



**BENICIA UNIFIED SCHOOL DISTRICT**

**COUNTY OF SOLANO  
BENICIA, CALIFORNIA**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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# BENICIA UNIFIED SCHOOL DISTRICT

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**James Marta & Company LLP**  
**Certified Public Accountants**

*Accounting, Auditing, Tax, and Consulting*

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**INDEPENDENT AUDITOR'S REPORT**

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

## **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 Benicia Unified School District (the "District"), as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Change in Accounting Principle*

As described in Note 1W to the financial statements, the District adopted GASB Statement No. 84, Fiduciary Activities which required a restatement of net position as of July 1, 2020. Our opinion is not modified with respect to this matter.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund, Schedule of Changes in District's Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions 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 basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards, as required by the July 2021 Edition of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

*James Marta & Company LLP*

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
December 3, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BENICIA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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The following discussion and analysis provides an overview of the financial position and activities of the Benicia Unified School District (the "District") for the year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which 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. These statements include all assets of the District (including capital assets), as well as all liabilities (including long-term obligations). 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 two categories of activities: governmental and fiduciary.

The *Governmental Activities* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Fiduciary Activities* only report a balance sheet and do not have a measurement focus.

*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 Benicia Unified School District.

**GOVERNMENT-WIDE STATEMENTS**

**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.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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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*, the District activities are reported as follows:

**Governmental Activities** – The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students, 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, finance these activities.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Funds are required to be established by State and Federal law.

**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 measure 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 service 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. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following each governmental fund financial statement.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's combined net position, as of June 30, 2021, was (\$22,876,335) reflecting a decrease of 1.7%. The decrease is mainly due to the reduction deferred outflows related to the Net Pension liabilities.

**Table 1 – Net Position**

	<u>Governmental Activities</u>			
	(As restated)			
	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>Percent Change</u>
<u>Assets</u>				
Current	\$ 48,356,610	\$ 49,135,187	\$ 778,577	1.6%
Capital Assets, net	65,092,942	63,970,544	(1,122,398)	-1.7%
Total Assets	<u>113,449,552</u>	<u>113,105,731</u>	<u>(343,821)</u>	<u>-0.3%</u>
<u>Deferred Outflows of Resources</u>				
OPEB	411,381	660,239	248,858	60.5%
Pensions	27,640,087	24,789,038	(2,851,049)	-10.3%
Total Deferred Inflows	<u>28,051,468</u>	<u>25,449,277</u>	<u>(2,602,191)</u>	<u>-9.3%</u>
<u>Liabilities</u>				
Current	9,024,719	8,663,929	(360,790)	-4.0%
Long-Term	144,584,573	143,166,224	(1,418,349)	-1.0%
Total Liabilities	<u>153,609,292</u>	<u>151,830,153</u>	<u>(1,779,139)</u>	<u>-1.2%</u>
<u>Deferred Inflows of Resources</u>				
Bond Premiums	1,650,370	1,563,960	(86,410)	-5.2%
OPEB	1,730,706	1,550,164	(180,542)	-10.4%
Pensions	6,996,463	6,487,066	(509,397)	-7.3%
Total Deferred Inflows	<u>10,377,539</u>	<u>9,601,190</u>	<u>(776,349)</u>	<u>-7.5%</u>
 Total Net Position	 <u>\$ (22,485,811)</u>	 <u>\$ (22,876,335)</u>	 <u>\$ (390,524)</u>	 <u>-1.7%</u>

**BENICIA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

**Change in Net Position**

The District's total revenues increased 1.1% to \$64,587,535. The total cost of all programs and services increased 15.0% to \$64,978,059. The District's expenses are predominantly related to educating and caring for students (80.6%). The purely administrative activities of the District accounted for 6.9% of total costs.

**Table 2 – Change in Net Position**

	Governmental Activities		Change	Percent Change
	2020	2021		
<b><u>Program Revenues</u></b>				
Charges for Services	\$ 1,953,416	\$ 771,445	\$ (1,181,971)	-60.5%
Operating Grants & Contributions	8,098,970	12,404,118	4,305,148	53.2%
Capital Grants & Contributions	1,458,514	173,291	(1,285,223)	-88.1%
<b><u>General Revenues</u></b>				
Taxes Levied	25,582,487	25,701,445	118,958	0.5%
Federal & State Aid	25,680,833	24,846,637	(834,196)	-3.2%
Interest & Investment Earnings	697,354	265,118	(432,236)	-62.0%
Miscellaneous	433,642	425,481	(8,161)	-1.9%
<b>Total Revenues</b>	<b>63,905,216</b>	<b>64,587,535</b>	<b>682,319</b>	<b>1.1%</b>
<b><u>Expenses</u></b>				
Instruction	32,464,869	39,928,270	7,463,401	23.0%
Instruction-Related Services	5,490,742	6,718,612	1,227,870	22.4%
Pupil Services	5,133,353	5,703,228	569,875	11.1%
General Administration	4,040,718	4,515,783	475,065	11.8%
Plant Services	4,462,914	5,945,742	1,482,828	33.2%
Ancillary Services	255,619	435,790	180,171	70.5%
Community Services	5,000	-	(5,000)	-100.0%
Interest on Long-Term Debt	1,918,377	1,407,220	(511,157)	-26.6%
Other Outgo	2,739,789	323,414	(2,416,375)	-88.2%
<b>Total Expenses</b>	<b>56,511,381</b>	<b>64,978,059</b>	<b>8,466,678</b>	<b>15.0%</b>
<b>Change in Net Position</b>	<b>\$ 7,393,835</b>	<b>\$ (390,524)</b>	<b>\$ (7,784,359)</b>	<b>105.3%</b>

**BENICIA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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**Governmental Activities**

As reported in the Statement of Activities on page 11, the cost of all of our governmental activities was \$64,978,059 and \$56,511,381 for June 30, 2021 and 2020, respectively.

The Statement of Activities reflects the net cost of each of the District's largest functions – instruction, pupil support services, maintenance and operations, administration, and other costs. Included in this table are each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden 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.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As the District completed the school year, the governmental funds reported a combined fund balance of \$44,188,548 which is an increase of \$1,231,759 from last year due mainly to the carryover of restricted and assigned programs in Fund 01.

**General Fund Budgetary Highlights**

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May revised figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim and any other time there are significant changes.

The District did not incur unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

Capital assets, net of depreciation, decreased \$1,122,398 due to current year deletions and annual depreciation. There were net disposals of \$123,986 in the current year.

**Long-Term Liabilities**

Total long-term liabilities decreased in 2020-21. A decrease in the General Obligation Bonds of \$4,983,890, and a decrease of \$367,677 in Capital Leases, were recognized in the current year.

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

**BENICIA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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

- Student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California. Enrollment is expected to decline by 156 in fiscal year 2021-22.
- The State's economic and budget situation has been challenged by the impacts from the COVID-19 pandemic and there continues to be significant financial requirements to maintain the employee pension plans.
- Future predictions require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the: District Office, Benicia Unified School District, 350 East K Street, Benicia, California 94510.

## **BASIC FINANCIAL STATEMENTS**

**BENICIA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 39,199,702
Receivables	9,776,446
Prepaid expenses	134,307
Stores inventory	24,732
Capital Assets:	
Capital assets, net of accumulated depreciation	<u>63,970,544</u>
Total Assets	<u>113,105,731</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows on OPEB (note 8)	660,239
Deferred outflows on pensions (note 7)	<u>24,789,038</u>
Total deferred outflows	<u>25,449,277</u>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	4,879,968
Unearned revenue	787,037
Long-term liabilities:	
Due within one year	2,996,924
Due in more than one year	<u>143,166,224</u>
Total Liabilities	<u>151,830,153</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred bond premium revenue	1,563,960
Deferred inflows on OPEB (note 8)	1,550,164
Deferred inflows on pensions (note 7)	<u>6,487,066</u>
Total deferred inflows	<u>9,601,190</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,314,351
Restricted	30,204,350
Unrestricted	<u>(55,395,036)</u>
Total Net Position	<u>\$ (22,876,335)</u>

See accompanying notes to the basic financial statements.

