



Financial Statements
June 30, 2022

Oxnard Union High School District



OXNARD UNION
HIGH SCHOOL DISTRICT

Building Powerful Futures for Every Student

Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Government Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Government Fund Financial Statements	
Balance Sheet – Governmental Funds.....	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Fiduciary Fund Financial Statements	
Statement of Net Position – Fiduciary Funds.....	24
Statement of Changes in Net Position – Fiduciary Funds	25
Notes to Financial Statements	26
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund.....	71
Schedule of Changes in the District’s Net OPEB Liability and Related Ratios.....	72
Schedule of OPEB Investment Returns.....	74
Schedule of the District’s Proportionate Share of the Net OPEB Liability – MPP Program.....	75
Schedule of the District’s Proportionate Share of the Net Pension Liability	76
Schedule of the District’s Contributions	78
Notes to Required Supplementary Information	80
Supplementary Information	
Schedule of Expenditures of Federal Awards	82
Local Education Agency Organization Structure	84
Schedule of Average Daily Attendance.....	85
Schedule of Instructional Time.....	86
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	87
Schedule of Financial Trends and Analysis.....	88
Schedule of Charter Schools	89
Combining Balance Sheet – Non-Major Governmental Funds	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	91
Notes to Supplementary Information	93

Independent Auditor's Reports

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*.....95

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance97

Independent Auditor's Report on State Compliance100

Schedule of Findings and Questioned Costs

 Summary of Auditor's Results.....105

 Financial Statement Findings106

 Federal Awards Findings and Questioned Costs107

 State Compliance Findings and Questioned Costs108

 Summary Schedule of Prior Audit Findings.....109

Management Letter.....111



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 15 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the government-wide net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's net OPEB liability and related ratios, schedule of OPEB investment returns, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability, and schedule of the District's contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards, combining non-major governmental fund financial statements, and 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 our report dated December 15, 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, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 15, 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, 2022, with comparative information for the year ended June 30, 2021. 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 \$28,953,033 from the previous fiscal year. The following table shows major revenue sources for fiscal year 2021-2022 compared with fiscal year 2020-2021.

	2022	2021	Change
Local Control Funding Formula (includes property taxes)	\$ 201,780,984	\$ 185,703,341	\$ 16,077,643
Federal sources	28,650,939	26,430,705	2,220,234
Other State sources	32,075,599	24,108,932	7,966,667
Other local sources	19,087,078	16,398,589	2,688,489
Total	\$ 281,594,600	\$ 252,641,567	\$ 28,953,033

Total General Fund Expenditures increased 16% from the previous fiscal year. The following table shows expenditures for fiscal year 2021-2022 compared with fiscal year 2020-2021.

	2022		2021		Change	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Certificated salaries	\$ 104,833,504	38%	\$ 91,051,295	38%	13,782,209	15%
Classified salaries	32,327,269	12%	29,350,258	12%	2,977,011	10%
Employee benefits	79,075,521	28%	72,339,818	30%	6,735,703	9%
Books and supplies	11,088,756	4%	14,700,077	6%	(3,611,321)	-25%
Services and other	29,828,292	11%	24,673,904	10%	5,154,388	21%
Other outgo	4,863,296	2%	2,127,257	1%	2,736,039	129%
Capital outlay and debt service	15,499,335	6%	4,698,293	2%	10,801,042	230%
Total	\$ 277,515,973	101%	\$ 238,940,902	99%	\$ 38,575,071	16%

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 the governmental fund financial statements.

