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Independent Auditor's Reports

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 16 to the financial statements, the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, budgetary comparison information on page 69, schedule of changes in the District's net OPEB liability and related ratios on page 70, schedule of OPEB investment returns on page 71, schedule of the District's proportionate share of the net OPEB liability – MPP program on page 72, schedule of the District's proportionate share of the net pension liability on pages 73 and 74, and schedule of District contributions on pages 75 and 76, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Rancho Cucamonga, California
January 28, 2022

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This section of Oxnard Union High School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021, with comparative information for the year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein, include all of the activities of the Oxnard Union High School District and its component units using the integrated approach as prescribed by Government 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), deferred outflows of resources, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. 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 two categories of activities: governmental and fiduciary.

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

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

The Primary unit of the government is the Oxnard Union High School District.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

Total General Fund Revenue increased by \$31,820,434 from the previous fiscal year. The following table shows major revenue sources for fiscal year 2020-2021 compared with fiscal year 2019-2020.

	2021	2020	Change
Local Control Funding Formula (includes property taxes)	\$ 185,703,341	\$ 180,753,096	\$ 4,950,245
Federal sources	26,430,705	8,448,794	17,981,911
Other State sources	24,108,932	17,928,832	6,180,100
Other local sources	16,398,589	13,690,411	2,708,178
Total	\$ 252,641,567	\$ 220,821,133	\$ 31,820,434

Total General Fund Expenditures increased 5% from the previous fiscal year. The following table shows expenditures for fiscal year 2020-2021 compared with fiscal year 2019-2020.

	2021		2020		Change	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Certificated salaries	\$ 91,051,295	38%	\$ 89,969,140	40%	1,082,155	1%
Classified salaries	29,350,258	12%	27,151,371	12%	2,198,887	8%
Employee benefits	72,339,818	30%	72,807,816	32%	(467,998)	-1%
Books and supplies	14,700,077	6%	7,657,096	3%	7,042,981	92%
Services and other	24,673,904	10%	21,756,288	10%	2,917,616	13%
Other outgo	2,127,257	1%	2,660,714	1%	(533,457)	-20%
Capital outlay and debt service	4,698,293	2%	5,159,322	2%	(461,029)	-9%
Total	\$ 238,940,902	99%	\$ 227,161,747	100%	\$ 11,779,155	5%

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 it. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows resources, 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 will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our funds for employee retiree benefits, and foundation special reserve scholarships. The District's fiduciary activities are reported in the *Statement of Fiduciary Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position deficit was \$(118,832,540) for the fiscal year ended June 30, 2021. Of this amount, \$(283,662,693) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2021	2020 (as restated)
Assets		
Current and other assets	\$ 292,083,884	\$ 198,449,434
Capital assets	403,371,999	308,981,052
Total assets	<u>695,455,883</u>	<u>507,430,486</u>
Deferred outflows of resources	<u>54,436,215</u>	<u>61,031,701</u>
Liabilities		
Current liabilities	43,028,921	27,783,211
Long-term liabilities	<u>787,027,803</u>	<u>637,431,823</u>
Total liabilities	<u>830,056,724</u>	<u>665,215,034</u>
Deferred inflows of resources	<u>38,667,914</u>	<u>43,091,289</u>
Net Position		
Net investment in capital assets	65,999,775	103,161,771
Restricted	98,830,378	39,187,895
Unrestricted (deficit)	<u>(283,662,693)</u>	<u>(282,193,802)</u>
Total net position (deficit)	<u><u>\$ (118,832,540)</u></u>	<u><u>\$ (139,844,136)</u></u>

The \$(283,662,693) in unrestricted net position deficit of governmental activities represents the accumulated results of all past years' operations.

Changes in Net Position

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

Table 2

	Governmental Activities	
	2021	2020*
Revenues		
Program revenues		
Charges for services	\$ 1,010,101	\$ 884,288
Operating grants and contributions	59,574,508	40,679,517
General revenues		
Federal and State aid not restricted	125,862,857	123,016,841
Property taxes	92,211,113	86,727,227
Other general revenues	29,638,958	36,605,938
Total revenues	308,297,537	287,913,811
Expenses		
Instruction-related	182,686,426	181,181,729
Pupil services	31,617,207	32,981,157
Administration	14,727,981	13,688,485
Plant services	27,938,099	19,513,703
All other services	30,316,228	24,434,196
Total expenses	287,285,941	271,799,270
Change in net position	\$ 21,011,596	\$ 16,114,541

* The revenues and expenses for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was \$287,285,941. However, the amount that our taxpayers ultimately financed for these activities through local taxes was \$92,211,113 because the cost was paid by those who benefited from the programs (\$1,010,101) or by other governments and organizations who subsidized certain programs with grants and contributions (\$59,574,508). We paid for the remaining "public benefit" portion of our governmental activities with \$125,862,857 in State and Federal funds, and \$29,638,958 with other revenues, like interest and general entitlements.

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

Table 3

	Total Cost of Services		Net Cost of Services	
	2021	2020*	2021	2020*
Instruction-related	\$ 182,686,426	\$ 181,181,729	\$ (147,550,715)	\$ (157,035,311)
Pupil services	31,617,207	32,981,157	(18,507,819)	(21,666,101)
Administration	14,727,981	13,688,485	(12,361,974)	(12,206,668)
Plant services	27,938,099	19,513,703	(22,909,501)	(19,215,471)
All other services	30,316,228	24,434,196	(25,371,323)	(20,111,914)
Total	\$ 287,285,941	\$ 271,799,270	\$ (226,701,332)	\$ (230,235,465)

* The total and net cost of services for the fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$256,067,579, which is an increase of \$79,325,365 from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			
	June 30, 2020 as restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2021
General Fund	\$ 22,140,035	\$ 252,786,503	\$ 239,167,655	\$ 35,758,883
Building Fund	91,085,560	120,676,724	101,414,577	110,347,707
Bond Interest and Redemption Fund	28,734,389	48,314,022	52,296,810	24,751,601
Debt Service Fund	-	54,714,207	3,023,603	51,690,604
Non-Major Governmental Funds	34,782,230	20,057,677	21,321,123	33,518,784
Total	\$ 176,742,214	\$ 496,549,133	\$ 417,223,768	\$ 256,067,579

General Fund Budgetary Highlights

The District is required to adopt its budget by June 30 each year. This was prior to adoption of the State budget. Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. After the year-end closing process is complete, the unaudited actuals are presented to the governing board. Budget adjustments are brought to the governing board on a regular basis to reflect changes in both revenues and expenditures that become known during the year. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 69.)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had \$403,371,999 in a broad range of capital assets (net of accumulative depreciation), including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$94,390,947, or 30.55%, from last year.

Table 5

	Governmental Activities	
	2021	2020
Land and construction in progress	\$ 149,185,037	\$ 113,353,886
Buildings and improvements	249,150,219	192,427,092
Equipment	5,036,743	3,200,074
Total	\$ 403,371,999	\$ 308,981,052

Long-Term Liabilities

At the end of this year, the District had \$787,027,803 in outstanding long-term liabilities versus \$637,431,823 last year, an increase of \$149,595,980. Long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
General obligation bonds	\$ 339,427,377	\$ 259,136,281
Qualified energy conservation bonds	8,526,290	9,662,854
Certificates of participation	49,095,000	-
Private placement debt issuances	6,125,000	8,662,000
Unamortized premiums	43,177,399	18,185,718
Compensated absences	2,313,358	1,734,346
Net OPEB liability	122,323,166	139,618,593
Aggregate net pension liability	216,040,213	200,432,031
	<u>\$ 787,027,803</u>	<u>\$ 637,431,823</u>

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2020- 2021 ARE NOTED BELOW:

- Exceeded three percent State recommended reserve for economic uncertainties
- Began construction on air-conditioning installation in all schools
- Completed construction on playfields at 6 high schools
- Completed security construction for administration building at all schools
- Completed construction and move to the new district office
- Increased enrollment 626 students
- Completion of new LED Lighting, Sound Systems, and Bleachers at Athletic Sportsplexes
- Making Progress on the Renovation of Baseball / Softball Dugouts
- Replacing Scoreboards at Baseball / Softball Diamonds

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2021-2022 year, the District Board of Education and management used the following criteria:

The key assumptions in our revenue forecast are:

- Local Control Funding Formula (LCFF) is projected to decrease over prior year (\$683) per Average Daily Attendance (ADA).
- LCFF entitlement per ADA \$12,259.
- Cost of Living Allowance (COLA) for LCFF is projected at 5.07%.
- LCFF is calculated based on 16,072.33.
- Unduplicated pupil 3 year rolling percentage at \$69.64%.
- Increase of \$15,003,142 over 2020-21 Estimated Actuals.
- Lottery revenue is based on \$150 per ADA for Unrestricted and \$49 per ADA or Restricted Prop. 20.
- Mandated Block Grant is based on \$63.17 per ADA.
- Federal revenues were projected for flat funding. Oxnard Union High School District
- State revenues were projected for flat funding.