**BENICIA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Program Revenues			Governmental Activities	Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities					
Instruction	\$ 39,928,270	\$ 89,540	\$ 7,877,274	\$ 173,291	\$ (31,788,165)
Instruction - related services:					
Supervision of instruction	1,258,712	17,012	401,952	-	(839,748)
Instructional library, media and technology	829,376	261	32,612	-	(796,503)
School site administration	4,630,524	4,448	291,402	-	(4,334,674)
Pupil Services:					
Home-to-school transportation	41,810	-	2,712	-	(39,098)
Food services	1,682,016	17,019	1,963,500	-	298,503
All other pupil services	3,979,402	6,973	649,941	-	(3,322,488)
General administration:					
Centralized data processing	155,536	-	-	-	(155,536)
All other general administration	4,360,247	9,228	271,741	-	(4,079,278)
Plant services	5,945,742	6,451	269,503	-	(5,669,788)
Ancillary services	435,790	38,105	131,203	-	(266,482)
Community services	-	-	-	-	-
Interest on long-term debt	1,407,220	-	-	-	(1,407,220)
Other outgo	323,414	582,408	512,278	-	771,272
Total governmental activities	<u>\$ 64,978,059</u>	<u>\$ 771,445</u>	<u>\$ 12,404,118</u>	<u>\$ 173,291</u>	<u>(51,629,205)</u>
General Revenues					
Taxes and subventions:					
Taxes levied for general purposes					16,924,207
Taxes levied for debt service					8,777,238
Federal and state aid not restricted to specific purposes					24,846,637
Interest and investment earnings					265,118
Miscellaneous					425,481
Total general revenues					<u>51,238,681</u>
Change in net position					(390,524)
Net Position - July 1, 2020, as originally stated					<u>(22,962,740)</u>
Change in accounting principle (Note 1W)					476,929
Net Position - beginning, As restated					<u>(22,485,811)</u>
Net Position, June 30, 2021					<u>\$ (22,876,335)</u>

**BENICIA UNIFIED SCHOOL DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2021**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest &amp; Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 9,042,984	\$ 16,320,355	\$ 9,852,670	\$ 3,983,693	\$ 39,199,702
Accounts receivable	9,530,880	-	-	245,566	9,776,446
Prepaid Expenses	126,207	8,100	-	-	134,307
Due from other funds	74,091	-	-	2,823	76,914
Stores Inventory	-	-	-	24,732	24,732
<b>Total Assets</b>	<u>\$ 18,774,162</u>	<u>\$ 16,328,455</u>	<u>\$ 9,852,670</u>	<u>\$ 4,256,814</u>	<u>\$ 49,212,101</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,992,396	\$ 1,134,500	\$ -	\$ 32,706	\$ 4,159,602
Due to other funds	2,823	-	-	74,091	76,914
Unearned revenue	787,037	-	-	-	787,037
<b>Total Liabilities</b>	<u>3,782,256</u>	<u>1,134,500</u>	<u>-</u>	<u>106,797</u>	<u>5,023,553</u>
<b>Fund balances</b>					
Nonspendable	136,207	8,100	-	24,732	169,039
Restricted	2,922,465	15,185,855	9,852,670	2,243,360	30,204,350
Committed	2,300,000	-	-	-	2,300,000
Assigned	8,033,234	-	-	1,881,925	9,915,159
Unassigned	1,600,000	-	-	-	1,600,000
<b>Total Fund Balances</b>	<u>14,991,906</u>	<u>15,193,955</u>	<u>9,852,670</u>	<u>4,150,017</u>	<u>44,188,548</u>
<b>Total liabilities and fund balances</b>	<u>\$ 18,774,162</u>	<u>\$ 16,328,455</u>	<u>\$ 9,852,670</u>	<u>\$ 4,256,814</u>	<u>\$ 49,212,101</u>

**BENICIA UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**JUNE 30, 2021**

Total fund balances - governmental funds \$ 44,188,548

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

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

Capital assets at historical cost	\$ 146,713,470	
Accumulated depreciation	(82,742,926)	
Net		63,970,544

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

Deferred outflows of resources relating to pensions	24,789,038
Deferred inflows of resources relating to pensions	(6,487,066)

Unamortized costs: In governmental funds, debt issuance premiums, gain or loss on refunding, and defeasance costs are recognized as expenditures in the period they are incurred. In the government-wide statements, these amounts are amortized over the life of the debt. Unamortized premiums consist of: (1,563,960)

Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are

Deferred outflows of resources relating to OPEB	660,239
Deferred inflows of resources relating to OPEB	(1,550,164)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unamatured interest owing at the end of the period was: (720,366)

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

Current interest bonds payable	\$ 43,270,000	
Capital appreciation bonds payable	34,706,548	
Net pension liability	56,904,732	
Net OPEB liability	6,451,718	
Compensated absences payable	224,920	
Capital leases	4,605,230	
		<u>(146,163,148)</u>

Total net position, governmental activities: \$ (22,876,335)

**BENICIA UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2021**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest &amp; Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total</u>
<b>REVENUES</b>					
LCFF sources	\$ 40,889,554	\$ -	\$ -	\$ -	\$ 40,889,554
Federal revenue	3,161,317	-	-	1,518,342	4,679,659
Other state revenues	6,023,788	-	46,527	1,319,792	7,390,107
Other local revenues	2,396,951	149,667	8,773,896	307,691	11,628,205
Total revenues	<u>52,471,610</u>	<u>149,667</u>	<u>8,820,423</u>	<u>3,145,825</u>	<u>64,587,525</u>
<b>EXPENDITURES</b>					
Certificated salaries	22,202,913	-	-	36,401	22,239,314
Classified salaries	7,309,978	130,567	-	1,373,796	8,814,341
Employee benefits	12,570,789	49,622	-	501,424	13,121,835
Books and supplies	2,656,926	6,761	-	311,424	2,975,111
Services and other operating expenditures	3,286,464	47,605	-	235,103	3,569,172
Capital outlay	122,191	3,244,426	-	-	3,366,617
Other outgo	202,940	-	-	119,700	322,640
Debt service expenditures	468,717	-	8,478,019	-	8,946,736
Total expenditures	<u>48,820,918</u>	<u>3,478,981</u>	<u>8,478,019</u>	<u>2,577,848</u>	<u>63,355,766</u>
Excess(deficiency) of revenues over expenditures	<u>3,650,692</u>	<u>(3,329,314)</u>	<u>342,404</u>	<u>567,977</u>	<u>1,231,759</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	288,825	-	-	90,000	378,825
Operating transfers out	(90,000)	-	-	(288,825)	(378,825)
Total other financing sources (uses)	<u>198,825</u>	<u>-</u>	<u>-</u>	<u>(198,825)</u>	<u>-</u>
Net change in fund balances	3,849,517	(3,329,314)	342,404	369,152	1,231,759
Fund balances, July 1, 2020, as originally reported	11,142,389	18,523,269	9,510,266	3,303,936	42,479,860
Change in accounting principle (Note 1W)	-	-	-	476,929	476,929
Fund balances, July 1, 2020, as restated	<u>11,142,389</u>	<u>18,523,269</u>	<u>9,510,266</u>	<u>3,780,865</u>	<u>42,956,789</u>
Fund balances, June 30, 2021	<u>\$ 14,991,906</u>	<u>\$ 15,193,955</u>	<u>\$ 9,852,670</u>	<u>\$ 4,150,017</u>	<u>\$ 44,188,548</u>

See accompanying notes to the basic financial statements.

**BENICIA UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES**

**JUNE 30, 2021**

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Total net change in fund balances - governmental funds	\$ 1,231,759
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for capital outlay:	\$ 2,945,379	
Depreciation expense:	<u>(4,067,777)</u>	
		(1,122,398)

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

7,332,677

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

4,675

Accreted interest on capital appreciation bonds is not recognized as an expenditure in the governmental fund financial statements until paid. In the statement of activities, accreted interest is recognized as an expense as the capital appreciation bonds accrete in value. The net amount of accreted interest recognized in the current year was:

(1,981,110)

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is:

86,410

Pensions: In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions

(5,903,605)

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

(22,055)

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

(16,877)

Total change in net position - governmental activities	<u>\$ (390,524)</u>
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**BENICIA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**FIDUCIARY FUND**

**JUNE 30, 2021**

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	<u>Trust Fund</u>
	<u>Foundation</u>
<b>ASSETS</b>	
Cash and Equivalents	\$ 322,194
<b>LIABILITIES</b>	
Liabilities	
Accounts payable	\$ -
Total Liabilities	-
<b>NET POSITION</b>	
Restricted	\$ 322,194

**BENICIA UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2021**

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	<b>Private-Purpose Trust Fund</b>
	<b>Foundation</b>
<b>REVENUES</b>	
Interest	\$ 2,691
Total revenues	2,691
<b>EXPENSES</b>	
Scholarships Awarded	4,000
Total expenditures	4,000
Change in Net Position	(1,309)
Net Position, July 1, 2020	323,503
Net Position, June 30, 2021	\$ 322,194

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ACCOUNTING POLICIES**

Benicia Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. For state entitlement programs, the District has elected to match the revenues in the period that program expenditures are made to be consistent with the accounting for grants and other revenues.