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 \$(66,311,976) for the fiscal year ended June 30, 2022. Of this amount, \$(213,302,234) 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	
	2022	2021 (as restated)
Assets		
Current and other assets	\$ 166,946,460	\$ 292,083,884
Capital assets	526,332,605	403,930,504
Total assets	<u>693,279,065</u>	<u>696,014,388</u>
Deferred outflows of resources	<u>60,472,677</u>	<u>54,436,215</u>
Liabilities		
Current liabilities	43,384,182	42,602,594
Long-term liabilities	<u>665,416,713</u>	<u>787,432,434</u>
Total liabilities	<u>708,800,895</u>	<u>830,035,028</u>
Deferred inflows of resources	<u>111,262,823</u>	<u>38,667,914</u>
Net Position		
Net investment in capital assets	92,778,407	66,579,976
Restricted	54,211,851	98,404,051
Unrestricted (deficit)	<u>(213,302,234)</u>	<u>(283,236,366)</u>
Total net position (deficit)	<u>\$ (66,311,976)</u>	<u>\$(118,252,339)</u>

The \$(213,302,234) 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 16. 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	
	2022	2021*
Revenues		
Program revenues		
Charges for services	\$ 1,349,305	\$ 1,010,101
Operating grants and contributions	76,189,070	59,574,508
General revenues		
Federal and State aid not restricted	139,697,400	125,862,857
Property taxes	91,995,150	92,211,113
Other general revenues	16,262,720	29,638,958
Total revenues	325,493,645	308,297,537
Expenses		
Instruction-related	158,576,952	182,686,426
Pupil services	33,231,881	31,617,207
Administration	16,255,907	14,727,981
Plant services	34,030,127	27,511,772
All other services	31,458,415	30,316,228
Total expenses	273,553,282	286,859,614
Change in net position	\$ 51,940,363	\$ 21,437,923

* The revenues and expenses for fiscal year 2021 were not restated to show the effects of GASB 87 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities* on page 16, the cost of all of our governmental activities this year was \$273,553,282. However, the amount that our taxpayers ultimately financed for these activities through local taxes was \$91,995,150 because the cost was paid by those who benefited from the programs (\$1,349,305) or by other governments and organizations who subsidized certain programs with grants and contributions (\$76,189,070). We paid for the remaining "public benefit" portion of our governmental activities with \$139,697,400 in State and Federal funds, and \$16,262,720 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	
	2022	2021*	2022	2021*
Instruction-related	\$ 158,576,952	\$ 182,686,426	\$(119,489,730)	\$(147,550,715)
Pupil services	33,231,881	31,617,207	(12,477,705)	(18,507,819)
Administration	16,255,907	14,727,981	(12,745,432)	(12,361,974)
Plant services	34,030,127	27,511,772	(32,076,684)	(22,483,174)
All other services	31,458,415	30,316,228	(19,225,356)	(25,371,323)
Total	\$ 273,553,282	\$ 286,859,614	\$(196,014,907)	\$(226,275,005)

* The total and net cost of services for the fiscal year 2021 were not restated to show the effects of GASB 87 for comparative purposes.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$128,849,048, which is a decrease of \$127,644,858 from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			
	June 30, 2021	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2022
General Fund	\$ 35,758,883	\$ 281,594,600	\$ 279,515,973	\$ 37,837,510
Building Fund	110,774,034	2,551,734	113,325,768	-
Special Reserve Fund for Capital				
Outlay Projects	15,805,961	50,630,354	19,216,234	47,220,081
Bond Interest and Redemption Fund	24,751,601	120,582,712	119,692,918	25,641,395
Debt Service Fund	51,690,604	2,346,146	53,449,541	587,209
Non-Major Governmental Funds	17,712,823	28,177,604	28,327,574	17,562,853
Total	\$ 256,493,906	\$ 485,883,150	\$ 613,528,008	\$ 128,849,048

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 71.)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had \$526,332,605 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 \$122,402,101, or 30%, from last year.

Table 5

	Governmental Activities	
	2022	2021 (as restated)
Land and construction in progress	\$ 236,016,644	\$ 149,185,037
Buildings and improvements	269,908,212	249,150,219
Equipment	20,065,641	5,036,743
Leased assets	342,108	558,505
Total	\$ 526,332,605	\$ 403,930,504

Long-Term Liabilities

At the end of this year, the District had \$665,416,713 in outstanding long-term liabilities versus \$796,648,696 last year, a decrease of \$131,231,983. Long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2022	2021 as restated
Long-Term Liabilities		
General obligation bonds	\$ 354,038,865	\$ 348,352,377
Qualified energy conservation bonds	7,418,222	8,526,290
Certificates of participation	46,850,000	49,095,000
Private placement debt issuances	3,751,020	6,125,000
Unamortized premiums	35,309,665	43,468,661
Leases	175,484	404,631
Compensated absences	2,280,929	2,313,358
Net OPEB liability	101,322,625	122,323,166
Aggregate net pension liability	114,269,903	216,040,213
Total	\$ 665,416,713	\$ 796,648,696

