expulsion/Due Process)

(cf. 5144.2 - Suspension and Expulsion/Due Process (Students with Disabilities))

Upon investigation of a sexual harassment complaint, any employee found to have engaged in sexual harassment or sexual violence toward any student shall be subject to disciplinary action, up to and including dismissal, in accordance with laws, and the applicable collective bargaining agreement.

(cf. 4117.7/4317.7 – Employment Status Report

(cf. 4118/4218 - Dismissal/Suspension/Disciplinary Action)

(cf. 4119.11/4219.11/4319.11 - Sexual Harassment)

**SEXUAL HARASSMENT**

**Record-Keeping**

In accordance with the law, the Superintendent or designee shall maintain a record of all reported cases of sexual harassment to enable the district to monitor, address, and prevent repetitive harassing behavior in district schools.

(cf. 3580 - District Records)

**Legal Reference:**

EDUCATION CODE

200-262.4 Prohibition of discrimination on the basis of sex

48900 Grounds for suspension or expulsion

48900.2 Additional grounds for suspension or expulsion; sexual harassment 48904 Liability of parent/guardian for willful student misconduct

48904 Liability of parent/guardian for willful student misconduct

48980 Notice at beginning of term

48985 Notices, report, statements and records in primary language

CIVIL CODE

51.9 Liability for sexual harassment; business, service and professional relationships

1714.1 Liability of parents/guardians for willful misconduct of minor

GOVERNMENT CODE

12950.1 Sexual harassment training CODE OF REGULATIONS, TITLE 5

4600-4687 Uniform complaint procedures

4900-4965 Nondiscrimination in elementary and secondary education programs UNITED STATES CODE, TITLE 20

1221 Application of laws

1232g Family Educational Rights and Privacy 1681-1688 Title IX of the Education Amendments of 1972

UNITED STATES CODE, TITLE 34

12991 Definition of dating violence, domestic violence, and stalking

UNITED STATES CODE, TITLE 42

1983 Civil action for deprivation of rights 2000d-

2000d-7 Title VI, Civil Rights Act of 1964

2000e-2000e-17 Title VII, Civil Rights Act of 1964 as amended

CODE OF FEDERAL REGULATIONS, TITLE 34

99.1-99.67 Family Educational Rights and Privacy

106.1-106.82 Nondiscrimination on the basis of sex in education programs

COURT DECISIONS

Donovan v. Poway Unified School District, (2008) 167 Cal.App.4th 567

Flores v. Morgan Hill Unified School District, (2003, 9th Cir.) 324 F.3d 1130

Reese v. Jefferson School District, (2000, 9th Cir.) 208 F.3d 736

Davis v. Monroe County Board of Education, (1999) 526 U.S. 629

Gebser v. Lago Vista Independent School District, (1998) 524 U.S. 274

Oona by Kate S. v. McCaffrey, (1998, 9th Cir.) 143 F.3d 473

Doe v. Petaluma City School District, (1995, 9th Cir.) 54 F.3d 1447

**Management Resources:**

CSBA PUBLICATIONS

Providing a Safe, Nondiscriminatory School Environment for Transgender and Gender-Nonconforming Students, Policy Brief, February 2014

Safe Schools: Strategies for Governing Boards to Ensure Student Success, 2011

**Students**

BP 5145.7 (d)

**SEXUAL HARASSMENT**

U.S. DEPARTMENT OF EDUCATION, OFFICE FOR CIVIL RIGHTS PUBLICATIONS

Q&A on Campus Sexual Misconduct, September 2017

Examples of Policies and Emerging Practices for Supporting Transgender Students, May 2016

Dear Colleague Letter: Title IX Coordinators, April 2015

Sexual Harassment: It's Not Academic, September 2008

Revised Sexual Harassment Guidance: Harassment of Students by School Employees, Other Students, or Third Parties, January 2001

**WEB SITES**

CSBA: <http://www.csba.org>

California Department of Education: <http://www.cde.ca.gov>

U.S. Department of Education, Office for Civil Rights: <http://www.ed.gov/about/offices/list/ocr>

Policy Adopted: ~~11/04/2020~~ **02/10/21**

**ORCUTT UNION SCHOOL DISTRICT**

Orcutt, California



## EDUCATIONAL SERVICES MEMORANDUM

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Janet Bertoldi, Interim Assistant Superintendent, Educational Services