**B. REPORTING ENTITY**

The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board, since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

**C. BASIS OF PRESENTATION**

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position presents information on all of the District's assets and liabilities, with the difference between the two presented as net position. Net position is reported as one of three categories: invested in capital assets, net of related debt; restricted or unrestricted.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**C. BASIS OF PRESENTATION (CONTINUED)**

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

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)**

Governmental Fund Financial Statements

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**E. FUND ACCOUNTING**

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

Governmental Funds

*General Fund* is the general operating fund of the District. It is used to account for all transactions except those required or permitted by law to be accounted for in another fund.

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains five special revenue funds:

1. *Student Activity Fund* is used to account for the raising and expending of ASB money to promote the general welfare, morale, and educational experience of the student body.
2. *Deferred Maintenance Fund* is used for the purpose of major repair or replacement of District property.
3. *Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's cafeterias.
4. *Adult Education Fund* is used to account for resources committed to adult education programs maintained by the District.

BENICIA UNIFIED SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

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**E. FUND ACCOUNTING (CONTINUED)**

5. *Child Development Fund* is used to account for revenues received and expenditures made to operate the child development program.

*Capital Projects Funds* are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains four capital projects funds:

1. *Building Fund* is used 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.
2. *Capital Facilities Fund* is used to account for community redevelopment agency revenues and capital outlay expenditures.
3. *County School Facilities Fund* is used to account for state apportionments (Education Code Sections 17009.5 and 17070.10-17076.10).
4. *Special Reserve Fund for Capital Outlay Projects* exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (Education Code Section 42840).

*Debt Service Funds* are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The District maintains one debt service fund:

1. *Bond Interest and Redemption Fund* is used to account for District taxes received and expended to pay bond interest and redeem bond principal.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Private Purpose Trust Funds are used to account for assets held by the District as trustee. The District maintains a Foundation Fund to provide educational assistance to students of the Districts. This fund's activities are reported in a separate statement of fiduciary net position. This fund is custodial in nature and do not involve measurement of results of operations. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**F. BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's Board of Education must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Board of Trustees satisfied these requirements.

The District employs budgetary control by major object code and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code. The budgets are revised during the year by the Board of Education to provide for unanticipated revenues and expenditures. The originally adopted and final revised budget for the General Fund is presented as required supplementary information.

**G. INVENTORY**

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

The cafeteria fund records supplies expense which includes a handling charge for the delivery of government surplus food commodities. The state does not require the Cafeteria Fund to record the fair market value of these commodities. The supplies expenditures would have been greater had the District paid fair market value for the government surplus commodities.

**H. CAPITAL ASSETS**

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost and capital improvement, acquisition or construction with an original cost of \$50,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expenses as incurred. Depreciation on all capital assets is computed using the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Sites and Improvements	10-36
Buildings and Improvements	7-40
Furniture and Equipment	5-15

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**I. COMPENSATED ABSENCES**

All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**J. ACCUMULATED SICK LEAVE**

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

**K. LONG-TERM OBLIGATIONS**

The District reports long-term debt of governmental funds at face value in the government-wide statements. In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized during the current period.

**L. RESTRICTED NET POSITION**

Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

**M. UNEARNED REVENUE**

Cash received for federal and state special projects and programs is recognized as revenue to the extent that the qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

**N. PROPERTY TAX**

The District's local control funding formula is received from a combination of local property taxes, state apportionments, and other local sources.

Secured property taxes are levied as an enforceable lien on property as of January 1. Taxes are payable in two installments, on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Solano bills and collects the taxes for the District.

Tax revenues are recognized by the District when received.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula (LCFF) sources by the District.

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**N. PROPERTY TAX (CONTINUED)**

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the State General Fund, and is known as the state apportionment.

**O. FUND BALANCE RESERVES AND DESIGNATIONS**

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

*Nonspendable Fund Balance* reflects assets not in spendable form, either because they will never convert to cash (e.g. prepaid expense) or must remain intact pursuant to legal or contractual requirements.

*Restricted Fund Balance* reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

*Committed Fund Balance* reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Trustees. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

*Assigned Fund Balance* reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Trustees is authorized to assign amounts for *specific purposes*.

*Unassigned Fund Balance* represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

**P. ENCUMBRANCES**

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

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**Q. 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 expenses during the reporting period. Actual results could differ from those estimates.

**R. ELIMINATIONS AND RECLASSIFICATIONS**

In the process of aggregating data for the government-wide statements, some amounts reported as interfund activity and balances in the fund financial statements were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

**S. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

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

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

**T. 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 Benicia Unified School District’s California Public Employees’ Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**U. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

For purposes of measuring the District’s 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’s OPEB Plan (OPEB Plan) and additions to/deductions from the District’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan 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.

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**W. CHANGE IN ACCOUNTING PRINCIPLE**

Effective July 1, 2020, the District adopted GASB 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.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. Prior to GASB 84 implementation, the District accounted for the Associated Student Body activity as Fiduciary Activities within the Agency Funds, which are now called Custodial Funds. The Associated Student Body activity no longer fit the criteria to be considered Fiduciary Activities. As a result, the Associated Student Body activity will be reported as a governmental activity under the Student Activity Fund in the basic financial statements.

Beginning of year net position has been restated as follows:

Net position previously reported, June 30, 2020	\$ (22,962,740)
Change in accounting principle (Note 1W)	<u>476,929</u>
Net position as restated	<u>\$ (22,485,811)</u>

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**2. CASH AND INVESTMENTS**

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

	Governmental Activities	Fiduciary Activities	Total
Cash in County Treasury	\$ 38,548,114	\$ 322,194	\$ 38,870,308
Cash on hand and in banks	380,274	-	380,274
Cash in revolving fund	10,000	-	10,000
Cash with fiscal agent	261,314	-	261,314
	<u>\$ 39,199,702</u>	<u>\$ 322,194</u>	<u>\$ 39,521,896</u>

**A. Cash 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.

Cash in County Treasury consists of District cash held by the Solano County Treasury that is invested in the county investment pool. The Treasury permits negative cash balances so long as the District's total cash in county treasury has a positive balance.

The fair value of the District's investment in the pool is reported in the financial statements at amounts that are 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 weighted average maturity of the pool is 365 days. The pool is rated AAA by Standard and Poor's.

**B. Cash in Revolving Funds and in Banks**

Cash balances held in banks and revolving funds are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

*Interest Rate Risk.* The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2021, the District had no significant interest rate risk related to cash and investments held.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable balances at June 30, 2021 consisted of:

	General Fund	All Non-Major Funds	Total
Federal government:			
Federal programs	\$ 1,984,985	\$ 163,838	\$ 2,148,823
State government:			
LCFF	6,201,001	-	6,201,001
Lottery	452,543	-	452,543
Other - State	756,959	81,728	838,687
Subtotal	7,410,503	81,728	7,492,231
Local government:			
Other	135,392	-	135,392
Totals	\$ 9,530,880	\$ 245,566	\$ 9,776,446

**4. INTERFUND TRANSACTIONS**

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

Interfund Receivables/Payables

Individual fund interfund receivable and payable balances at June 30, 2021 were as follows:

	Interfund Payables	Interfund Receivables
General Fund	\$ 2,823	\$ 74,091
Adult Education	-	2,300
Child Development Fund	74,091	523
	\$ 76,914	\$ 76,914

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**4. INTERFUND TRANSACTIONS (Continued)**

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2021 are as follows:

Transfer from Child Development Fund to General Fund to cover childcare program costs.	\$ 261,000
Transfer from Student Activity Fund to the General Fund for class supply donations not under the purview of student council.	27,825
Transfer from General Fund to Special Reserve Fund to related to the stadium track & field facility.	<u>90,000</u>
Total Transfers	<u><u>\$ 378,825</u></u>

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**5. CAPITAL ASSETS**

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

	Balance July 1, 2020	Additions and Transfers	Deductions and Transfers	Balance June 30, 2021
Non-depreciable assets:				
Land	\$ 5,932,768	\$ -	\$ -	\$ 5,932,768
Work in progress	6,560,331	2,151,003	5,908,387	2,802,947
Subtotal	<u>12,493,099</u>	<u>2,151,003</u>	<u>5,908,387</u>	<u>8,735,715</u>
Depreciable assets:				
Land Improvements	27,743,029	-	-	27,743,029
Buildings	99,831,980	6,967,088	270,626	106,528,442
Equipment	3,699,983	156,914	150,613	3,706,284
Subtotal	<u>131,274,992</u>	<u>7,124,002</u>	<u>421,239</u>	<u>137,977,755</u>
Totals, at cost	<u>143,768,091</u>	<u>9,275,005</u>	<u>6,329,626</u>	<u>146,713,470</u>
Accumulated depreciation:				
Land Improvements	(9,721,221)	(781,053)	-	(10,502,274)
Buildings	(66,593,069)	(3,295,363)	(151,551)	(69,736,881)
Equipment	(2,360,859)	(288,614)	(145,702)	(2,503,771)
Subtotal	<u>(78,675,149)</u>	<u>(4,365,030)</u>	<u>(297,253)</u>	<u>(82,742,926)</u>
Depreciable assets, net	<u>52,599,843</u>	<u>2,758,972</u>	<u>123,986</u>	<u>55,234,829</u>
Capital assets, net	<u>\$ 65,092,942</u>	<u>\$ 4,909,975</u>	<u>\$ 6,032,373</u>	<u>\$ 63,970,544</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 2,755,909
Instructional Supervision and Administration	87,593
Instructional Library, Media, and Technology	27,472
School Site Administration	314,820
Home-to-School Transportation	26,443
Food Services	119,277
All Other Pupil Services	158,216
All Other General Administration	397,425
Centralized Data Processing	15,636
Plant Services	164,986
Total depreciation expense	<u>\$ 4,067,777</u>