Expenditures are based on the following forecasts:

	<u>Staffing Ratio</u>
Grades nine through twelve	28.77:1

- Teacher Student ratio was staffed at 28.77:1 for the comprehensive high schools and flat staffing for the alternative schools (Frontier 16 FTE, Oxnard Middle College 4.0 FTE and Condor 16 FTE).
- Additional teachers staffed is 1.20 FTE GED, 4.0 FTE Condor and 3.0 FTE Frontier in Supplemental/Concentration Funding.
- Increase staff costs for step/column and longevity movement.
- CalSTRS employer rate of 19.10% an increase over the 2020-21 rate of 16.15%. The rate was revised to 16.92% after the 2021-22 adopted budget was completed and will be revised at 1st Interim.
- CalPERS employer rate 22.91% an increase of 2.21% over fiscal year 2020-21.
- Employee health and welfare increased by approximately 3%.
- State Unemployment Insurance (SUI) employer rate of 1.23% an increase over the 2020-21 rate of 0.005%. After the 2021-22 adopted budget was completed the rate was reduced to .05% and will be revised at 1st Interim.
- Required three percent contribution for Routine Restricted Maintenance Account.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information contact the Assistant Superintendent Business Services at Oxnard Union High School District, 1800 Solar Drive, Oxnard, California 93030 or e-mail at ted.lawrence@oxnardunion.org.

Oxnard Union High School District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Deposits and investments	\$ 252,008,906
Receivables	39,411,039
Stores inventories	663,939
Capital assets not depreciated	149,185,037
Capital assets, net of accumulated depreciation	254,186,962
Total assets	695,455,883
Deferred Outflows of Resources	
Deferred charge on refunding	715,498
Deferred outflows of resources related to OPEB	433,406
Deferred outflows of resources related to pensions	53,287,311
Total deferred outflows of resources	54,436,215
Liabilities	
Accounts payable	27,955,364
Interest payable	7,012,616
Unearned revenue	8,060,941
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	14,198,068
Long-term liabilities other than OPEB and pensions due in more than one year	434,466,356
Net other postemployment benefits liability (OPEB)	122,323,166
Aggregate net pension liability	216,040,213
Total liabilities	830,056,724
Deferred Inflows of Resources	
Deferred charge on refunding	3,259,724
Deferred inflows of resources related to OPEB	27,516,129
Deferred inflows of resources related to pensions	7,892,061
Total deferred inflows of resources	38,667,914
Net Position	
Net investment in capital assets	65,999,775
Restricted for	
Debt service	69,429,589
Capital projects	12,221,625
Educational programs	12,379,654
Food Services	2,605,593
Other restrictions	2,193,917
Unrestricted	(283,662,693)
Total net position	\$(118,832,540)

Oxnard Union High School District
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 153,954,393	\$ 210,090	\$ 30,895,857	\$ (122,848,446)
Instruction-related activities				
Supervision of instruction	5,970,554	120,571	2,043,875	(3,806,108)
Instructional library, media, and technology	1,848,307	-	77,307	(1,771,000)
School site administration	20,913,172	40,887	1,747,124	(19,125,161)
Pupil services				
Home-to-school transportation	1,867,727	-	38,547	(1,829,180)
Food services	6,053,406	-	8,265,769	2,212,363
All other pupil services	23,696,074	51,431	4,753,641	(18,891,002)
Administration				
Data processing	4,748,136	-	516,510	(4,231,626)
All other administration	9,979,845	16,921	1,832,576	(8,130,348)
Plant services	27,938,099	8,926	5,019,672	(22,909,501)
Ancillary services	4,874,504	5	1,259,637	(3,614,862)
Community services	304	-	-	(304)
Enterprise services	7,796	-	13,314	5,518
Interest on long-term liabilities	13,176,795	-	-	(13,176,795)
Other outgo	12,256,829	561,270	3,110,679	(8,584,880)
Total governmental activities	<u>\$ 287,285,941</u>	<u>\$ 1,010,101</u>	<u>\$ 59,574,508</u>	<u>(226,701,332)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				63,734,239
Property taxes, levied for debt service				26,417,855
Taxes levied for other specific purposes				2,059,019
Federal and State aid not restricted to specific purposes				125,862,857
Interest and investment earnings				325,012
Interagency revenues				1,484,180
Special item - proceeds from building sale				778,982
Miscellaneous				27,050,784
Subtotal, general revenues				<u>247,712,928</u>
Change in Net Position				21,011,596
Net Position - Beginning, as restated				<u>(139,844,136)</u>
Net Position - Ending				<u>\$ (118,832,540)</u>

Oxnard Union High School District
Balance Sheet – Governmental Funds
June 30, 2021

	General Fund	Building Fund	Bond Interest and Redemption Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Deposits and investments	\$ 19,018,293	\$ 122,984,966	\$ 24,734,148	\$ 51,690,604	\$ 33,580,895	\$ 252,008,906
Receivables	38,749,164	116,531	17,453	-	527,891	39,411,039
Due from other funds	278,713	1,071,114	-	-	186,167	1,535,994
Stores inventories	663,939	-	-	-	-	663,939
Total assets	\$ 58,710,109	\$ 124,172,611	\$ 24,751,601	\$ 51,690,604	\$ 34,294,953	\$ 293,619,878
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 13,635,237	\$ 13,824,904	\$ -	-	\$ 495,223	\$ 27,955,364
Due to other funds	1,256,330	-	-	-	279,664	1,535,994
Unearned revenue	8,059,659	-	-	-	1,282	8,060,941
Total liabilities	22,951,226	13,824,904	-	-	776,169	37,552,299
Fund Balances						
Nonspendable	673,939	-	-	-	-	673,939
Restricted	10,787,772	110,347,707	24,751,601	51,690,604	17,712,823	215,290,507
Assigned	6,386,342	-	-	-	15,805,961	22,192,303
Unassigned	17,910,830	-	-	-	-	17,910,830
Total fund balances	35,758,883	110,347,707	24,751,601	51,690,604	33,518,784	256,067,579
Total liabilities and fund balances	\$ 58,710,109	\$ 124,172,611	\$ 24,751,601	\$ 51,690,604	\$ 34,294,953	\$ 293,619,878

Oxnard Union High School District

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

June 30, 2021

Total Fund Balance - Governmental Funds		\$ 256,067,579
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 602,914,661	
Accumulated depreciation is	<u>(199,542,662)</u>	
Net capital assets		403,371,999
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(7,012,616)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Debt refundings (deferred charge on refunding)	715,498	
Other postemployment benefits (OPEB)	433,406	
Net pension liability	<u>53,287,311</u>	
Total deferred outflows of resources		54,436,215
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Debt refundings (deferred charge on refunding)	(3,259,724)	
Other postemployment benefits (OPEB)	(27,516,129)	
Net pension liability	<u>(7,892,061)</u>	
Total deferred inflows of resources		(38,667,914)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(216,040,213)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(122,323,166)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds	(338,252,016)	
Certificates of participation	(49,095,000)	
Unamortized debt premiums	(51,703,689)	
Private placement debt issuances	(6,125,000)	
Compensated absences (vacations)	(2,313,358)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	<u>(1,175,361)</u>	
Total long-term liabilities		<u>(448,664,424)</u>
Total net position - governmental activities		<u><u>\$ (118,832,540)</u></u>

Oxnard Union High School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2021

	General Fund	Building Fund	Bond Interest and Redemption Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Local Control Funding Formula	\$ 185,703,341	\$ -	\$ -	\$ -	\$ -	\$ 185,703,341
Federal sources	26,430,705	-	-	-	6,078,482	32,509,187
Other State sources	24,108,932	-	151,341	-	4,198,681	28,458,954
Other local sources	16,398,589	916,724	26,541,777	636	5,003,761	48,861,487
Total revenues	<u>252,641,567</u>	<u>916,724</u>	<u>26,693,118</u>	<u>636</u>	<u>15,280,924</u>	<u>295,532,969</u>
Expenditures						
Current						
Instruction	141,988,424	-	-	-	1,992,195	143,980,619
Instruction-related activities						
Supervision of instruction	5,783,565	-	-	-	-	5,783,565
Instructional library, media, and technology	2,035,453	-	-	-	-	2,035,453
School site administration	16,450,880	-	-	-	890,998	17,341,878
Pupil services						
Home-to-school transportation	1,596,550	-	-	-	-	1,596,550
Food services	2,797,583	-	-	-	3,065,706	5,863,289
All other pupil services	22,865,294	-	-	-	506,049	23,371,343
Administration						
Data processing	4,733,726	-	-	-	-	4,733,726
All other administration	9,685,572	-	-	-	309,314	9,994,886
Plant services	20,384,095	-	-	-	268,589	20,652,684
Ancillary services	3,578,473	-	-	-	1,062,502	4,640,975
Community services	304	-	-	-	-	304
Other outgo	2,405,973	-	-	-	-	2,405,973
Enterprise services	-	-	-	-	7,766	7,766
Facility acquisition and construction	3,048,514	101,414,577	-	-	8,773,022	113,236,113
Debt service						
Principal	1,136,564	-	39,800,000	-	289,000	41,225,564
Interest and other	449,932	-	12,496,810	768,125	240,028	13,954,895
Total expenditures	<u>238,940,902</u>	<u>101,414,577</u>	<u>52,296,810</u>	<u>768,125</u>	<u>17,405,169</u>	<u>410,825,583</u>