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** Board Policy 6161.1 – Selection and Evaluation of Instructional Materials

**BACKGROUND:** Policy updated to reflect NEW LAW (SB 820, 2020) which revises the definition of "technology-based materials" to include the electronic equipment required to make use of those materials, making such equipment subject to the determination of sufficiency. Policy also deletes unnecessary legal citations related to the State Board of Education's (SBE) adoption of academic standards, deletes section on "Review Process" which was moved to the AR, deletes option in regard to public hearings on the sufficiency of textbooks and other instructional materials for schools that operate on a multitrack year-round calendar since such schools can use the same language as those that operate on a traditional calendar, and adds references to sample board policy and regulations for complaints concerning instructional materials.

**RECOMMENDATION:** Staff recommends the Board of Trustees approve the proposed revisions to BP 6161.1, Selection and Evaluation of Instructional Materials, for the first reading, and that it be placed on the next Consent Agenda for the second reading.

**FUNDING:** There are no funding implications.

**SELECTION AND EVALUATION OF INSTRUCTIONAL MATERIALS**

The Board of Trustees desires that district instructional materials, as a whole, present a broad spectrum of knowledge and viewpoints, reflect society's diversity, and enhance the use of multiple teaching strategies and technologies. The Board shall adopt instructional materials based on a determination that such materials are an effective learning resource to help students achieve grade-level competency and that the materials meet criteria specified in law. Textbooks, technology-based materials, other educational materials shall be aligned with state and district content standards and the district's curriculum to ensure that they effectively support the district's adopted courses of study.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 0415 - Equity)

(cf. 0440 - District Technology Plan)

(cf. 5145.3 - Nondiscrimination/Harassment)

(cf. 6000 - Concepts and Roles)

(cf. 6141 - Curriculum Development and Evaluation)

(cf. 6143 - Courses of Study)

(cf. 6146.1 - High School Graduation Requirements)

(cf. 6161.11 - Supplementary Instructional Materials)

(cf. 6162.5 - Student Assessment)

(cf. 6163.1 - Library Media Centers)

The Board shall select instructional materials for use in grades K-8 that have been approved by the State Board of Education (SBE) or ~~that have, during the district's review process, otherwise~~ been determined to be aligned with the state academic content standards adopted ~~by SBE. pursuant to Education Code 60605 or the Common Core Standards adopted pursuant to Education Code 60605.8.~~ (Education Code 60200, 60210)

The Board shall adopt instructional materials for grades 9-12 upon determining that the materials meet the criteria specified in law and administrative regulation. (Education Code 60400)

**In selecting or adopting instructional materials, the Board shall consider the recommendation of the Superintendent or designee and/or an advisory committee established to review the materials.**

**Review Process**

~~The Superintendent or designee shall establish a process by which instructional materials shall be reviewed for recommendation to the Board. Toward that end, he/she may establish an instructional materials review committee to evaluate and recommend instructional materials.~~

~~The review process shall involve teachers in a substantial manner and shall also encourage the participation of parents/guardians and community members. (Ed Code 60002)~~

~~In addition, the instructional materials review committee may include administrators, other staff who have subject matter expertise, and students as appropriate.~~

**SELECTION AND EVALUATION OF INSTRUCTIONAL MATERIALS**

~~If the district chooses to use instructional materials for grades K-8 that have not been adopted by the SBE, the Superintendent or designee shall ensure that a majority of the participants in the district's review process are classroom teachers who are assigned to the subject area or grade level of the materials. (Education Code 60210)~~

~~Individuals who participate in selecting and evaluating instructional materials shall not have a conflict of interest, as defined in administrative regulation, in the materials being reviewed.~~

~~(cf. 9270 – Conflict of Interest)~~

~~The committee shall review instructional materials using criteria provided in law and administrative regulation, and shall provide the Board with documentation supporting its recommendations.~~

~~All recommended instructional materials shall be available for public inspection at the district office.~~

~~(cf. 5020 – Parent Rights and Responsibilities)~~

~~The district may pilot instructional materials, using a representative sample of classrooms for a specified period of time during a school year, in order to determine how well the materials support the district's curricular goals and academic standards. Feedback from teachers piloting the materials shall be made available to the Board before the materials are adopted.~~

**Public Hearing on Sufficiency of Instructional Materials**

The Board shall annually conduct one or more public hearings on the sufficiency of the district's instructional materials. (Education Code 60119 5 CCR 9531)

The hearing shall take place on or before the end of the eighth week from the first day students attend school for that year.