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**6. LONG-TERM LIABILITIES**

**General Obligation Bonds**

The District's outstanding general obligation bonded debt as of June 30, 2021 is as follows:

**A. Current Interest Bonds**

Description	Date Of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Outstanding July 1, 2020	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2021
2014, Series A	2014	1.50% - 5.00%	2040	\$ 20,000,000	\$ 15,650,000	\$ -	\$ 220,000	\$ 15,430,000
2014, Series B	2016	2.00% - 4.00%	2040	29,600,000	28,320,000	-	480,000	27,840,000
			Totals	<u>\$ 49,600,000</u>	<u>\$ 43,970,000</u>	<u>\$ -</u>	<u>\$ 700,000</u>	<u>\$ 43,270,000</u>

On June 3, 2014, the District was authorized an issuance of \$49,600,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. In November 2014, the Series A Bonds were the first series of bonds to be issued under this authorization for the amount of \$20,000,000. In October 2016, the District issued the Series B Bonds which are the second series of bonds in the amount of \$29,600,000.

The Series A and Series B Bonds are payable solely from *ad valorem* property taxes levied and collected by the County of Solano ("County"). The County Board of Supervisors (the "County Board") is empowered and obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Series A and Series B Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other outstanding issues of general obligation bonds which are similarly payable from *ad valorem* taxes levied on parcels in the District and will be payable on a pro rata basis with the Series A and Series B Bonds.

The Series A bonds consist of serial bonds bearing various fixed interest rates from 1.5% to 5.0% and mature in staggered amounts each year starting in August 1, 2015 up through August 1, 2039. The Series B bonds consist of serial bonds bearing various fixed interest rates from 2.0% to 4.0% and mature in staggered amounts each year starting in February 1, 2017 up through August 1, 2039. The outstanding 2014 general obligation bonds included above as of June 30, 2021 are as follows:

Total Bond Principal	\$ 43,270,000
Add Premiums unamortized	<u>1,563,960</u>
Net Bonds Payable	<u>\$ 44,833,960</u>

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**6. LONG-TERM LIABILITIES (CONTINUED)**

**A. Current Interest Bonds (continued)**

The annual requirements to amortize the current interest bonds payable, outstanding as of June 30, 2021, are as follows:

Year Ended June 30	Principal	Interest	Total
2022	\$ 800,000	\$ 1,490,519	\$ 2,290,519
2023	910,000	1,462,069	2,372,069
2024	1,030,000	1,429,744	2,459,744
2025	1,155,000	1,391,344	2,546,344
2026	1,290,000	1,342,094	2,632,094
2027-2031	8,910,000	5,784,013	14,694,013
2032-2036	13,760,000	3,807,247	17,567,247
2037-2041	15,415,000	1,083,798	16,498,798
Totals	<u>\$ 43,270,000</u>	<u>\$ 17,790,828</u>	<u>\$ 61,060,828</u>

**B. Capital Appreciation Bonds**

The outstanding obligation for the capital appreciation bonds at June 30, 2021, is as follows:

Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue	Outstanding July 1, 2020	Interest Current Year	Redeemed Current Year	Outstanding June 30, 2021
1997	4.80%-5.55%	2023	\$ 10,724,844	\$ 16,360,203	\$ 628,330	\$ 5,690,000	\$ 11,298,533
2000	5.50%-6.00%	2026	5,455,155	17,248,764	1,064,219	130,000	18,182,983
2001	2.40%-6.25%	2027	3,744,994	5,381,471	288,561	445,000	5,225,032
		Totals	<u>\$ 19,924,993</u>	<u>\$ 38,990,438</u>	<u>\$ 1,981,110</u>	<u>\$ 6,265,000</u>	<u>\$ 34,706,548</u>

The annual requirements to amortize the capital appreciation bonds at June 30, 2021, are as follows:

Year Ended June 30	Principal	Interest	Total
2022	\$ 1,824,124	\$ 2,760,876	\$ 4,585,000
2023	1,828,430	5,091,570	6,920,000
2024	1,948,422	5,326,578	7,275,000
2025	1,929,922	5,715,078	7,645,000
2026	1,651,305	6,378,695	8,030,000
2027-2031	774,689	2,770,311	3,545,000
Totals	<u>\$ 9,956,892</u>	<u>\$ 28,043,108</u>	<u>\$ 38,000,000</u>

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**6. LONG-TERM LIABILITIES (CONTINUED)**

**C. Capital Lease**

In May 2016, the District entered into a capital lease with the California Energy Commission for energy efficient capital improvements. The balance as of June 30, 2020 is \$2,600,000.

In May 2016, the District entered into an agreement for New Clean Renewable Energy Bonds (NCREB). The balance as of June 30, 2020 is \$2,254,098.

In July 2018, the District entered into two Hewlett-Packard copier leases. The balance as of June 30, 2020 is \$112,208.

The annual payments as of June 30, 2021 are as follows:

June 30,	Principal	Interest	Total
2022	\$ 372,800	\$ 95,430	\$ 468,230
2023	372,800	89,596	462,396
2024	338,320	81,452	419,772
2025	343,443	75,393	418,836
2026	343,443	69,111	412,554
2027-2031	1,763,320	248,394	2,011,714
2032-2036	1,071,104	74,272	1,145,376
<b>Total</b>	<b>\$ 4,605,230</b>	<b>\$ 733,648</b>	<b>\$ 5,338,878</b>

**D. Summary of Long-Term Liabilities**

A schedule of changes in long-term liabilities for the year ended June 30, 2021, is shown below.

	<b>Balance June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2021</b>	<b>Balance Due In One Year</b>
General Obligation Bonds					
Current Interest	\$ 43,970,000	\$ -	\$ 700,000	\$ 43,270,000	\$ 800,000
Capital Appreciation	38,990,438	1,981,110	6,265,000	34,706,548	1,824,124
Net pension liability (Note 7)	53,342,779	3,561,953	-	56,904,732	-
Capital Leases	4,972,907	-	367,677	4,605,230	372,800
Net OPEB liability (Note 8)	6,000,263	451,455	-	6,451,718	-
Compensated Absences	208,043	16,877	-	224,920	-
<b>Totals</b>	<b>\$ 147,484,430</b>	<b>\$ 6,011,395</b>	<b>\$ 7,332,677</b>	<b>\$ 146,163,148</b>	<b>\$ 2,996,924</b>

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**7. EMPLOYEE RETIREMENT SYSTEMS**

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

**Plan Description**

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

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

**State Teachers' Retirement System (STRS)**

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

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

	<b>CalPERS</b>		<b>CalSTRS</b>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date				
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	7%	10.25%	10.205%
Required employer contribution rates	20.700%	20.700%	16.15%	16.15%

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

Contributions

**CalPERS**

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. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

**STRS**

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

For the year ended June 30, 2021, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	<b>CalPERS</b>	<b>STRS</b>	<b>Total</b>
Contributions - employer	\$ 1,688,934	\$ 3,540,043	\$ 5,228,977
On behalf contributions - state	-	2,311,768	2,311,768
Total	\$ 1,688,934	\$ 5,851,811	\$ 7,540,745

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

As of June 30, 2021, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	<u><b>Proportionate Share of Net Pension Liability</b></u>
CalPERS	\$ 17,278,568
STRS	39,626,164
Total Net Pension Liability	\$ 56,904,732

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. 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 employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

<b>Measurement</b>			
<b>Dates</b>	<b>Fiscal Year</b>	<b>CalPERS</b>	<b>STRS</b>
June 30, 2019	2019-20	0.05636%	0.04088%
June 30, 2020	2020-21	0.05631%	0.04089%
Change - Increase (Decrease)		-0.00004%	0.00001%