See Notes to Financial Statements

Oxnard Union High School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2021

	General Fund	Building Fund	Bond Interest and Redemption Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,700,665	\$ (100,497,853)	\$ (25,603,692)	\$ (767,489)	\$ (2,124,245)	\$ (115,292,614)
Other Financing Sources (Uses)						
Transfers in	144,936	-	-	-	4,776,753	4,921,689
Other sources - proceeds from bond issuance	-	119,760,000	21,620,904	-	-	141,380,904
Other sources - proceeds from COP issuance	-	-	-	54,713,571	-	54,713,571
Special item - proceeds from building sale	-	-	-	-	778,982	778,982
Transfers out	(226,753)	-	-	-	(4,694,936)	(4,921,689)
Other uses - payment to lease prepayment	-	-	-	(2,255,478)	-	(2,255,478)
Net Financing Sources (Uses)	(81,817)	119,760,000	21,620,904	52,458,093	860,799	194,617,979
Net Change in Fund Balances	13,618,848	19,262,147	(3,982,788)	51,690,604	(1,263,446)	79,325,365
Fund Balance - Beginning, as restated	22,140,035	91,085,560	28,734,389	-	34,782,230	176,742,214
Fund Balance - Ending	\$ 35,758,883	\$ 110,347,707	\$ 24,751,601	\$ 51,690,604	\$ 33,518,784	\$ 256,067,579

Oxnard Union High School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds \$ 79,325,365

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

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

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

Capital outlays	\$ 106,270,597	
Depreciation expense	<u>(11,413,121)</u>	
Net expense adjustment		94,857,476

The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was (91,096)

Repayment of private placement debt issuance is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 2,255,478

Gain on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (466,529)

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used. (579,012)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. (16,073,020)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. 15,790,127

Oxnard Union High School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Proceeds received from issuance of debt are revenues in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds	\$ (120,000,000)
Certificates of participation	(49,095,000)

Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Premium on issuance recognized	(26,999,475)
Premium amortization	2,007,794
Deferred charge on refunding amortization	(201,973)

Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds	39,800,000
Qualified Zone Academy bonds	1,136,564
Private placement debt issuances	281,522

Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

(936,625)

Change in net position of governmental activities

\$ 21,011,596

Oxnard Union High School District
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2021

	<u>Retiree Benefits Trust</u>	<u>Custodial Fund</u>
Assets		
Deposits and investments	\$ 88,751,844	\$ 60,545
Receivables	4,756	48
Prepaid expenses	11,058	-
	<u>88,767,658</u>	<u>60,593</u>
Total assets	<u>\$ 88,767,658</u>	<u>\$ 60,593</u>
Liabilities		
Accounts payable	\$ 44,880	\$ -
	<u>44,880</u>	<u>-</u>
Net Position		
Restricted for individuals, organizations, and other governments	<u>88,722,778</u>	<u>60,593</u>
Total net position	<u>\$ 88,722,778</u>	<u>\$ 60,593</u>

Oxnard Union High School District
Statement of Fiduciary Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2021

	<u>Retiree Benefits Trust</u>	<u>Custodial Fund</u>
Additions		
Private donations	\$ -	\$ 100
Employer contributions	18,628	-
Investment income	20,688,094	-
Interest	-	348
Total additions	<u>20,706,722</u>	<u>448</u>
Deductions		
Administrative expense	<u>46,894</u>	<u>-</u>
Net Increase in Fiduciary Net Position	20,659,828	448
Net Position - Beginning	<u>68,062,950</u>	<u>60,145</u>
Net Position - Ending	<u>\$ 88,722,778</u>	<u>\$ 60,593</u>

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Oxnard Union High School District (the District) was organized under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades 9 - 12 as mandated by the State and/or Federal agencies. The District operates seven high schools, two alternative education sites, and an adult education program.

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

Other Related Entities

Charter School The District has an approved charter for Camarillo Academy of Progressive Education (CAPE) and Architecture, Construction and Engineering Charter High (ACE) pursuant to Education Code Section 47605. The charters are not considered a component unit of the District.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

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

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

Debt Service Fund The Debt Service Fund is used to account for the interest and redemption of principal of Certificates of Participation.

Non-Major Governmental Funds

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

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

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to Education Code Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).
- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve fund for Capital Outlay Projects exists primarily to provide for the accumulation of monies for capital outlay purposes (*Education Code* Section 42840).

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. The District's trust funds are for the payment of retiree benefits and for the payments of scholarships within the Foundation Special Reserve activities.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

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

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

- **Governmental Funds** All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements, because they do not represent resources of the District.

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

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

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

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

Investments

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

Stores Inventories

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

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. On February 13, 2019, the Governing Board approved the request to increase the District's designated Capital Threshold Limit to \$15,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 50 years; equipment, 2 to 15 years.

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs and Premiums

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Fund Balances - Governmental Funds

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$98,830,378 of net position restricted by enabling legislation.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities column of the Statement of Activities.

Estimates

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

Property Tax

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

Change in Accounting Principles

Implementation of GASB Statement No. 84

As of July 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of the District’s student body activities from fiduciary to governmental and a reclassification of agency funds to custodial funds. The effect of the implementation of this standard on beginning fund balance and net position is disclosed in Note 16.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, were classified in the accompanying financial statements as follows:

Governmental funds	\$ 252,008,906
Fiduciary funds	<u>88,812,389</u>
Total deposits and investments	<u><u>\$ 340,821,295</u></u>

Deposits and investments as of June 30, 2021, consisted of the following:

Cash on hand and in banks	\$ 1,852,557
Cash with fiscal agent	51,690,604
Cash in revolving	10,000
Investments	<u>287,268,134</u>
Total deposits and investments	<u><u>\$ 340,821,295</u></u>

Policies and Practices

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

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

General Authorizations

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

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

Interest Rate Risk

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

Weighted Average Maturity

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

Investment Type	Reported Amount	Weighted Average Maturity in Days
Ventura County Investment Pool	\$ 198,768,265	322

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California *Government Code*, the District’s investment policy, or debt agreements, and the actual rating as of the year end for each investment type.

Investment Type	Reported Amount	Minimum Legal Rating	Rating as of Year End AAAf/S1+
Ventura County Investment Pool	\$ 198,768,265	N/A	\$ 198,768,265

N/A - Not applicable

Trust

The following investments are related to the District’s Fiduciary Fund Retiree Benefits Trust to be used for the net other postemployment benefits (OPEB) liability and are not subject to the general authorization limitations as they relate to interest rate risk, credit risk, and concentration of credit risk required by the California Government Code.

<u>Investment Type</u>	<u>Reported Amount</u>	<u>Maturity Date</u>
Foreign Stocks	\$ 2,384,248	7/1/2022
Mutual Fund - Fixed Income	26,236,727	7/1/2022
Mutual Fund - Equity	39,821,166	7/1/2022
Mutual Fund - Domestic Equity	16,368,551	7/1/2022
Mutual Fund - Balanced	<u>3,689,177</u>	7/1/2022
Total	<u>\$ 88,499,869</u>	

Custodial Credit Risk - Deposits

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

Note 3 - Receivables

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total	Fiduciary Funds
Federal Government						
Categorical aid	\$ 7,415,485	\$ -	\$ -	\$ 347,942	\$ 7,763,427	\$ -
State Government						
LCFF apportionment	24,979,582	-	-	-	24,979,582	-
Categorical aid	-	-	-	60,462	60,462	-
Lottery	1,084,753	-	-	-	1,084,753	-
Local Government						
Interest	24,384	116,531	17,453	32,683	191,051	4,804
Other local sources	5,244,960	-	-	86,804	5,331,764	-
Total	\$ 38,749,164	\$ 116,531	\$ 17,453	\$ 527,891	\$ 39,411,039	\$ 4,804

Note 4 - Capital Assets

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 29,620,944	\$ -	\$ -	\$ 29,620,944
Construction in progress	83,732,942	65,489,573	(29,658,422)	119,564,093
Total capital assets not being depreciated	113,353,886	65,489,573	(29,658,422)	149,185,037
Capital assets being depreciated				
Land improvements	51,349,046	36,314,869	-	87,663,915
Buildings and improvements	317,942,776	31,124,014	(833,754)	348,233,036
Furniture and equipment	14,840,110	3,000,563	(8,000)	17,832,673
Total capital assets being depreciated	384,131,932	70,439,446	(841,754)	453,729,624
Total capital assets	497,485,818	135,929,019	(30,500,176)	602,914,661
Accumulated depreciation				
Land improvements	(33,401,638)	(1,514,598)	-	(34,916,236)
Buildings and improvements	(143,463,092)	(8,734,629)	367,225	(151,830,496)
Furniture and equipment	(11,640,036)	(1,163,894)	8,000	(12,795,930)
Total accumulated depreciation	(188,504,766)	(11,413,121)	375,225	(199,542,662)
Governmental activities capital assets, net	\$ 308,981,052	\$ 124,515,898	\$ (30,124,951)	\$ 403,371,999

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	\$ 6,391,347
School site administration	3,994,593
Home-to-school transportation	342,394
Food services	456,524
Plant services	228,263
Total depreciation expenses governmental activities	\$ 11,413,121

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2021, between major and non-major governmental funds are as follows:

Due To	Due From		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 278,713	\$ 278,713
Building Fund	1,070,327	787	1,071,114
Non-Major Governmental Funds	186,003	164	186,167
Total	\$ 1,256,330	\$ 279,664	\$ 1,535,994

A balance of \$145,032 is due to the Adult Education Non-Major Governmental Fund from the General Fund for direct support.