The Board encourages participation by parents/guardians, teachers, interested community members, and bargaining unit leaders at the hearing. The Superintendent or designee shall post, 10 days prior to the hearing and in three public places within the district, a notice containing the time, place, and purpose of the hearing. The hearing shall not take place during or immediately following school hours. (Education Code 60119)

(cf. 9322 – Agenda/Meeting Materials)



**SELECTION AND EVALUATION OF INSTRUCTIONAL MATERIALS**

At these hearing(s), the Board shall determine, through a resolution, whether each student in each school, including each English Learner, has sufficient textbooks and/or instructional materials ~~that in each of the following subjects which~~ are aligned to the state content standards adopted ~~by SBE pursuant to Education code 60605 or the Common Core Standards adopted pursuant to Education Code 60605.8 and which are consistent with the content and cycles of the state curriculum frameworks adopted by SBE and consistent with the content cycles of the curriculum framework adopted by SBE in each of~~ **Sufficiency of instructional materials shall be determined in** the following subjects: (Education Code 60119)

## 1. Mathematics

(cf. 6142.92 – Mathematics Instruction)

## 2. Science

(cf. 6142.93 – Science Instruction)

## 3. History-social science

(cf. 6142.94 – History-Social Science Instruction)

## 4. English/language arts, including the English language development component of an adopted program

(cf. 6142.91 – English/Language Arts Instruction)

(cf. 6174 – Education for English Learners)

## 5. Foreign Language

## 6. Health

(cf. 6142.8 – Comprehensive Health Education)

The Board shall also determine the availability of science laboratory equipment, as applicable to science laboratory courses offered in grades 9-12.

In making these determinations, the Board shall consider whether each student has sufficient textbooks and/or instructional materials to use in class and to take home. However, ~~this does not require that each student have two sets of materials. The materials may be in a digital format as long as each student, at a minimum, has and can access the same materials in the class and to take home as all other students in the same class or course in the district and has the ability to use and access them at home.~~ However, the materials shall not be considered sufficient if they are photocopied sheets from only a portion of a textbook or instructional materials copied to address a shortage. (Education Code 60119)

**SELECTION AND EVALUATION OF INSTRUCTIONAL MATERIALS**

If materials are in a digital format, they shall be considered sufficient as long as each student, at a minimum, has and can access the same materials in the class and to take home as all other students in the same class or course in the district, and has the ability to use and access them at home. (Education Code 60119)

If the Board determines that there are insufficient textbooks and/or instructional materials, the Board shall provide information to classroom teachers and to the public, setting forth for each school in which an insufficiency exists, the percentage of students who lack sufficient standards-aligned textbooks or instructional materials in each subject area and the reasons that each student does not have sufficient textbooks and/or instructional materials. The Board shall take any action, except an action that would require reimbursement by the Commission of State Mandates, to ensure that that each student has sufficient materials within two months of the beginning of the school year in which the determination is made. (Education Code 60119)

The degree to which every student has sufficient access to standards-aligned instructional materials shall be included in the district's local control and accountability plan. (Education Code 52060)

(cf. 0460 - Local Control and Accountability Plan)

**Complaints**

Complaints concerning instructional materials shall be handled in accordance with BP/AR 1312.2 - Complaints Concerning Instructional Materials or AR 1312.4 - Williams Uniform Complaint Procedures, as applicable.

(cf. 1312.2 - Complaints Concerning Instructional Materials)

(cf. 1312.4 - Williams Uniform Complaint Procedures)

~~In addition, the instructional materials review committee may include administrators, other staff who have subject matter expertise, and students as appropriate.~~

~~If the district chooses to use instructional materials for grades K-8 that have not been adopted by the SBE, the Superintendent or designee shall ensure that a majority of the participants in the district's review process are classroom teachers who are assigned to the subject area or grade level of the materials. (Education Code 60210)~~

Legal Reference:

EDUCATION CODE

220 Prohibition against discrimination

1240 County superintendent, general duties

33050-33053 General waiver authority

33126 School accountability report card

35272 Education and athletic materials

~~42605 Tier 3 categorical flexibility~~

44805 Enforcement of course of studies; use of textbooks, rules and regulations

**SELECTION AND EVALUATION OF INSTRUCTIONAL MATERIALS**

- 49415 Maximum textbook weight
- 51501 Nondiscriminatory Subject matter
- 52060-52077 Local control and accountability plan
- 60000-60005 Instructional materials, legislative intent
- 60010 Definitions
- 60040-60048 Instructional requirements and materials
- 60060-60062 Requirements for publishers and manufacturers
- 60070-60076 Prohibited acts (re instructional materials)
- 60110-60111 Instructional materials on drug education
- 60119 Public hearing on sufficiency of materials
- 60200-60206 Elementary school materials
- 60226 Requirements for publishers and manufacturers
- 60350-60352 Core reading program instructional materials
- 60400-60411 High school textbooks
- 60510-60511 Donation for sale of obsolete instructional materials
- 60605 State content standards
- 60605.8 Common Core Standards
- 60605.86 Supplemental instructional materials aligned with Common Core Standards

CODE OF REGULATIONS, TITLE 5

9505-95320 Instructional materials

Management Resources:

~~CSBA PUBLICATIONS~~

~~Flexibility Provisions in the 2008 and 2009 State Budget: Policy Considerations for Governance~~

~~Teams, Budget Advisory, March 2009~~

CDE PUBLICATIONS

Instructional Materials FAQ

01-05 Guidelines for Piloting Textbooks and Instructional Materials, rev. January 2015

Standards for Evaluating Instructional Materials for Social Content, 2013

WEB SITES

CSBA: <http://www.csba.org>

Association of American Publishers: <http://www.publishers.org>

California Academic Content Standards Commission, Common Core Standards:

<http://www.scoe.net/castandards>

California Department of Education: <http://www.cde.ca.gov>

Policy Adopted: ~~01/10/2018~~ 02/10/21

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California



# Orcutt Union School District Human Resource Department

500 Dyer Street • Orcutt, California, 93455 • 805.938.8914

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Susan Salucci, Assistant Superintendent, Human Resources

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** Board Policy 4119.11, 4219.11, 4319.11 – Sexual Harassment

**BACKGROUND:** Policy updated to clarify that, in some instances, it may be necessary to concurrently review a sexual harassment complaint under both the Title IX sexual harassment complaint procedures and the district's procedure reflecting state law, as described in AR 4030 - Nondiscrimination in Employment, in order to meet the applicable timelines. Policy also adds the requirement to provide supportive measures to the respondent as well as the complainant.

**RECOMMENDATION:** It is recommended that the Board of Trustees approve the revisions to BP 4119.11, 4219.11, 4319.11, Sexual Harassment, for the first reading and that it be placed on the next Consent Agenda for the second reading.

**FUNDING:** There are no funding implications.

BP 4119.11 (a)  
BP 4219.11 (a)  
BP 4319.11 (a)

## **Personnel**

### **SEXUAL HARASSMENT**

The following policy shall apply to all district employees, interns, volunteers, contractors, job applicants, and other persons with an employment relationship with the district.

The Board of Trustees is committed to providing a safe work environment that is free of harassment and intimidation. The Board prohibits sexual harassment against district employees and retaliatory behavior or action against any person who complains, testifies, or otherwise participates in the complaint process established for the purpose of this policy.

(cf. 0410 - Nondiscrimination in District Programs and Activities)  
(cf. 4030 - Nondiscrimination in Employment)

Sexual harassment includes, but is not limited to, harassment that is based on the sex, gender, gender identity, gender expression, or sexual orientation of the victim and harassment based on pregnancy, childbirth, or related medical conditions.

The Superintendent or designee shall take all actions necessary to ensure the prevention, investigation, and correction of sexual harassment, including but not limited to:

1. Providing training to employees in accordance with law and administrative regulation
2. Publicizing and disseminating the district's sexual harassment policy to employees and others to whom the policy may apply
3. Ensuring prompt, thorough, and fair investigation of complaints
4. Taking timely and appropriate corrective/remedial action(s), which may require interim separation of the complainant and the alleged harasser and subsequent monitoring of developments

The Superintendent or designee shall periodically evaluate the effectiveness of the district's strategies to prevent and address harassment. Such evaluation may involve conducting regular anonymous employee surveys to assess whether harassment is occurring or is perceived to be tolerated, partnering with researchers or other agencies with the needed expertise to evaluate the district's prevention strategies, and using any other effective tool for receiving feedback on systems and/or processes. As necessary, changes shall be made to the harassment policy, complaint procedures, or training.