For the year ended June 30, 2021, the District recognized pension expense of \$5,903,605. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>CalPERS</b>		<b>STRS</b>		<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 1,688,934	\$ -	\$ 5,851,811	\$ -	\$ 7,540,745	\$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2019-20	317,436	151,696	396,681	799,349	714,117	951,045
Changes of Assumptions	840,017	-	13,159,609	-	13,999,626	-
Differences between Expected and Actual Experience	1,516,184	-	256,496	2,622,770	1,772,680	2,622,770
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	519,257	411,469	1,489,452	411,469	2,008,709
Net differences between projected and actual investment earnings on pension plan investments	350,401	-	-	904,542	350,401	904,542
<b>Total</b>	<b>\$ 4,712,972</b>	<b>\$ 670,953</b>	<b>\$ 20,076,066</b>	<b>\$ 5,816,113</b>	<b>\$ 24,789,038</b>	<b>\$ 6,487,066</b>

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

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

Year Ended June 30	CalPERS	STRS	Total Deferred Outflows/ (Inflows) of Resources
2022	\$ 1,187,724	\$ 1,399,730	\$ 2,587,454
2023	667,985	1,647,704	2,315,689
2024	393,049	2,289,514	2,682,563
2025	104,327	1,807,211	1,911,538
2026	-	793,841	793,841
Thereafter	-	470,142	470,142
Total	<u>\$ 2,353,085</u>	<u>\$ 8,408,142</u>	<u>\$ 10,761,227</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	STRS
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return <sup>(1)</sup>	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

STRS changed the mortality assumptions based on the July 1, 2015 through June 30, 2018, experience study adopted by the board in January 2020. STRS 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 STRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

**Discount Rate**

**CalPERS**

The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

<b>CalPERS</b>			
<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10 <sup>(a)</sup></b>	<b>Real Return Years 11+ <sup>(b)</sup></b>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	100.0%		

<sup>(a)</sup> An expected inflation of 2.00% used for this period

<sup>(b)</sup> An expected inflation of 2.92% used for this period

Discount Rate

**STRS**

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases actuarially determined. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term investment rate of return assumption 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 STRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, STRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of the June 30, 2020 measurement date, are summarized in the following table:

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

Asset Class	STRS	
	Assumed Asset Allocation	Long-Term Expected Real Rate of Return <sup>(a)</sup>
Public Equity	42.0%	4.80%
Real Estate	15.0%	3.60%
Private Equity	13.0%	6.30%
Fixed Income	12.0%	1.30%
Risk Mitigating Strategies	10.0%	1.80%
Inflation Sensitive	6.0%	3.30%
Cash/Liquidity	2.0%	-0.40%
Total	100%	

<sup>(a)</sup> 20-year average

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	CalPERS		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability/(Asset)	\$ 24,841,092	\$ 17,278,568	\$ 11,002,052

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability/(Asset)	\$ 59,869,614	\$ 39,626,164	\$ 22,912,345

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and STRS comprehensive annual financial reports available on the CalPERS' and STRS' websites.

**Payable to the Pension Plan**

As of June 30, 2021, the District had no outstanding required contributions to the pension plans.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**8. OTHER POSTEMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

*Plan description.* The plan is a multi-employer defined benefit plan. The District contributes \$920 per month for BTA employees, \$771 per month for CSEA employees and \$753 per month for management and confidential employees toward healthcare benefits who retire from the District on or after attaining age 50 for CalPERS members, or 55 for CalSTRS members with 5 years of state or public agency service.

*Benefits provided.* The District provides a temporary subsidy of premiums for employees retiring with 15 or more years of service with the District. Specifically, the District pays a percentage of the retiree-only premium for medical coverage for a maximum of 5 years or until the retiree becomes eligible for Medicare, whichever occurs first. The amount and length of the District's payments vary based on the employee's age determined on October 1<sup>st</sup> of his or her retirement year.

The benefit is a percentage of the lesser of:

- Actual medical premiums;
- Caps specified in bargaining agreements. These caps are currently \$920 per month for BTA employees, \$771 per month for CSEA employees, and \$753 per month for Management and Confidential employees.

The Plan has no assets, does not issue financial statements, and is not a trust.

*Employees covered by benefit terms.* At June 30, 2019 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	29
Inactive employees entitled to but not yet receiving benefit payments	20
Active employees	383
	<u>432</u>

**Net OPEB Liability**

The District's 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 that date.

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**8. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial assumptions.* The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2019
Funding method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Not applicable (\$0; no OPEB trust has been established)
Municipal Bond Index	Fidelity 20 Year AA GO Municipal Bond Index
Discount rates	2.45% as of the June 30, 2020 Measurement Date 3.13% as of the June 30, 2019 Measurement Date
Participants valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary increase	3.00% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
Assumed wage inflation	3.0% per year; a component of assumed salary increases
General inflation rate	2.50% per year
Healthcare cost trend rate	5.40% initial, grades down to 4% for years 2076 and thereafter

Demographic actuarial assumptions used in this valuation are based on the following two studies:

- For CalPERS members: On the December 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. The representative mortality rates were those published by CalPERS adjusted to back out 15 years of Scale MP 2016 to central year 2015 before being projected forward as described below.
- For CalSTRS members: On the December 2016 CalSTRS experience study report. The representative mortality rates were those published by CalSTRS in the 2016 study before projection; the MacLeod Watts Scale 2020 was applied generationally, from 2015 for CalPERS members and from 2016 for CalSTRS members.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**8. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Changes in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balances at June 30, 2020	\$ 6,000,263	\$ -	\$ 6,000,263
Changes for the year:			
Service cost	421,811	-	421,811
Interest	194,573	-	194,573
Differences between expected and actual experience	-	-	-
Contributions - employer	-	411,381	(411,381)
Changes of assumptions	246,452	-	246,452
Net investment income	-	-	-
Benefit payments	(411,381)	(411,381)	-
Administrative expense	-	-	-
Net changes	451,455	-	451,455
Balances at June 30, 2021	<u>\$ 6,451,718</u>	<u>\$ -</u>	<u>\$ 6,451,718</u>

*Sensitivity of the net OPEB liability to changes in the discount rate and 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 a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	<b>1% Decrease (1.45%)</b>	<b>Current (2.45%)</b>	<b>1% Increase (3.45%)</b>
Net OPEB liability (asset)	\$ 6,827,847	\$ 6,451,718	\$ 6,091,850

*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 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Trend</b>	<b>1% Increase</b>
Net OPEB liability (asset)	\$ 5,897,933	\$ 6,451,718	\$ 7,094,441

*OPEB plan fiduciary net position.* The plan has no assets.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**8. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$22,055. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 345,154
Changes of assumptions	224,209	1,205,010
Net difference between projected and actual earnings on OPEB plan investments	-	-
Deferred contributions	436,030	-
Total	\$ 660,239	\$ 1,550,164

The District will recognize the contributions made subsequent to the measurement date in the next fiscal year. In addition, future recognition of these deferred resources is shown below:

<b>Year Ended June 30</b>	<b>Total Deferred Outflows/(Inflows) of Resources</b>
2022	\$ (158,299)
2023	(158,299)
2024	(158,299)
2025	(158,299)
2026	(158,299)
Thereafter	(534,460)
Total	\$ (1,325,955)

**Payable to the OPEB Plan**

At June 30, 2021, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**9. FUND BALANCES**

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
<b>Nonspendable:</b>					
Revolving Cash	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Inventory	-	-	-	24,732	24,732
Prepaid Expenses	126,207	8,100	-	-	134,307
Total Nonspendable	<u>136,207</u>	<u>8,100</u>	<u>-</u>	<u>24,732</u>	<u>169,039</u>
<b>Restricted:</b>					
Supplemental Appropriations (CRRSA) Act- One-time Stipend	-	-	-	25,358	25,358
Adult Education Block Grant Program	-	-	-	238,897	238,897
Lottery: Instructional Materials	587,006	-	-	-	587,006
Expanded Learning Opportunities (ELO) Grant	834,498	-	-	-	834,498
Expanded Learning Opportunities (ELO) Grant:					
Paraprofessional Staff	281,191	-	-	-	281,191
Ongoing & Major Maintenance Account	174,978	-	-	-	174,978
Other Restricted Local	1,044,792	-	-	782,021	1,826,813
Reserve for Bond Projects	-	15,185,855	-	-	15,185,855
Cafeteria Fund	-	-	-	785,622	785,622
Student Activity Funds	-	-	-	411,462	411,462
Debt Service	-	-	9,852,670	-	9,852,670
Total Restricted	<u>2,922,465</u>	<u>15,185,855</u>	<u>9,852,670</u>	<u>2,243,360</u>	<u>30,204,350</u>
<b>Committed:</b>					
Other commitments	2,300,000	-	-	-	2,300,000
Total Committed	<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,300,000</u>
<b>Assigned:</b>					
Other Assignments	8,033,234	-	-	1,881,925	9,915,159
Total Assigned	<u>8,033,234</u>	<u>-</u>	<u>-</u>	<u>1,881,925</u>	<u>9,915,159</u>
<b>Unassigned:</b>					
Reserve for Economic Uncertainties	1,600,000	-	-	-	1,600,000
Total Unassigned	<u>1,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600,000</u>
<b>Total Fund Balances</b>	<u>\$14,991,906</u>	<u>\$15,193,955</u>	<u>\$ 9,852,670</u>	<u>\$4,150,017</u>	<u>\$44,188,548</u>

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**10. JOINT VENTURES**

The District participates in two joint ventures under Joint Powers Agreements (JPA): North Bay Schools Insurance Authority for workers' compensation and health and welfare insurance and Contra Costa and Solano Counties School Districts Self-Insurance Authority (CCSOLANO) for property and liability insurance.