The balance of \$1,070,327 is due to the Building Fund from the General Fund for construction costs.

A balance of \$175,774 is due to the Special Reserve Non-Major Governmental Fund from the General Fund for Capital Outlay Projects for construction costs.

A balance of \$145,032 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for direct support.

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

Operating Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

The Special Reserve Non-Major Governmental Fund for Capital Outlay Projects transferred to the General Fund for Capital Outlay Projects for debt service cover expenditures.	\$	3
The General Fund transferred to the Cafeteria Non-Major Governmental Fund for indirect costs.		144,933
The General Fund transferred to the Adult Education Non-Major Governmental Fund for reimbursement of costs.		9,541
The General Fund transferred to the Special Reserve Non-major Governmental Fund for Capital Outlay Projects for debt service.		217,212
The Capital Facilities Non-Major Governmental Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for capital projects.		<u>4,550,000</u>
Total	\$	<u><u>4,921,689</u></u>

Note 6 - Accounts Payable

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

	General Fund	Building Fund	Non-Major Governmental Funds	Total	Fiduciary Funds
Vendor payables	\$ 4,566,784	\$ -	\$ 96,832	\$ 4,663,616	\$ 44,880
LCFF apportionment	7,876,472	-	-	7,876,472	-
Salaries and benefits	1,191,981	-	129,094	1,321,075	-
Construction	-	13,824,904	269,297	14,094,201	-
Total	<u>\$ 13,635,237</u>	<u>\$ 13,824,904</u>	<u>\$ 495,223</u>	<u>\$ 27,955,364</u>	<u>\$ 44,880</u>

Note 7 - Unearned Revenue

Unearned revenue at June 30, 2021, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 1,399,591	\$ -	\$ 1,399,591
State categorical aid	6,529,650	-	6,529,650
Other local	130,418	1,282	131,700
Total	\$ 8,059,659	\$ 1,282	\$ 8,060,941

Note 8 - Long-Term Liabilities Other than OPEB and other Pensions

Summary

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 259,136,281	\$ 120,091,096	\$ (39,800,000)	\$ 339,427,377	\$ 10,155,000
Qualified energy conservation bonds	9,662,854	-	(1,136,564)	8,526,290	1,108,068
Certificates of participation	-	49,095,000	-	49,095,000	2,245,000
Private placement debt issuances	8,662,000	-	(2,537,000)	6,125,000	690,000
Unamortized debt premiums	18,185,718	26,999,475	(2,007,794)	43,177,399	-
Compensated absences	1,734,346	579,012	-	2,313,358	-
Total	\$ 297,381,199	\$ 196,764,583	\$ (45,481,358)	\$ 448,664,424	\$ 14,198,068

Payments for bonds associated with General Obligation Bonds are made in the Bond Interest and Redemption Fund. Payments on Certificates of Participation are made in the Debt Service Fund. Payments for Private Placement Debt Issuance obligations are made in the Capital Facilities Fund. Payments for Qualified Energy Conservation Bonds are made in the General Fund. Payments for compensated absences are typically liquidated in the General Fund, Cafeteria Non-Major Governmental Fund, and Adult Education Non-Major Governmental Fund.

The outstanding land and facility lease from private placement debt issuances contain a provision that in an event of default, any installment payments not paid when due shall bear an interest at the rate of 2.88%.

On March 17, 2021, the District issued \$49,095,000 of 2021 Certificates of Participation. The Certificates of Participation will be used to refinance the District’s outstanding municipal lease. As a result, the municipal lease is considered to be defeased and the liability has been removed from the government-wide statement of net position. The refunding resulted in a cumulative cash flow savings of \$215,546 over the life of the new debt and an economic gain of \$55,120 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.58%.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2020	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2021
04/20/99	08/01/27	4.60% - 5.95%	\$10,199,913	\$ 4,269,178	\$ -	\$ 91,096	\$ (580,000)	\$ 3,780,274
08/11/10	08/01/20	3.00% - 5.00%	50,000,000	1,140,000	-	-	(1,140,000)	-
04/28/11	08/01/25	5.31%	4,052,103	2,107,103	-	-	(305,000)	1,802,103
05/03/12	08/01/27	3.00% - 5.00%	10,435,000	3,545,000	-	-	(655,000)	2,890,000
01/23/14	08/01/37	3.00% - 5.00%	50,000,000	12,440,000	-	-	(1,540,000)	10,900,000
01/27/16	08/01/35	3.00% - 5.00%	30,945,000	6,240,000	-	-	-	6,240,000
07/07/16	08/01/27	2.00% - 5.00%	18,350,000	13,835,000	-	-	(1,660,000)	12,175,000
12/21/17	08/01/40	3.00% - 5.00%	42,275,000	41,265,000	-	-	-	41,265,000
10/18/18	08/01/42	3.75% - 5.00%	130,000,000	118,845,000	-	-	(12,200,000)	106,645,000
04/02/20	08/01/37	0.873%-2.477%	55,450,000	55,450,000	-	-	(685,000)	54,765,000
08/05/20	08/01/45	0.35% - 5.00%	120,000,000	-	120,000,000	-	(21,035,000)	98,965,000
				<u>\$259,136,281</u>	<u>\$120,000,000</u>	<u>\$ 91,096</u>	<u>\$ (39,800,000)</u>	<u>\$ 339,427,377</u>

Debt Service Requirements to Maturity

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Total Accreted Obligation	Unaccreted Interest	Maturity Value
2022	\$ -	\$ -	\$ -	\$ -	\$ -
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	121,308	316,323	437,631	112,369	550,000
2026	38,554	100,534	139,088	40,912	180,000
2027-2029	295,051	758,504	1,053,555	396,445	1,450,000
Total	<u>\$ 454,913</u>	<u>\$ 1,175,361</u>	<u>\$ 1,630,274</u>	<u>\$ 549,726</u>	<u>\$ 2,180,000</u>

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2022	\$ 10,155,000	\$ 13,642,041	\$ 23,797,041
2023	11,920,000	15,380,061	27,300,061
2024	7,190,000	14,967,323	22,157,323
2025	7,300,000	14,634,518	21,934,518
2026	7,722,103	14,239,959	21,962,062
2027-2031	55,700,000	58,340,869	114,040,869
2032-2036	73,525,000	43,025,235	116,550,235
2037-2041	82,255,000	34,757,719	117,012,719
2042-2046	82,030,000	40,387,019	122,417,019
Total	\$ 337,797,103	\$ 249,374,744	\$ 587,171,847

Qualified Energy Conservation Bonds

In September 2010, the District entered into a lease agreement in the amount of \$19,067,726 with the Golden Schools Financing Authority. The notes mature August 2027, with an interest rate of 5.5%. As of June 30, 2021, the principal balance outstanding was \$8,526,290.

The qualified energy conservation bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2022	\$ 1,108,068	\$ 457,913	\$ 1,565,981
2023	1,177,006	395,463	1,572,469
2024	1,248,995	329,145	1,578,140
2025	1,324,153	258,789	1,582,942
2026	1,402,605	184,215	1,586,820
2027-2029	2,265,463	2,392,376	4,657,839
Total	\$ 8,526,290	\$ 4,017,901	\$ 12,544,191

Certificates of Participation

On March 17, 2021, the District, pursuant to a lease agreement with the Local Facilities Finance Corporation, issued certificates of participation in the amount of \$49,095,000. The certificates mature on August 1, 2045 with interest ranges ranging from 2.32% to 4.00%. As of June 30, 2021, the principal balance outstanding was \$49,095,000.

The certificates mature as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2022	\$ 2,245,000	\$ 2,109,541	\$ 4,354,541
2023	685,000	1,660,050	2,345,050
2024	715,000	1,632,650	2,347,650
2025	745,000	1,604,050	2,349,050
2026	970,000	1,574,250	2,544,250
2027-2031	10,355,000	6,932,850	17,287,850
2032-2036	13,380,000	4,580,850	17,960,850
2037-2041	12,380,000	1,995,325	14,375,325
2042-2045	7,620,000	534,750	8,154,750
 Total	 <u>\$ 49,095,000</u>	 <u>\$ 22,624,316</u>	 <u>\$ 71,719,316</u>

Private Placement Debt Issuances

Municipal Lease

In January 2016, the District entered into a lease agreement in the amount of \$3,904,000. The lease carries an interest rate of 4.5%. As of June 30, 2021, the principal balance outstanding was prepaid using the 2021 Certificates of Participation issued on March 17, 2021.

Land and Facility Lease

The District has entered into an agreement to finance the acquisition, construction, and improvement of property and facilities to be used for District administrative purposes. The District's land and facility lease is summarized below:

	<u>Land and Facility Lease</u>
Balance, June 30, 2020	\$ 7,077,848
Additions	-
Payments	<u>(176,400)</u>
Balance, June 30, 2021	<u>\$ 6,901,448</u>

The land and facility lease has minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2022	\$ 861,432
2023	861,488
2024	865,824
2025	864,512
2026	862,624
2027-2030	2,585,568
Total	6,901,448
Less amount representing interest	(776,448)
Present value of minimum lease payments	\$ 6,125,000

Lease buildings under capital lease in capital assets at June 30, 2021, include the following:

Buildings	\$ 17,905,287
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Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to \$2,313,358.