#### **Sexual Harassment Reports and Complaints**

District employees who feel that they have been sexually harassed in the performance of their district responsibilities or who have knowledge of any incident of sexual harassment by or against another employee shall immediately report the incident to their direct supervisor, a district administrator, or the district's Title IX Coordinator. Employees may bypass their supervisor in filing

BP 4119.11 (b)  
BP 4219.11 (b)  
BP 4319.11 (b)

## Personnel

### SEXUAL HARASSMENT

a complaint if the supervisor is the subject of the complaint. A supervisor or administrator who receives a harassment complaint shall promptly notify the Title IX Coordinator.

Once notified, the Title IX Coordinator shall ensure the complaint **or allegation** s addressed through either AR 4119.12/4219.12/4319.12 - Title IX Sexual Harassment Complaint Procedures **or AR 4030 – Nondiscrimination in Employment, as applicable. Because a complaint or allegation that is dismissed or denied under for complaints meeting the Title IX procedure may still be subject to consideration under state law, the Title IX Coordinator shall ensure that any implementation of AR 4119.12/4219.12/4319.12 concurrently meets the requirements of AR 4030. definition of sexual harassment or AR 4030 – Nondiscrimination in Employment for complaints meeting the state definition, as applicable, and**

(cf. 4119.12/4219.12/4319.12 - Title IX Sexual Harassment Complaints)

**The Title IX Coordinator** shall offer supportive measures to the complainant **and respondent, as deemed appropriate under the circumstances.**

Upon investigation of a sexual harassment complaint, any district employee found to have engaged or participated in sexual harassment or to have aided, abetted, incited, compelled, or coerced another to commit sexual harassment in violation of this policy shall be subject to disciplinary action, up to and including dismissal, in accordance with law and the applicable collective bargaining agreement.

(cf. 4117.7/4317.7 - Employment Status Reports)  
(cf. 4118 - Suspension/Disciplinary Action)  
(cf. 4218 - Dismissal/Suspension/Disciplinary Action)

Legal Reference:

#### EDUCATION CODE

200-262.4 Prohibition of discrimination on the basis of sex

#### GOVERNMENT CODE

12900-12996 Fair Employment and Housing Act, especially:

12940 Prohibited discrimination

**12950 Sexual harassments; distribution of information**

12950.1 Sexual harassment training

#### LABOR CODE

1101 Political activities of employees

1102.1 Discrimination: sexual orientation

#### CODE OF REGULATIONS, TITLE 2

11009 Employment discrimination

11021 Retaliation

11023 Harassment and discrimination prevention and correction

11024 Sexual harassment training and education

BP 4119.11 (c)  
BP 4219.11 (c)  
BP 4319.11 (c)

## **Personnel**

### **SEXUAL HARASSMENT**

11034 Terms, conditions, and privileges of employment

#### CODE OF REGULATIONS, TITLE 5

4900-4965 Nondiscrimination in elementary and secondary education programs

#### **UNITED STATES CODE, TITLE 20**

**1681-1688 Title IX of the Education Amendments of 1972**

#### UNITED STATES CODE, TITLE 42

2000e-2000e-17 Title VII, Civil Rights Act of 1964, as amended

#### CODE OF FEDERAL REGULATIONS, TITLE 34

106.1-106.9 Nondiscrimination on the basis of sex in education programs or activities

106.51-106.82 Nondiscrimination on the basis of sex in employment in education programs or activities

#### COURT DECISIONS

Department of Health Services V. Superior Court of California, (2003) 31 Cal.4th 1026

Faragher v. City of Boca Raton, (1998) 118 Sc.D. 2275

Burlington Industries v. Ellreth, (1998) 118 S.Ct. 2257

Gebser v. Lago Vista Independent School District, (1998) 118 S.Ct. 1989

Oncale v. Sundowner Offshore Serv. Inc., (1998) 118 S.Ct. 998

Meritor Savings Bank, FSB v. Vinson et al., (1986) 447 U.S. 57

Management Resources:

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION PUBLICATIONS

Promising Practices for Preventing Harassment, November 2017

#### WEB SITES

California Department of Fair Employment and Housing: <http://www.dfeh.ca.gov>

Equal Employment Opportunity Commission: <http://www.eeoc.gov>

U.S. Department of Education, Office of Civil Rights:

<http://www.ed.gov/offices/about/offices/list/ocr/index/html>

Policy Adopted: ~~11/04/20~~ **02/10/21**

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California



# Orcutt Union School District Human Resource Department

500 Dyer Street • Orcutt, California, 93455 • 805.938.8914

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Susan Salucci, Assistant Superintendent, Human Resources

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** Board Policy 4157,4257,4357 – Employee Safety

**BACKGROUND:** Policy updated to reflect New State Regulation which requires districts to provide employees with access to the district’s injury and illness prevention program, and to add the prohibition against discharging or discriminating against an employee for exercising any right protected by the Occupational safety and Health Act.