The relationship between District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes.

The most recently available audited, condensed financial information for the JPAs is as follows:

	<u>NBSIA</u> <u>6/30/2020*</u>	<u>CCSOLANO</u> <u>6/30/2020*</u>
Total Assets	<u>\$ 81,612,897</u>	<u>\$ 1,534,758</u>
Deferred Outflows of Resources	<u>708,156</u>	<u>-</u>
Total Liabilities	<u>49,148,366</u>	<u>729,621</u>
Deferred Inflows of Resources	<u>104,788</u>	<u>-</u>
Net Position	<u>\$ 33,067,899</u>	<u>\$ 805,137</u>
Revenues	\$ 32,319,822	\$ 5,574,385
Expenditures	<u>29,115,399</u>	<u>5,469,789</u>
Change in Net Position	<u>\$ 3,204,423</u>	<u>\$ 104,596</u>

*\*Most recent report available*

Audited financial statements for the JPAs are prepared annually and can be obtained from management of the individual JPAs.

**11. COMMITMENTS AND CONTINGENCIES**

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

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

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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**12. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the District’s operations and financial results at this time.

The District’s management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2021 through December 3, 2021, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BENICIA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
LCFF sources	\$ 37,431,167	\$ 40,889,553	\$ 40,889,554	\$ 1
Federal revenue	1,432,997	3,161,317	3,161,317	-
Other state revenues	4,172,601	6,023,789	6,023,788	(1)
Other local revenues	<u>2,306,956</u>	<u>2,396,956</u>	<u>2,396,951</u>	<u>(5)</u>
Total revenues	<u>45,343,721</u>	<u>52,471,615</u>	<u>52,471,610</u>	<u>(5)</u>
<b>EXPENDITURES</b>				
Certificated salaries	21,858,320	22,202,913	22,202,913	-
Classified salaries	7,402,047	7,309,978	7,309,978	-
Employee benefits	13,461,191	12,570,792	12,570,789	3
Books and supplies	1,591,098	2,656,927	2,656,926	1
Services and other operating expenditures	2,476,772	3,286,465	3,286,464	1
Capital outlay	-	122,191	122,191	-
Other outgo	<u>899,073</u>	<u>671,657</u>	<u>671,657</u>	<u>-</u>
Total expenditures	<u>47,688,501</u>	<u>48,820,923</u>	<u>48,820,918</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	(2,344,780)	3,650,692	3,650,692	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	288,825	288,825	-
Operating transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(90,000)</u>	<u>198,825</u>	<u>198,825</u>	<u>-</u>
Net change in fund balances	(2,434,780)	3,849,517	3,849,517	-
Fund balances, July 1, 2020	<u>11,142,389</u>	<u>11,142,389</u>	<u>11,142,389</u>	<u>-</u>
Fund balances, June 30, 2021	<u>\$ 8,707,609</u>	<u>\$ 14,991,906</u>	<u>\$ 14,991,906</u>	<u>\$ -</u>

**BENICIA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICTS**  
**NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>
<b>Total OPEB liability</b>				
Service cost	\$ 421,811	\$ 549,348	\$ 537,148	\$ 575,691
Interest	194,573	275,324	257,373	208,041
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(421,180)	-	-
Changes of assumptions	246,452	(1,244,383)	(27,201)	(276,215)
Benefit payments, including refunds of member contributions	(411,381)	(430,291)	(376,629)	(351,498)
<b>Net change in total OPEB liability</b>	<u>451,455</u>	<u>(1,271,182)</u>	<u>390,691</u>	<u>156,019</u>
<b>Total OPEB liability - beginning</b>	<u>6,000,263</u>	<u>7,271,445</u>	<u>6,880,754</u>	<u>6,724,735</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 6,451,718</u>	<u>\$ 6,000,263</u>	<u>\$ 7,271,445</u>	<u>\$ 6,880,754</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 411,381	\$ 430,291	\$ 376,629	\$ 351,498
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(411,381)	(430,291)	(376,629)	(351,498)
Administrative expense	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>District's net OPEB liability - ending (a) - (b)</b>	<u>\$ 6,451,718</u>	<u>\$ 6,000,263</u>	<u>\$ 7,271,445</u>	<u>\$ 6,880,754</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$30,619,136	\$30,224,958	\$29,711,878	\$28,936,197
District's net OPEB liability as a percentage of covered-employee payroll	21.1%	19.9%	24.5%	23.8%

\* Only four years are presented as GASB 75 was implemented in 2017-18.

**BENICIA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>June 30, 2014<sup>(1)</sup></b>	<b>June 30, 2015<sup>(1)</sup></b>	<b>June 30, 2016<sup>(1)</sup></b>	<b>June 30, 2017<sup>(1)</sup></b>	<b>June 30, 2018<sup>(1)</sup></b>	<b>June 30, 2019<sup>(1)</sup></b>	<b>June 30, 2020<sup>(1)</sup></b>
<b>CaIPERS</b>							
Proportion of the net pension liability (asset)	0.05686%	0.05911%	0.06150%	0.06211%	0.05885%	0.05636%	0.05631%
Proportionate share of the net pension liability (asset)	\$ 6,454,574	\$ 8,712,602	\$ 12,146,907	\$ 14,826,510	\$ 15,690,057	\$ 16,424,527	\$ 17,278,568
Covered payroll <sup>(2)</sup>	\$ 5,801,674	\$ 6,501,857	\$ 6,294,189	\$ 7,082,004	\$ 6,674,056	\$ 7,149,217	\$ 10,187,290
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	111.25%	134.00%	192.99%	209.35%	235.09%	229.74%	169.61%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.38%	79.43%	73.90%	71.87%	70.85%	70.05%	70.00%
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 682,915	\$ 770,275	\$ 874,137	\$ 1,099,906	\$ 1,205,468	\$ 1,409,897	\$ 2,108,769
<b>STRS</b>							
Proportion of the net pension liability (asset)	0.04306%	0.04397%	0.04262%	0.04167%	0.04232%	0.04088%	0.04089%
Proportionate share of the net pension liability (asset)	\$ 25,162,159	\$ 29,602,332	\$ 34,473,630	\$ 38,534,965	\$ 38,893,235	\$ 36,918,252	\$ 39,626,164
Covered payroll <sup>(2)</sup>	\$ 17,817,793	\$ 16,889,804	\$ 18,118,116	\$ 19,252,717	\$ 19,966,658	\$ 20,917,918	\$ 24,785,368
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	141.22%	175.27%	190.27%	200.15%	194.79%	176.49%	159.88%
Plan fiduciary net position as a percentage of the total pension liability (asset)	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 1,582,220	\$ 1,812,276	\$ 2,279,259	\$ 2,778,167	\$ 3,250,572	\$ 3,576,964	\$ 4,002,837

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Covered payroll is the payroll on which contributions to a pension plan are based.