Note 9 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2021, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

District Plan

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	\$ 121,162,518	\$ 433,406	\$ 27,516,129	\$ (15,928,689)
Medicare Premium Payment (MPP) Program	1,160,648	-	-	138,562
Total	\$ 122,323,166	\$ 433,406	\$ 27,516,129	\$ (15,790,127)

The details of each plan are as follows:

District Plan

Plan Administration

The District’s governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the Plan is vested in the Governing Board, which consists of five locally elected Plan members.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	691
Active employees	480
	1,171
Total	1,171

Benefits Provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the Oxnard Federation of Teachers (OFT), the local California Service Employees Association (CSEA), and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits with the District, OFT, CSEA, and the unrepresented groups are based on availability of funds. For the measurement period of June 30, 2021, the District contributed \$10,548,562 to the Plan, of which all was used for current premiums (approximately 100% of total premiums). The remainder of the premiums were funded from beginning net position and interest earnings.

Investments

Investment Policy

The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Governing Board by a majority vote of its members. It is the policy of the Oxnard Union High School District Retiree Benefits Trust Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Governing Board’s adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Fixed Income	50%
Equities	50%

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District’s net OPEB liability of \$121,162,518 was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The components of the net OPEB liability of the District at June 30, 2021, were as follows:

Total OPEB liability	\$ 209,885,296
Plan fiduciary net position	<u>(88,722,778)</u>
Net OPEB liability	<u>\$ 121,162,518</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>42.27%</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2020 and rolling forward the total OPEB liability to June 30, 2021. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 %
Salary increases	2.75 %, average, including inflation
Investment rate of return	6.00 %, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00 %

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, (see the discussion of the Plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap	7.5%
US Small Cap	7.5%
Long-Term Corporate Bonds	4.3%
Long-Term Government Bonds	4.3%

Investment Rate of Return

The investment rate of return used to measure the total OPEB liability was 6%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2020	\$ 206,659,457	\$ 68,062,950	\$ 138,596,507
Service cost	1,642,030	-	1,642,030
Interest	12,132,371	20,688,094	(8,555,723)
Employer Contributions	-	10,567,190	(10,567,190)
Benefit payments	(10,548,562)	(10,548,562)	-
Administrative expense	-	(46,894)	46,894
	3,225,839	20,659,828	(17,433,989)
Net change in total OPEB liability	3,225,839	20,659,828	(17,433,989)
Balance, June 30, 2021	\$ 209,885,296	\$ 88,722,778	\$ 121,162,518

No changes to benefits notes from the prior evaluation.

Changes of assumptions and other inputs reflect a change in inflation from 2.75% in 2020 to 2.50% in 2021 since the previous valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Net OPEB Liability
1% decrease (5.00%)	\$ 144,415,683
Current discount rate (6.00%)	121,162,518
1% increase (7.00%)	101,516,997

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3.0%)	\$ 97,798,041
Current healthcare cost trend rate (4.0%)	121,162,518
1% increase (5.0%)	149,055,628

OPEB Expense, 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 \$(15,928,689). At June 30, 2021, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,030,473
Changes of assumptions	-	10,773,005
Difference between projected and actual earnings on OPEB plan investments	433,406	13,712,651
Total	\$ 433,406	\$ 27,516,129

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (15,099,862)
2023	(5,485,261)
2024	(3,176,567)
2025	(3,321,033)
Total	\$ (27,082,723)

Medicare Premium Payment (MPP) Program**Plan Description**

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2021, the District reported a liability of \$1,160,648 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, was 0.2739% and 0.2745%, respectively, resulting in a net decrease in the proportionate share of 0.0006%.

For the year ended June 30, 2021, the District recognized OPEB expense of \$138,562.

Actuarial Methods and Assumptions

The June 30, 2020 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020, using the assumptions listed in the following table:

Measurement Date	June 30, 2020	June 30, 2019
Valuation Date	June 30, 2019	June 30, 2018
Experience Study	July 1, 2014 through June 30, 2018	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.21%	3.50%
Medicare Part A Premium Cost Trend Rate	4.50%	3.70%
Medicare Part B Premium Cost Trend Rate	5.40%	4.10%

For the valuation as of June 30, 2019, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members’ age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 294 or an average of 0.18% of the potentially eligible population (159,339).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2020, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020, is 2.21%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.21%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2020, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 1.29% from 3.50% as of June 30, 2019.

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

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

Discount Rate	Net OPEB Liability
1% decrease (1.21%)	\$ 1,052,399
Current discount rate (2.21%)	1,160,648
1% increase (3.21%)	1,285,263

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	\$ 1,052,399
Current Medicare costs trend rate (4.50% Part A and 5.40% Part B)	1,160,648
1% increase (5.50% Part A and 6.40% Part B)	1,285,263

Note 10 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Nonspendable						
Revolving cash	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Stores inventories	663,939	-	-	-	-	663,939
Total nonspendable	<u>673,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>673,939</u>
Restricted						
Legally restricted programs	10,787,772	-	-	-	2,193,917	12,981,689
Food service	-	-	-	-	2,605,593	2,605,593
Capital projects	-	110,347,707	-	-	12,913,313	123,261,020
Debt services	-	-	24,751,601	51,690,604	-	76,442,205
Total restricted	<u>10,787,772</u>	<u>110,347,707</u>	<u>24,751,601</u>	<u>51,690,604</u>	<u>17,712,823</u>	<u>215,290,507</u>
Assigned						
Unit Share Reserve	3,647,829	-	-	-	-	3,647,829
Summer School Reserve	2,347,833	-	-	-	-	2,347,833
3 White Fleet Vehicle Replacement	225,000	-	-	-	-	225,000
Donations	19,292	-	-	-	-	19,292
Unrestricted Lottery	146,388	-	-	-	-	146,388
Del Sol High School Start Up	-	-	-	-	423,799	423,799
Rancho Campana Reimbursement	-	-	-	-	15,382,162	15,382,162
Total assigned	<u>6,386,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,805,961</u>	<u>22,192,303</u>
Unassigned						
Reserve for economic uncertainties	7,160,181	-	-	-	-	7,160,181
Remaining unassigned	10,750,649	-	-	-	-	10,750,649
Total unassigned	<u>17,910,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,910,830</u>
Total	<u>\$ 35,758,883</u>	<u>\$ 110,347,707</u>	<u>\$ 24,751,601</u>	<u>\$ 51,690,604</u>	<u>\$ 33,518,784</u>	<u>\$ 256,067,579</u>

Note 11 - Risk Management

Description

The District’s risk management activities are recorded in the General Fund. Employee health programs are administered by the General Fund through payments made to Coastal Schools Employee Benefits Organization, a public entity risk pool. The Oxnard Union High School District also participates in the Ventura County Schools Self-Funding Authority public entity risk pool (JPA) for the workers’ compensation, property, and liability programs. Refer to Note 14 for additional information regarding the JPAs.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Employee Medical Benefits

The District has contracted with the Coastal Schools Employee Benefits Organization (CSEBO) to provide employee health benefits. CSEBO is a shared risk pool comprised of members in Ventura County. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Governing Board has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

Note 12 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2021, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 152,320,108	\$ 42,423,767	\$ 6,083,774	\$ 23,715,173
CalPERS	63,720,105	10,863,544	1,808,287	12,627,583
 Total	 \$ 216,040,213	 \$ 53,287,311	 \$ 7,892,061	 \$ 36,342,756

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	16.15%	16.15%
Required employer contribution rate	10.328%	10.328%
Required state contribution rate		

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were \$14,126,627.

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

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

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 152,320,108
State's proportionate share of the net pension liability	78,521,034
Total	\$ 230,841,142

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, was 0.1572% and 0.1551%, respectively, resulting in a net increase in the proportionate share of 0.0021%.

For the year ended June 30, 2021, the District recognized pension expense of \$23,715,173. In addition, the District recognized pension expense and revenue of \$11,000,026 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 14,126,627	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	9,556,749	1,788,086
Differences between projected and actual earnings on pension plan investments	3,618,249	-
Differences between expected and actual experience in the measurement of the total pension liability	268,775	4,295,688
Changes of assumptions	14,853,367	-
Total	\$ 42,423,767	\$ 6,083,774

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (2,207,834)
2023	1,232,803
2024	2,459,582
2025	2,133,698
Total	\$ 3,618,249

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 7,154,353
2023	4,897,848
2024	5,685,143
2025	223,855
2026	434,013
Thereafter	199,905
Total	<u>\$ 18,595,117</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 201 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Fixed income	12%	1.3%
Real estate	15%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 230,134,465
Current discount rate (7.10%)	152,320,108
1% increase (8.10%)	88,073,398

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) and the Safety Risk 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. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These reports and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

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

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

	<u>School Employer Pool (CalPERS)</u>	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.70%	20.70%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were \$6,143,109.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$63,720,105. The net pension liability was measured as of June 30, 2020. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2020 and June 30, 2019, was 0.2077% and 0.2069%, respectively, resulting in a net increase in the proportionate share of 0.0008%.