**RECOMMENDATION:** It is recommended that the Board of Trustees approve the revisions to BP 4157,4257,4357, Employee Safety, for the first reading and that it be placed on the next Consent Agenda for the second reading.

**FUNDING:** There are no funding implications.



## Personnel

### EMPLOYEE SAFETY

The Board of Trustees is committed to maximizing employee safety and believes that **workplace** safety is ~~every employee's~~ responsibility **of every employee**. Working conditions and equipment shall be maintained in compliance with standards prescribed by federal, state and local laws and regulations.

**(cf. 0450 - Comprehensive Safety Plan)**

No employee shall be required or permitted to be in any place of employment which is unsafe or unhealthful. (Labor Code 6402)

The Superintendent or designee shall promote safety and correct any unsafe work practice through education, training and enforcement.

~~The Board expects~~ **All employees are expected** to use safe work practices and, to the extent possible, correct any unsafe conditions which may occur. If an employee is unable to correct an unsafe condition, he/she shall immediately report the problem to the Superintendent or designee.

~~(cf. 4117.4 - Dismissal)~~

(cf. 4118 - Suspension/Disciplinary Action)

(cf. 4218 - Dismissal/Suspension/Disciplinary Action)

The Superintendent or designee shall establish and implement a written injury and illness prevention program, **and provide employees with access to such program**, in accordance with law. (Labor Code 6401.7; **CCR 3203**)

(cf. 3514 - Environmental Safety)

(cf. 3514.1 - Hazardous Substances)

**(cf. 3516 - Emergencies and Disaster Preparedness Plan)**

(cf. 4119.41/4219.41/4319.41 - Employees with Infectious Disease)

(cf. 4119.42/4219.42/4319.42 - Exposure Control Plan for Bloodborne Pathogens)

(cf. 4119.43/4219.43/4319.43 - Universal Precautions)

~~(cf. 4157.1/4257.1/4357.1 - Work-Related Injuries)~~

(cf. 4157.2/4257.2/4357.2 - Ergonomics)

(cf. 4158/4258/4358 - Employee Security)

**The Superintendent or designee shall make first aid materials readily available at district workplaces and shall make effective provisions to prepare for prompt medical treatment in the event of an employee's serious injury or illness. (8 CCR 3400)**

~~The Board shall ensure that the Superintendent or designee provides eye protective devices as specified in law and administrative regulation.~~

BP 4157 (b)  
BP 4257 (b)  
BP 4357 (b)

## Personnel

No employee shall be discharged or discriminated against for **exercising any right making complaints, instituting proceedings or testifying with regard to employee safety or health specified in**, or for participating in any occupational health and safety committee established pursuant to Labor Code 6401.7. ~~(Labor Code 6310)~~, **including:**

1. **Making a report or complaint**
2. **Instituting proceedings or causing proceedings to be instituted**
3. **Testifying with regard to employee safety or health**
4. **Participating in any occupational health and safety committee established pursuant to Labor Code 6401.7**
5. **Requesting access to injury or illness reports and records**
6. **Exercising any other right protected by the Occupational Safety and Health Act**

Legal Reference:

### EDUCATION CODE

~~32066 Safety: public and private institutions~~

32030-32034 – Eye safety

32225-32226 – Communication devices in classrooms

32280-32289 – School safety plans

44984 Required rules for industrial accidents and illness leave of absence

### GOVERNMENT CODE

3543.2 Scope of bargaining

### LABOR CODE

**132a Workers' compensation; nondiscrimination**

3300 Definitions

6305 Occupational safety and health standards; special order

6310 Retaliation for filing complaint prohibited

6400-6413.5 Responsibilities and duties of employers and employees, especially:

6401.7 Injury prevention programs

### CODE OF REGULATIONS, TITLE 8

3203 Injury and illness prevention program

**3204 Access to employee exposure and medical records**

3400 Medical services and first aid

5095-5100 Control of noise exposure

**5095-5100 Control of noise exposure**

**5193 Bloodborne pathogens**

**14000-14316 Occupational injury or illness reports and records**

BP 4157 (c)  
BP 4257 (c)  
BP 4357 (c)

## Personnel

CODE OF REGULATIONS, TITLE 17

2508 Reporting of communicable diseases

CODE OF FEDERAL REGULATIONS, TITLE 29

651-678 Occupational safety and health

1910.95 Noise standards

1910.1030 Bloodborne pathogens

Management Resources:

CAL/OSHA PUBLICATIONS

Guide to Developing Your Workplace Injury and Illness Prevention Program, revised  
~~April 1998~~ August 2011

DHHS PUBLICATIONS

Preventing Occupational Hearing Loss—A Practical Guide, June 1996, Department of  
Health and Human Services (National Institute for Occupational Safety and  
Health)

WEB SITES

California Department of Industrial Relations, Occupational Safety and Health:

[http://www.dir.ca.gov/occupational\\_safety.html](http://www.dir.ca.gov/occupational_safety.html)

OSHA: <http://www.osha.gov>

Cal/OSHA: [http://www.dir.ca.gov/occupational\\_safety.html](http://www.dir.ca.gov/occupational_safety.html)

Centers for Disease Control and Prevention: <http://www.cdc.gov>

National Hearing Conservation Association: <http://www.hearingconservation.org>

National Institute for Occupational Safety and Health: <http://www.cdc.gov/niosh>

U.S. Department of Labor, Occupational Safety and Health Administration:

<http://www.osha.gov>

Policy Adopted: ~~05/11/2011~~ 02/10/21

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California



# Orcutt Union School District Human Resource Department

500 Dyer Street • Orcutt, California, 93455 • 805.938.8914

**TO:** Board of Trustees  
Holly Edds, Ed.D.

**FROM:** Susan Salucci, Assistant Superintendent, Human Resources

**BOARD MEETING DATE:** January 13, 2021

**BOARD AGENDA ITEM:** Increase for District Nurse Salary Schedule

**BACKGROUND:** The Human Resources Department completed a study of salaries for the District Nurse position with (10) different districts in the Santa Barbara and San Luis Obispo counties. While the number of contracted days was fairly consistent among the districts, OUSD was number 9 in per diem pay, even in district serving fewer students. The new salary schedule reflects comparable pay, along with an increase in the number of days.

**RECOMMENDATION:** It is recommended that the Board of Trustees approve the new salary schedule for the District Nurse effective January 1, 2021.

**FUNDING:** Increased cost will be budgeted to the General Fund

**DOCUMENTS ATTACHED:** Salary Comparison for District School Nurse

## Salary Comparison for District School Nurse

District	Salary Range	Per Diem	Enrollment	# of Contract Days	# of RNs, LVNs, and health clerks
San Luis Coastal	\$78,898-\$106,983	Up to \$575	7448	186	4 RNs 4 LVNs
Goleta	\$64,339-\$110,364	Up to \$593	3650	186	4 RNs 4 LVNs
Lompoc	\$68,734-\$104,072	Up to \$534	9568	195	4 RNs 5 LVNs 1 Health Clerk
Santa Barbara Unified	\$60,145-\$98,434	Up to \$518	6695	190	9 RNs Health Clerk at each site
Guadalupe	\$67,831-\$108,852	Up to \$555	1260	196	1 RN 2 Health clerks
Santa Maria Joint Union High School District	\$63,530-\$107,040	Up to \$579	7673	185	1 RN 2 LVNs 3 Health aides + CHC is on SMH campus
Atascadero	\$77,400-\$92,200	Up to \$461	4636	200	3 RNs 8 LVNs 2 health clerks
Lucia Mar	\$86,244-\$102,430	Up to \$490	10,655	209	10 RNs 12 LVNs
Santa Maria Bonita	\$64,987-\$108,805	Up to \$585	17,000	186	10 RNs 1 LVN at each site
Orcutt <b>Current</b>	\$78,263-\$92,951	Up to \$474	5192	196	1 RN 5 LVNs
Orcutt <b>Proposed</b>	\$85,956-\$101,270	Up to \$494	5192	205	Possible addition of 1 RN or 1 LVN

## Salary Comparison for District School Nurse

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