(3) The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Fiscal Year 2014-15 <sup>(1)</sup>	Fiscal Year 2015-16 <sup>(1)</sup>	Fiscal Year 2016-17 <sup>(1)</sup>	Fiscal Year 2017-18 <sup>(1)</sup>	Fiscal Year 2018-19 <sup>(1)</sup>	Fiscal Year 2019-20 <sup>(1)</sup>	Fiscal Year 2020-21 <sup>(1)</sup>
<b>CaPERS</b>							
Contractually required contribution <sup>(2)</sup>	\$ 682,915	\$ 770,275	\$ 874,137	\$ 1,099,906	\$ 1,205,468	\$ 1,409,897	\$ 2,108,769
Contributions in relation to the contractually required contribution <sup>(2)</sup>	(774,437)	(861,887)	(1,096,864)	(1,210,645)	(1,413,406)	(1,604,572)	(1,688,934)
Contribution deficiency (excess)	\$ (91,522)	\$ (91,612)	\$ (222,727)	\$ (110,739)	\$ (207,938)	\$ (194,675)	\$ 419,835
Covered payroll <sup>(3)</sup>	\$ 5,801,674	\$ 6,501,857	\$ 6,294,189	\$ 7,082,004	\$ 6,674,056	\$ 7,149,217	\$ 10,187,290
Contributions as a percentage of covered payroll <sup>(3)</sup>	11.771%	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%
<b>STRS</b>							
Contractually required contribution <sup>(2)</sup>	\$ 1,582,220	\$ 1,812,276	\$ 2,279,259	\$ 2,778,167	\$ 3,250,572	\$ 3,576,964	\$ 4,002,837
Contributions in relation to the contractually required contribution <sup>(2)</sup>	(1,648,869)	(2,290,441)	(2,804,634)	(3,265,941)	(3,606,705)	(3,812,699)	(3,540,043)
Contribution deficiency (excess)	\$ (66,649)	\$ (478,165)	\$ (525,375)	\$ (487,774)	\$ (356,133)	\$ (235,735)	\$ 462,794
Covered payroll <sup>(3)</sup>	\$ 17,817,793	\$ 16,889,804	\$ 18,118,116	\$ 19,252,717	\$ 19,966,658	\$ 20,917,918	\$ 24,785,368
Contributions as a percentage of covered payroll <sup>(3)</sup>	8.880%	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required contributions. CaPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered payroll is the payroll on which contributions to a pension plan are based.

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

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**1. PURPOSE OF SCHEDULES**

**A - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund**

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

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

*Benefit changes:* There were no changes in benefit terms.

*Changes of assumptions:* The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020 based on the published change in return for the applicable municipal bond index.

Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

**C - Schedule of OPEB Contributions**

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2020 were from the June 30, 2019 valuation.

Valuation date	June 30, 2019
Funding method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Not applicable (\$0; no OPEB trust has been established)
Municipal Bond Index	Fidelity 20 Year AA GO Municipal Bond Index
Discount rates	2.45% as of the June 30, 2020 Measurement Date 3.13% as of the June 30, 2019 Measurement Date
Participants valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary increase	3.00% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
Assumed wage inflation	3.0% per year; a component of assumed salary increases
General inflation rate	2.50% per year
Healthcare cost trend rate	5.40% initial, grades down to 4% for years 2076 and thereafter

**BENICIA UNIFIED SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**1. PURPOSE OF SCHEDULES (CONTINUED)**

**D - Schedule of 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 Assumptions

There were no changes in the assumptions used in the calculation of both the PERS and STRS collective net pension liabilities.

Changes in Benefit Terms

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

Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

**E - Schedule of Pension Contributions**

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll. In the future, as data becomes available, ten years of information will be presented.

Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

	<u>CalPERS</u>	<u>STRS</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return <sup>(1)</sup>	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

**SUPPLEMENTARY INFORMATION**

**BENICIA UNIFIED SCHOOL DISTRICT  
COMBINING BALANCE SHEET**

**ALL NON-MAJOR FUNDS**

**JUNE 30, 2021**

	Student Activity Fund	Adult Education Fund	Child Development Fund	Special Revenue Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ 413,108	\$ 256,219	\$ 112,873	\$ 681,449	\$ 140,412	\$ 6,979	\$ 1,658,166	\$ 714,487	\$ 3,983,693	
Accounts receivable	-	17,377	81,728	146,461	-	-	-	-	-	245,566
Due from other funds	-	2,300	523	-	-	-	-	-	-	2,823
Stores Inventory	-	-	-	24,732	-	-	-	-	-	24,732
<b>Total Assets</b>	<b>\$ 413,108</b>	<b>\$ 275,896</b>	<b>\$ 195,124</b>	<b>\$ 852,642</b>	<b>\$ 140,412</b>	<b>\$ 6,979</b>	<b>\$ 1,658,166</b>	<b>\$ 714,487</b>	<b>\$ 4,256,814</b>	
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	\$ 1,646	\$ 24,796	\$ 5,236	\$ 1,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,706
Due to other funds	-	-	74,091	-	-	-	-	-	-	74,091
<b>Total Liabilities</b>	<b>1,646</b>	<b>24,796</b>	<b>79,327</b>	<b>1,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,797</b>
<b>Fund balances</b>										
Nonspendable	-	-	-	24,732	-	-	-	-	-	24,732
Restricted	411,462	238,897	25,358	785,622	70,707	-	-	711,314	-	2,243,360
Assigned	-	12,203	90,439	41,260	69,705	6,979	1,658,166	3,173	-	1,881,925
<b>Total Fund Balances</b>	<b>411,462</b>	<b>251,100</b>	<b>115,797</b>	<b>851,614</b>	<b>140,412</b>	<b>6,979</b>	<b>1,658,166</b>	<b>714,487</b>	<b>4,150,017</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 413,108</b>	<b>\$ 275,896</b>	<b>\$ 195,124</b>	<b>\$ 852,642</b>	<b>\$ 140,412</b>	<b>\$ 6,979</b>	<b>\$ 1,658,166</b>	<b>\$ 714,487</b>	<b>\$ 4,256,814</b>	

**BENICIA UNIFIED SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**

**ALL NON-MAJOR FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Total
<b>REVENUES</b>									
Federal revenue	\$ -	\$ 26,215	\$ 25,358	\$ 1,466,769	\$ -	\$ -	\$ -	\$ -	\$ 1,518,342
Other state revenues	-	155,362	853,437	137,702	-	-	173,291	-	1,319,792
Other local revenues	117,615	11,966	73,736	53,650	58	34,565	12,915	3,186	307,691
Total revenues	117,615	193,543	952,531	1,658,121	58	34,565	186,206	3,186	3,145,825
<b>EXPENDITURES</b>									
Certificated salaries	-	36,401	-	-	-	-	-	-	36,401
Classified salaries	-	19,927	603,581	750,288	-	-	-	-	1,373,796
Employee benefits	-	13,615	253,705	234,104	-	-	-	-	501,424
Books and supplies	32,592	11,995	6,161	260,676	-	-	-	-	311,424
Services and other operating expenditures	122,665	57,551	20,093	9,749	-	14,370	10,675	-	235,103
Other outgo	-	4,700	55,000	60,000	-	-	-	-	119,700
Total expenditures	155,257	144,189	938,540	1,314,817	-	14,370	10,675	-	2,577,848
Excess(deficiency) of revenues over expenditures	(37,642)	49,354	13,991	343,304	58	20,195	175,531	3,186	567,977
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in	-	-	-	-	-	-	-	90,000	90,000
Operating transfers out	(27,825)	-	(261,000)	-	-	-	-	-	(288,825)
Total other financing sources (uses)	(27,825)	-	(261,000)	-	-	-	-	90,000	(198,825)
Net change in fund balances	(65,467)	49,354	(247,009)	343,304	58	20,195	175,531	93,186	369,152
Fund balances, July 1, 2020, as originally reported	-	201,746	362,806	508,310	6,921	120,217	1,482,635	621,301	3,303,936
Change in accounting principle (Note 1W)	476,929	-	-	-	-	-	-	-	476,929
Fund balances, July 1, 2020, as restated	476,929	201,746	362,806	508,310	6,921	120,217	1,482,635	621,301	3,780,865
Fund balances, June 30, 2021	\$ 411,462	\$ 251,100	\$ 115,797	\$ 851,614	\$ 6,979	\$ 140,412	\$ 1,658,166	\$ 714,487	\$ 4,150,017

**BENICIA UNIFIED SCHOOL DISTRICT**

**ORGANIZATION**

**JUNE 30, 2021**

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The Benicia Unified School District was established in 1850. The District is currently operating in Solano County. There have been no changes in the boundaries of the District during the year. The District operates four elementary schools, one middle school, one high school, and one continuation high school.

**BOARD OF TRUSTEES**

<u>Name</u>	<u>Office</u>	<u>Term Expires December</u>
Sheri Zada, Area 1	President	2022
Gethsemane Moss, Area 3	Clerk	2024
Cece Grubbs, Area 2	Trustee	2024
Diane Ferrucci, Area 5	Trustee	2022
Mark Maselli, Area 4	Trustee	2022

**ADMINISTRATION**

Dr. Charles Young  
Superintendent

Timothy Rahill  
Chief Business Official

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

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

**BENICIA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Charter School ID Number	Charter Schools Chartered by the District	Included in the District Financial Statements, or Separate Report
The District does not operate any charter schools		

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

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There were no adjustments to any funds of the District.