For the year ended June 30, 2021, the District recognized pension expense of \$12,627,583. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,143,109	\$ -
Change in proportion and differences between contributions made and District’s proportionate share of contributions	-	1,808,287
Differences between projected and actual earnings on pension plan investments	1,326,449	-
Differences between expected and actual experience in the measurement of the total pension liability	3,160,322	-
Changes of assumptions	233,664	-
	\$ 10,863,544	\$ 1,808,287
Total		

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

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ (496,386)
2023	442,758
2024	769,586
2025	<u>610,491</u>
Total	<u>\$ 1,326,449</u>

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ 1,395,116
2023	349,631
2024	(139,645)
2025	<u>(19,403)</u>
Total	<u>\$ 1,585,699</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries 90% of scale MP-2016.

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 91,609,271
Current discount rate (7.15%)	63,720,105
1% increase (8.15%)	40,573,497

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$8,886,251 (10.328% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 13 - Commitments and Contingencies

Grants

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

Litigation

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

Construction Commitments

As of June 30, 2021, the District has the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
RMHS Site Fire Water Modernization	\$ 250,000	06/30/22
New Del Sol HS Design and Construction	144,000,000	06/30/24
ACHS HVAC Modernization	21,600,000	06/30/24
CIHS HVAC Modernization	22,680,000	06/30/24
HHS HVAC Modernization	20,520,000	06/30/24
RMHS HVAC Modernization	22,680,000	06/30/24
OHS HVAC Modernization	16,200,000	06/30/24
PHS HVAC Modernization	19,440,000	06/30/24
RCHS HVAC Modernization	8,640,000	06/30/23
Student Growth Transportation/Warehouse Building	3,000,000	06/30/22
Total	<u><u>\$ 279,010,000</u></u>	

Note 14 - Participation in Public Entity Risk Pools and Joint Powers Authority

The District is a member of the Ventura County Schools Self-Funding Authority (VCSSFA) and the Coastal Schools Employee Benefits Organization (CSEBO) public entity risk pools. The District pays an annual premium to each entity for its workers' compensation and property liability coverage and for its health and welfare benefits, respectively. The District also belongs to the Ventura County Fast Action School Transit Authority (VCFAST) joint powers authority (JPA). Payments for courier services are paid to the VCFAST. The relationships between the District, the pools, and the JPA are such that they are not component units of the District for financial reporting purposes.

The entity has budgeting and financial reporting requirements independent of member units and the financial statements are not presented in these financial statements; however, fund transactions between the entity and the District are included in these statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2021, the District made payments of \$1,844,924, \$30,546,533, and \$5,336, to VCSSFA, CSEBO, and VCFAST, respectively.

Note 15 - Subsequent Events

The District issued \$97,355,000 of 2021 Refunding General Obligation Bonds dated November 23, 2021. These bonds mature on August 1, 2043, and yield an interest rate of 0.37% to 3.18%.

Note 16 - Restatement of Prior Year Net Position and Fund Balance

As of July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, the District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund. The following table describes the effects of the implementation on beginning fund balance/net position.

	Non-Major Governmental Funds	Total Governmental Funds
Beginning Fund Balance Previously Reported at June 30, 2020	\$ 33,263,637	\$ 175,223,621
Prior Period Adjustment - Implementation of GASB 84		
Reclassification of student activity funds from agency funds to a special revenue fund	1,518,593	1,518,593
Fund Balance Restated at July 1, 2020	\$ 34,782,230	\$ 176,742,214

The restatement of net position is identified as follows:

Governmental Activities

Beginning Net Position Governmental Activities as Previously Reported at June 30, 2020		\$(141,362,729)
Reclassification of student activity funds from agency funds to a special revenue fund		1,518,593
Net Position Restated at July 1, 2020		\$(139,844,136)



Required Supplementary Information
June 30, 2021

Oxnard Union High School District

Oxnard Union High School District
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive (Negative) Final to Actual
Revenues				
Local Control Funding Formula	\$ 173,899,668	\$ 185,703,341	\$ 185,703,341	\$ -
Federal sources	10,517,805	26,630,210	26,430,705	(199,505)
Other State sources	12,822,001	23,547,517	24,108,932	561,415
Other local sources	11,448,555	16,265,538	16,398,589	133,051
Total revenues	<u>208,688,029</u>	<u>252,146,606</u>	<u>252,641,567</u>	<u>494,961</u>
Expenditures				
Current				
Certificated salaries	86,016,027	91,051,294	91,051,295	(1)
Classified salaries	27,051,303	29,350,258	29,350,258	-
Employee benefits	66,516,930	71,844,855	72,339,818	(494,963)
Books and supplies	8,861,359	14,700,077	14,700,077	-
Services and operating expenditures	19,163,757	24,673,903	24,673,904	(1)
Other outgo	2,613,270	2,127,261	2,127,257	4
Capital outlay	35,288	3,111,797	3,111,797	-
Debt service				
Debt service - principal	1,136,565	1,365,401	1,136,564	228,837
Debt service - interest and other	211,416	221,095	449,932	(228,837)
Total expenditures	<u>211,605,915</u>	<u>238,445,941</u>	<u>238,940,902</u>	<u>(494,961)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,917,886)</u>	<u>13,700,665</u>	<u>13,700,665</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	144,936	144,936	-
Transfers out	(162,269)	(226,752)	(226,753)	(1)
Net financing uses	<u>(162,269)</u>	<u>(81,816)</u>	<u>(81,817)</u>	<u>(1)</u>
Net Change in Fund Balances	(3,080,155)	13,618,849	13,618,848	(1)
Fund Balance - Beginning	<u>22,140,035</u>	<u>22,140,035</u>	<u>22,140,035</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 19,059,880</u>	<u>\$ 35,758,884</u>	<u>\$ 35,758,883</u>	<u>\$ (1)</u>

Oxnard Union High School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2021

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 1,642,030	\$ 3,316,803	\$ 3,220,197	\$ 3,037,922	\$ 5,143,257
Interest	12,132,371	14,486,278	13,572,428	13,139,429	11,086,979
Difference between expected and actual experience	-	(8,081,263)	-	-	-
Changes of assumptions	-	(28,728,017)	-	-	-
Benefit payments	(10,548,562)	(9,409,273)	(9,409,273)	(8,876,673)	(8,403,086)
Net change in total OPEB liability	3,225,839	(28,415,472)	7,383,352	7,300,678	7,827,150
Total OPEB Liability - Beginning	206,659,457	235,074,929	227,691,577	220,390,899	212,563,749
Total OPEB Liability - Ending (a)	<u>\$ 209,885,296</u>	<u>\$ 206,659,457</u>	<u>\$ 235,074,929</u>	<u>\$ 227,691,577</u>	<u>\$ 220,390,899</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 10,567,190	\$ 9,441,363	\$ 9,409,273	\$ 8,876,673	\$ 8,403,086
Interest	20,688,094	3,171,431	3,713,087	5,411,667	6,502,209
Benefit payments	(10,548,562)	(9,409,273)	(9,409,273)	(8,876,673)	(8,403,086)
Administrative expense	(46,894)	(41,624)	(40,120)	(8,197)	(8,230)
Other expense	-	-	(17,315)	-	-
Net change in plan fiduciary net position	20,659,828	3,161,897	3,655,652	5,403,470	6,493,979
Plan Fiduciary Net Position - Beginning	68,062,950	64,901,053	61,245,401	55,841,931	49,347,952
Plan Fiduciary Net Position - Ending (b)	<u>\$ 88,722,778</u>	<u>\$ 68,062,950</u>	<u>\$ 64,901,053</u>	<u>\$ 61,245,401</u>	<u>\$ 55,841,931</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 121,162,518</u>	<u>\$ 138,596,507</u>	<u>\$ 170,173,876</u>	<u>\$ 166,446,176</u>	<u>\$ 164,548,968</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	42.27%	32.93%	27.61%	26.90%	25.34%
Covered Payroll	36,543,795	36,543,795	42,005,000	42,005,000	54,534,000
Net OPEB Liability as a Percentage of Covered Payroll	331.55%	379.26%	405.13%	396.25%	301.74%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

Oxnard Union High School District
 Schedule of OPEB Investment Returns
 Year Ended June 30, 2021

	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	6.00%	6.00%	6.00%	6.00%	6.00%

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

Oxnard Union High School District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2021

Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.2739%	0.2745%	0.2692%	0.2746%
Proportionate share of the net OPEB liability	\$ 1,160,648	\$ 1,022,086	\$ 1,030,599	\$ 1,155,262
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Oxnard Union High School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
CalSTRS					
Proportion of the net pension liability	0.1572%	0.1551%	0.1500%	0.1517%	0.1436%
Proportionate share of the net pension liability	\$ 152,320,108	\$ 140,124,868	\$ 137,867,679	\$ 140,270,672	\$ 116,138,746
State's proportionate share of the net pension liability	78,521,034	76,447,470	78,935,694	82,982,945	66,115,716
Total	<u>\$ 230,841,142</u>	<u>\$ 216,572,338</u>	<u>\$ 216,803,373</u>	<u>\$ 223,253,617</u>	<u>\$ 182,254,462</u>
Covered payroll	<u>\$ 87,503,503</u>	<u>\$ 85,321,585</u>	<u>\$ 82,009,127</u>	<u>\$ 86,142,798</u>	<u>\$ 74,247,894</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>174.07%</u>	<u>164.23%</u>	<u>168.11%</u>	<u>162.84%</u>	<u>156.42%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>73%</u>	<u>71%</u>	<u>69%</u>	<u>70%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
CalPERS					
Proportion of the net pension liability	0.2077%	0.2069%	0.2100%	0.2132%	0.2034%
Proportionate share of the net pension liability	\$ 63,720,105	\$ 60,307,163	\$ 56,001,050	\$ 50,895,389	\$ 40,178,268
Covered payroll	\$ 29,656,382	\$ 28,706,987	\$ 27,710,096	\$ 28,972,645	\$ 24,527,518
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>214.86%</u>	<u>210.08%</u>	<u>202.10%</u>	<u>175.67%</u>	<u>163.81%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>70%</u>	<u>71%</u>	<u>72%</u>	<u>74%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

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

Oxnard Union High School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2021

	2016	2015
CaSTRS		
Proportion of the net pension liability	<u>0.1485%</u>	<u>0.1239%</u>
Proportionate share of the net pension liability	\$ 99,966,960	\$ 72,419,094
State's proportionate share of the net pension liability	<u>52,871,502</u>	<u>43,729,775</u>
Total	<u>\$ 152,838,462</u>	<u>\$ 116,148,869</u>
Covered payroll	<u>\$ 66,868,840</u>	<u>71,975,188</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>149.50%</u>	<u>100.62%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2015	June 30, 2014
CaPERS		
Proportion of the net pension liability	<u>0.1941%</u>	<u>0.1854%</u>
Proportionate share of the net pension liability	<u>\$ 28,611,809</u>	<u>\$ 21,046,174</u>
Covered payroll	<u>\$ 21,031,951</u>	<u>21,636,698</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>136.04%</u>	<u>97.27%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2015	June 30, 2014

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

Oxnard Union High School District
Schedule of the District Contributions
Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
CaSTRS					
Contractually required contribution	\$ 14,126,627	\$ 14,963,099	\$ 13,890,354	\$ 11,833,917	\$ 10,836,764
Less contributions in relation to the contractually required contribution	<u>14,126,627</u>	<u>14,963,099</u>	<u>13,890,354</u>	<u>11,833,917</u>	<u>10,836,764</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 87,471,375</u>	<u>\$ 87,503,503</u>	<u>\$ 85,321,585</u>	<u>\$ 82,009,127</u>	<u>\$ 86,142,798</u>
Contributions as a percentage of covered payroll	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>
CaIPERS					
Contractually required contribution	\$ 6,143,109	\$ 5,848,535	\$ 5,185,056	\$ 4,303,655	\$ 4,023,721
Less contributions in relation to the contractually required contribution	<u>6,143,109</u>	<u>5,848,535</u>	<u>5,185,056</u>	<u>4,303,655</u>	<u>4,023,721</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 29,676,855</u>	<u>\$ 29,656,382</u>	<u>\$ 28,706,987</u>	<u>\$ 27,710,096</u>	<u>\$ 28,972,645</u>
Contributions as a percentage of covered payroll	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>

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

Oxnard Union High School District
Schedule of the District Contributions
Year Ended June 30, 2021

	2016	2015
CaSTRS		
Contractually required contribution	\$ 7,966,799	\$ 5,937,953
Less contributions in relation to the contractually required contribution	7,966,799	5,937,953
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 74,247,894	\$ 66,868,840
Contributions as a percentage of covered payroll	10.73%	8.88%
CaIPERS		
Contractually required contribution	\$ 2,905,775	\$ 2,475,671
Less contributions in relation to the contractually required contribution	2,905,775	2,475,671
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 24,527,518	\$ 21,031,951
Contributions as a percentage of covered payroll	11.847%	11.771%

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

At June 30, 2021, the District General Fund exceeded the budgeted amount in total as follows:

Funds	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund	\$ 238,672,693	\$ 239,167,655	\$ 494,962

Schedule of Changes in the District’s Net OPEB Liability and Related Ratios

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – Inflation was changed from 2.75% to 2.50% since the previous valuation.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.50% to 2.21% since the previous valuation.

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

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

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

Schedule of District Contributions

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



Supplementary Information
June 30, 2021

Oxnard Union High School District

Oxnard Union High School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through Ventura County Special Education Local Plan Area:			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	\$ 3,274,667
Passed Through California Department of Education (CDE)			
Adult Education - Basic Grants to States	84.002	14508	339,708
Adult Education - Basic Grants to States	84.002	13978	177,706
Adult Education - Basic Grants to States	84.002	14109	99,232
Subtotal			616,646
Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	67,972
Title I, Part C, Migrant Ed Summer Program	84.011	10005	3,644
Subtotal			71,616
Title III - Limited English Proficient (LEP) Student Program	84.365	14346	262,199
English Language Acquisition State Grants - Immigrant Student Program	84.365	15146	21,228
Subtotal			283,427
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	2,455,851
COVID-19 Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	2,079,561
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	1,043,459
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	601,477
COVID-19 CARES Act Supplemental Meal Reimbursement	84.425D	15535	30,279
Subtotal			6,210,627

Oxnard Union High School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title I Grants to Local Educational Agencies - Basic Grants Low-Income Neglected	84.010	14329	2,391,973
Title II, Part A, Supporting Effective Instruction	84.367	14341	519,486
Rehabilitation Services Vocational Rehabilitation Grants to States - Workability II	84.126	10006	284,842
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	58,483
Carl D. Perkins Vocational and Technical Education Act of 1998 Secondary Education	84.048	14894	403,018
Total U.S. Department of Education			<u>14,114,785</u>
U.S. Department of Treasury			
Passed through California Department of Education			
COVID-19 Coronavirus Relief Fund	21.019	25516	<u>12,869,073</u>
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	7,847
School Breakfast Program - Especially Needy Breakfast	10.553	13526	4,946
National School Lunch Program - Summer Food Program	10.559	13004	3,217,081
National School Lunch Program - Commodity Supplemental Food	10.555	13391	178,024
Total Child Nutrition Cluster			<u>3,407,898</u>
Child and Adult Care Food Program	10.558	13393	<u>1,123,812</u>
Total U.S. Department of Agriculture			<u>4,531,710</u>
U.S. Department of Defense			
Junior Reserve Officer Training Corps - Air Force	12.000	[1]	<u>159,824</u>
U.S. Department of Interior			
National Park Services - Anacapa Island Restoration Project	15.954	[1]	<u>401</u>
Total Federal Financial Assistance			<u>\$ 31,675,793</u>

ORGANIZATION

The Oxnard Union High School District was established in 1901 and consists of an area comprising approximately 300 square miles. The District operates seven high schools, two alternative education sites, and an adult education program. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Steve Hall, Ed.D.	President	2024
Beatriz Herrera	Vice President	2022
Karen M. Sher	Clerk	2022
Wayne Edmonds	Member	2022
Elizabeth M. Botello	Member	2024

ADMINISTRATION

NAME	TITLE
Thomas McCoy, Ed.D.	Superintendent
Ted Lawrence	Assistant Superintendent, Business Services
Deborah Salgado, Ed.D.	Assistant Superintendent, Human Resources
Roger Adams	Assistant Superintendent, Educational Services

Oxnard Union High School District
 Schedule of Instructional Time
 Year Ended June 30, 2021

Grade Level	Number of Actual Days		Number of Days Credited Form J-13A	Total Days Offered	Status
	Traditional Calendar	Multitrack Calendar			
Grades 9 - 12					
Grade 9	180	N/A	-	180	Complied
Grade 10	180	N/A	-	180	Complied
Grade 11	180	N/A	-	180	Complied
Grade 12	180	N/A	-	180	Complied

Oxnard Union High School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2021

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

	<u>Building Fund</u>
Fund Balance	
Balance, June 30, 2021, Unaudited Actuals	\$ 116,483,455
Increase in	
Accounts Payable	<u>(6,135,748)</u>
Balance, June 30, 2021, Audited Financial Statements	<u><u>\$ 110,347,707</u></u>

Oxnard Union High School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2021

	(Budget) 2022 ¹	2021	2020	2019
General Fund				
Revenues	\$ 270,548,117	\$ 252,641,567	\$ 220,821,133	\$ 215,461,879
Other sources	-	144,936	1,731,311	-
Total Revenues and Other Sources	<u>270,548,117</u>	<u>252,786,503</u>	<u>222,552,444</u>	<u>215,461,879</u>
Expenditures	269,867,084	238,940,902	227,161,747	212,066,923
Other uses and transfers out	-	226,753	148,367	319,061
Total Expenditures and Other Uses	<u>269,867,084</u>	<u>239,167,655</u>	<u>227,310,114</u>	<u>212,385,984</u>
Increase/(Decrease) in Fund Balance	<u>681,033</u>	<u>13,618,848</u>	<u>(4,757,670)</u>	<u>3,075,895</u>
Ending Fund Balance	<u>\$ 36,439,916</u>	<u>\$ 35,758,883</u>	<u>\$ 22,140,035</u>	<u>\$ 26,897,705</u>
Available Reserves ²	<u>\$ 13,889,396</u>	<u>\$ 17,910,830</u>	<u>\$ 18,327,365</u>	<u>\$ 15,170,187</u>
Available Reserves as a Percentage of Total Outgo	<u>5.15%</u>	<u>7.49%</u>	<u>8.06%</u>	<u>7.10%</u>
Long-Term Liabilities	<u>N/A</u>	<u>\$ 787,027,803</u>	<u>\$ 637,431,823</u>	<u>\$ 685,005,487</u>
K-12 Average Daily Attendance at P-2	<u>16,030</u>	<u>15,688</u>	<u>15,688</u>	<u>15,632</u>

The General Fund balance has increased by \$8,861,178 over the past two years. The fiscal year 2021-2022 budget projects a further increase of \$681,033 (1.90%). For a district this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2021-2022 fiscal year. Total long-term liabilities have increased by \$102,022,316 over the past two years.

Average daily attendance has increased by 56 over the past two years. Additional growth of 342 ADA is anticipated during fiscal year 2021-2022.

¹ Budget 2022 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

Oxnard Union High School District
Schedule of Charter Schools
Year Ended June 30, 2021

<u>Name of Charter School</u>	<u>Charter Number</u>	<u>Included in Audit Report</u>
Camarillo Academy of Progressive Education	0943	No
Architecture, Construction and Engineering Charter High (ACE)	1126	No

Oxnard Union High School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2021

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds
Assets							
Deposits and investments	\$ 1,591,882	\$ 632,413	\$ 2,557,312	\$ 12,220,257	\$ 758,090	\$ 15,820,941	\$ 33,580,895
Receivables	-	267,192	237,173	10,598	-	12,928	527,891
Due from other funds	-	-	10,393	-	-	175,774	186,167
Total assets	\$ 1,591,882	\$ 899,605	\$ 2,804,878	\$ 12,230,855	\$ 758,090	\$ 16,009,643	\$ 34,294,953
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ 163,725	\$ 52,971	\$ 9,230	\$ 66,402	\$ 202,895	\$ 495,223
Due to other funds	-	133,845	145,032	-	-	787	279,664
Unearned revenue	-	-	1,282	-	-	-	1,282
Total liabilities	-	297,570	199,285	9,230	66,402	203,682	776,169
Fund Balances							
Restricted	1,591,882	602,035	2,605,593	12,221,625	691,688	-	17,712,823
Assigned	-	-	-	-	-	15,805,961	15,805,961
Total fund balances	1,591,882	602,035	2,605,593	12,221,625	691,688	15,805,961	33,518,784
Total liabilities and fund balances	\$ 1,591,882	\$ 899,605	\$ 2,804,878	\$ 12,230,855	\$ 758,090	\$ 16,009,643	\$ 34,294,953

Oxnard Union High School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2021

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds
Revenues							
Federal sources	\$ -	\$ 616,646	\$ 5,461,836	\$ -	\$ -	\$ -	\$ 6,078,482
Other State sources	-	3,113,438	327,245	-	757,998	-	4,198,681
Other local sources	1,135,791	235,669	33,488	3,420,674	92	178,047	5,003,761
Total revenues	1,135,791	3,965,753	5,822,569	3,420,674	758,090	178,047	15,280,924
Expenditures							
Current							
Instruction	-	1,992,195	-	-	-	-	1,992,195
Instruction-related activities							
School site administration	-	890,998	-	-	-	-	890,998
Pupil services							
Food services	-	-	3,065,706	-	-	-	3,065,706
All other pupil services	-	506,049	-	-	-	-	506,049
Administration							
All other administration	-	133,680	145,032	30,602	-	-	309,314
Plant services	-	192,779	-	-	-	75,810	268,589
Ancillary services	1,062,502	-	-	-	-	-	1,062,502
Enterprise services	-	-	7,766	-	-	-	7,766
Facility acquisition and construction	-	-	-	157,545	66,402	8,549,075	8,773,022
Debt service							
Principal	-	-	-	289,000	-	-	289,000
Interest and other	-	-	-	63,628	-	176,400	240,028
Total expenditures	1,062,502	3,715,701	3,218,504	540,775	66,402	8,801,285	17,405,169

Oxnard Union High School District
Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2021

Excess (Deficiency) of Revenues Over Expenditures	\$ 73,289	\$ 250,052	\$ 2,604,065	\$ 2,879,899	\$ 691,688	\$ (8,623,238)	\$ (2,124,245)
Other Financing Sources (Uses)							
Transfers in	-	9,541	-	-	-	4,767,212	4,776,753
Special item - proceeds from building sale	-	-	-	-	-	778,982	778,982
Transfers out	-	-	(144,933)	(4,550,000)	-	(3)	(4,694,936)
Net Financing Sources (Uses)	-	9,541	(144,933)	(4,550,000)	-	5,546,191	860,799
Net Change in Fund Balances	73,289	259,593	2,459,132	(1,670,101)	691,688	(3,077,047)	(1,263,446)
Fund Balance - Beginning	1,518,593	342,442	146,461	13,891,726	-	18,883,008	34,782,230
Fund Balance - Ending	\$ 1,591,882	\$ 602,035	\$ 2,605,593	\$ 12,221,625	\$ 691,688	\$ 15,805,961	\$ 33,518,784

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance of the District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

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

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had no food commodities in inventory.

SEFA Reconciliation

The following schedule provides 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. Child and Adult Care Food Program funds have been recorded in the current period as revenues that have not been expended as of June 30, 2021. These unspent balances are reported as legally restricted ending balances within the General Fund.

	Federal Financial Assistance Listing/Federal CFDA Number	Amount
Description		
Total Federal Revenues reported on the financial statements		\$ 32,509,187
Child and Adult Care Food Program	10.558	(833,394)
Total Schedule of Expenditures of Federal Awards		\$ 31,675,793

Local Education Agency Organization Structure

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

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

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

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



Independent Auditor's Reports
June 30, 2021

Oxnard Union High School District



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

To the Governing Board
Oxnard Union High School District
Oxnard, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High 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 January 28, 2022.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 16 to the financial statements, the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

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

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
January 28, 2022



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

To the Governing Board
Oxnard Union High School District
Oxnard, California

Report on Compliance for Each Major Federal Program

We have audited Oxnard Union High School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for 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's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed name of the firm.

Rancho Cucamonga, California
January 28, 2022



Independent Auditor's Report on State Compliance

To the Governing Board
Oxnard Union High School District
Oxnard, California

Report on State Compliance

We have audited Oxnard Union High School District's (the District) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the state laws and regulations listed in the table below for the year ended June 30, 2021.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Compliance Requirements Tested

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

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	No, see below
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	
California Clean Energy Jobs Act	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
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

The District does not offer kindergarten instruction; therefore, we did not perform procedures related to Kindergarten Continuance.

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

The District does not provide classes for grades K-3; therefore, we did not perform procedures related to K-3 Grade Span Adjustment.

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

We did not perform District of Choice procedures because the program is not offered by the District.

We did not perform California Clean Energy Jobs Act procedures because the related procedures were performed in a previous year.

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

The Charter School is independent of the District; therefore, we did not perform any procedures related to charter schools.

Unmodified Opinion

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

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
January 28, 2022



Schedule of Findings and Questioned Costs
June 30, 2021

Oxnard Union High School District

Financial Statements

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

Federal Awards

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

Identification of major programs

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing/ Federal CFDA Number</u>
Title I Grants to Local Education Agencies	84.010
COVID-19 Educational Stabilization Funds	84.425D, 84.425C, 84.425U
COVID-19 Coronavirus Relief Fund	21.019
Child and Adult Care Food Program	10.558
Dollar threshold used to distinguish between type A and type B programs	\$ 950,274
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

The following finding represents material weaknesses related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

2021-001 3000 – Financial Statement Preparation (Material Weakness)

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatements, whether due to error or fraud. This includes the posting of all material adjustments necessary to close the year and accurately reflect the activity of the District.

Condition

Communicating Internal Control Related Matters Identified in an Audit defines a material weakness and significant deficiency. According to these definitions, an internal control system design must include elements to accurately prepare financial statements without adjustments by the auditor.

Questioned Costs

There were no direct questioned costs associated with the condition identified.

Context

The condition was identified through inquiry with District personnel and also through the review of available District records related to accounts payable.

Effect

During the course of our engagement, we identified material audit adjustments to the recorded account balances in the financial statements which, if not recorded, would have resulted in a material misstatement of the financial statements.

Cause

The timing of the accrual was during a transition period for new personnel making it difficult to implement this level of internal control to monitor year end accruals.

Recommendation

We recommend management, and those charged with governance, evaluate the internal control structure and consider changes as necessary that will ensure that the financial statements are free from potential material misstatements and allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Repeat Finding

No.

Corrective Action Plan and Views of Responsible Officials

The District agrees that having an internal control system over monitoring accounts payable is an important part of the District's overall internal control process. The District has created processes to monitor and implement these controls.

None reported.

None reported.

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