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

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education</u>			
Passed through California Department of Education			
<b>Special Education Cluster:</b>			
84.027	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	13379	\$ 806,245
84.027	Special Education: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10115	3,061
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec 619	13430	34,170
84.027A	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	15197	52,104
	Subtotal Special Education Cluster		<u>895,580</u>
<b>Education Stabilization Fund (ESF) Cluster</b>			
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund	15536	* 190,750
84.425C	Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	15517	* 213,905
	Subtotal Education Stabilization Fund (ESF) Cluster		<u>404,655</u>
84.010	ESSA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	150,922
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131	14894	17,433
84.002A	Adult Education: Adult Basic Education & ELA (Section 231)	14508	15,215
84.002	Adult Education: Adult Secondary Education (Section 231)	13978	11,000
84.367	ESSA: Title II, Part A, Supporting Effective Instruction	14341	63,168
	Total U.S. Department of Education		<u>1,557,973</u>
<u>U.S. Department of the Treasury</u>			
Passed through California Department of Education			
21.019	Coronavirus Relief Fund (CRF): Learning Loss Mitigation	25516	* 1,547,827
	Total U.S. Department of the Treasury		<u>1,547,827</u>
<u>U.S. Department of Agriculture</u>			
Passed through California Department of Education			
10.555	Child Nutrition: School Programs (e.g., School Lunch, School Breakfast, Milk, Pregnant & Lactating Students)	13391	1,466,769
	Total Cash Assistance Subtotal		<u>1,466,769</u>
10.555	School Lunch Program - Nonmonetary Assistance	13391	58,856
	Total Non-Cash Assistance Subtotal		<u>58,856</u>
	Total U.S. Department of Agriculture		<u>1,525,625</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through California Department of Education			
93.575	Child Development: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act - One-time Stipend	15555	25,358
	Total U.S. Department of Health and Human Services		<u>25,358</u>
<u>Directly Received Grant Awards</u>			
**	CALI_Read ( State Personnel Development Grant )	N/A	19,200
**	New Clean Renewable Energy Bond Lease (IRS Form 8038-CP)	N/A	62,532
	Total U.S. directly received awards		<u>81,732</u>
	Total Federal Programs		<u>\$ 4,738,515</u>

\* Tested as a major program.

\*\* No assistance listing number available.

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

	<u>Adopted Budget 2021/2022</u>	<u>Actuals 2020/2021</u>	<u>Actuals 2019/2020</u>	<u>Actuals 2018/2019</u>
<b><u>General Fund</u></b>				
Revenues and Other Financial Sources	\$ 52,955,676	\$ 52,760,435	\$ 50,249,317	\$ 52,201,248
Expenditures	53,998,295	48,820,918	48,489,158	49,519,781
Other Uses and Transfers Out	90,000	90,000	90,000	291,529
Total Outgo	54,088,295	48,910,918	48,579,158	49,811,310
Change in Fund Balance	(1,132,619)	3,849,517	1,670,159	2,389,938
Ending Fund Balance	<u>\$ 13,859,287</u>	<u>\$ 14,991,906</u>	<u>\$ 11,142,389</u>	<u>\$ 9,472,230</u>
Available Reserves	<u>\$ 1,620,000</u>	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ 1,500,000</u>
Reserve for Economic Uncertainties	<u>\$ 1,620,000</u>	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ 1,500,000</u>
Unassigned Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Available Reserves as a Percentage of Total Outgo	3.0%	3.3%	3.3%	3.0%
Total Long-Term Debt	\$ 143,166,224	\$ 146,163,148	\$ 147,484,430	\$ 154,615,451
Average Daily Attendance at P-2	4,438	4,438	4,423	4,457

The general fund balance has increased by \$7,909,614 over the past three years. Fiscal year 2021-22 projects a decrease of \$1,132,619. For a District this size, the State of California recommends available reserves of at least 3 percent of total general fund expenditures, transfers out, and other uses (total outgo). The District met this requirement.

The District has incurred an operating surplus in all of the past three years and anticipates incurring an operating deficit during fiscal year 2021-2022.

Total long-term liabilities have decreased by \$8,452,303 over the past two years primarily due to large principal payments towards the District General Obligation and Capital Appreciation Bonds.

Average Daily Attendance (ADA) has decreased by 19 over the past two years. The District anticipates no change in the fiscal year 2021-22.

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

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**1. PURPOSE OF STATEMENTS AND SCHEDULES**

**A. Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206. Districts must maintain their instructional minutes at the State's standard requirements as required by Education Code Section 46201(b).

**B. Schedule of Expenditures of Federal Awards**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. The July 2021 Edition of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amount consists of the fair value of federal food commodities received from the California Department of Education as a pass-through grant from the U.S. Department of Agriculture that are not reflected in the financial statements.

	<b>Assistance Listing Number</b>	<b>Amount</b>
Total Federal Revenues From the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 4,679,659
Reconciling items		
Food Distribution - Commodities	10.555	58,856
Total Schedule of Expenditures of Federal Awards		\$ 4,738,515

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

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**1. PURPOSE OF STATEMENTS AND SCHEDULES (CONTINUED)**

**C. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides information necessary to reconcile the Annual Financial and Budget Report to the audited financial statements.

**D. 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.

**E. Schedule of Charter Schools**

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

**2. EARLY RETIREMENT INCENTIVE PROGRAM**

Education Code Section 14502 requires certain disclosures in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2021, the District has not adopted such a program.

**OTHER INDEPENDENT AUDITOR'S REPORTS**



**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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

Board of Trustees  
Benicia Unified School District  
Benicia, California

We have audited the compliance of Benicia Unified School District (the "District") with the types of compliance requirements described in the State of California's 2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2021.

**Management's Responsibility**

Compliance with the requirements of state laws and regulations is the responsibility of District's management.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed below 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

**Local Education Agencies Other Than Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	
General Requirements	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below

**Local Education Agencies Other Than Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below

**School Districts, County Offices of Education, and Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes

**Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
Independent Study-Course Based Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Charter School Facility Grant Program	No, see below

We did not perform any procedures related to Early Retirement Incentive, Apprenticeship: Related and Supplemental Instruction, and District of Choice because the District does not offer these programs.

We did not perform any procedures related to Independent Study-Course Based, Contemporaneous Records of Attendance, Mode of Instruction for Charter Schools, Nonclassroom-Based Instruction/Independent Study for Charter Schools, Determination of Funding for Nonclassroom-Based Instruction for Charter Schools, and Charter School Facility Grant Program because the District did not have any charter schools.

**Opinion on Compliance with State Laws and Regulations**

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

*James Marta & Company LLP*

James Marta & Company LLP  
 Certified Public Accountants  
 Sacramento, California  
 December 3, 2021



**James Marta & Company LLP**  
*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Benicia Unified School District  
Benicia, CA

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 Benicia Unified School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine 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 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 district'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.

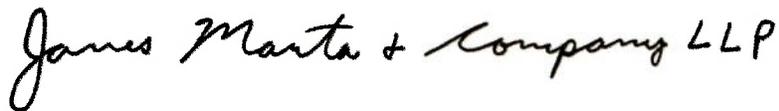
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 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 determination of financial statement amounts. 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.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
December 3, 2021



**James Marta & Company LLP**  
*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Benicia Unified School District  
Benicia, California

**Report on Compliance for Each Major Federal Program**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the July 2021 Edition of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. 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 each major federal program. However, our audit does not provide a legal determination of the District's compliance.

## Opinion on Each 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 each of its major federal programs for the year ended June 30, 2021.

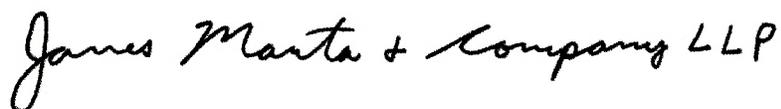
## Internal Control Over Compliance

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
December 3, 2021

## **FINDINGS AND RECOMMENDATIONS**

**BENICIA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Section I – Summary of Audit Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> None reported

Noncompliance material to financial statements noted?

	_____ Yes	_____ <u>X</u> No
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**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> 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, Section 200.516(a)?

	_____ Yes	_____ <u>X</u> No
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Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund (ESF) Cluster
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee?

	_____ <u>X</u> Yes	_____ No
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**State Awards**

Internal control over state programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> None reported

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

**BENICIA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Section II – Financial Statement Findings**

No matters were reported.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Section IV – State Award Findings and Questioned Costs**

No matters were reported.

**BENICIA UNIFIED SCHOOL DISTRICT**  
**STATUS OF PRIOR YEAR RECOMMENDATIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**2020-1: INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)**

Criteria:

Education Code Section 48930 (and the California Department of Education’s “Accounting Procedures for Student Organizations Handbook”) requires student body organizations to follow the regulations set by the Governing Board of the school district.

Condition:

The following items were noted in relation to the ASB:

- a. At Mary Farmer, we noted that check disbursements only had one signature. Per Benicia USD Board Policy, all checks should have two signatures.

Recommendation:

- a. All disbursements should have two signatures as a control to prevent any unauthorized transactions

Status

Implemented.