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2021 - 2022 ARE NOTED BELOW:

- Construction progressing for new comprehensive high school - Del Sol High School
- Built Wellness Centers at the majority of high schools
- Opened up Anacapa Adult Transition High School
- Purchased 3 electric buses
- Provided free meals to all students
- Offered a 4.31% on schedule pay increase and 2% one-time payment

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2022-2023 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 increase over prior year (\$1,213) per Average Daily Attendance (ADA).
- LCFF entitlement per ADA \$13,631.
- Cost of Living Allowance (COLA) for LCFF is projected at 7.07%.
- LCFF is calculated based on 15,774.
- Unduplicated pupil 3 year rolling percentage at \$68.86%.
- Lottery revenue is based on \$163 per ADA for Unrestricted and \$65 per ADA or Restricted Prop. 20.
- Mandated Block Grant is based on \$67.31 per ADA.
- Federal revenues were projected to decrease due to the end of ESSER and ARP funding.
- State revenues were projected to decrease due to one-time funding.

Expenditures are based on the following forecasts:

	<u>Staffing Ratio</u>
Grades nine through twelve	30:1

- Teacher Student ratio was staffed at 30:1 for the comprehensive high schools and flat staffing for the alternative schools (Frontier 11.46 FTE, Oxnard Middle College 6.46 FTE and Condor 15.63 FTE).
- Additional teachers staffed is 1.33 FTE GED, 4.0 FTE Condor and 7.0 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 2021-22 rate of 16.92%.
- CalPERS employer rate 25.37% an increase of over the 2021-22 rate of 22.91%.
- Employee health and welfare increased by approximately 3%.
- 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, 2022

	Governmental Activities
Assets	
Deposits and investments	\$ 143,826,484
Receivables	22,543,949
Stores inventories	576,027
Capital assets not depreciated	236,016,644
Capital assets, net of accumulated depreciation	289,973,853
Right-to-use leased assets, net of accumulated amortization	342,108
Total assets	693,279,065
Deferred Outflows of Resources	
Deferred charge on refunding	13,059,318
Deferred outflows of resources related to OPEB	6,081,360
Deferred outflows of resources related to pensions	41,331,999
Total deferred outflows of resources	60,472,677
Liabilities	
Accounts payable	29,794,738
Interest payable	5,286,770
Unearned revenue	8,302,674
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	16,897,015
Long-term liabilities other than OPEB and pensions due in more than one year	432,927,170
Net other postemployment benefits liability (OPEB)	101,322,625
Aggregate net pension liability	114,269,903
Total liabilities	708,800,895
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	27,168,487
Deferred inflows of resources related to pensions	84,094,336
Total deferred inflows of resources	111,262,823
Net Position	
Net investment in capital assets	92,778,407
Restricted for	
Debt service	21,038,322
Capital projects	8,057,074
Educational programs	18,547,830
Food Services	6,568,625
Unrestricted	(213,302,234)
Total net position	\$ (66,311,976)

Oxnard Union High School District
Statement of Activities
Year Ended June 30, 2022

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	\$ 130,285,709	\$ 494,851	\$ 31,234,893	\$ (98,555,965)
Instruction-related activities				
Supervision of instruction	6,902,207	106,971	4,834,360	(1,960,876)
Instructional library, media, and technology	1,577,395	4	82,881	(1,494,510)
School site administration	19,811,641	48,378	2,284,884	(17,478,379)
Pupil services				
Home-to-school transportation	3,422,658	10,372	57,560	(3,354,726)
Food services	8,241,992	138,704	11,972,636	3,869,348
All other pupil services	21,567,231	63,641	8,511,263	(12,992,327)
Administration				
Data processing	4,963,935	-	442,214	(4,521,721)
All other administration	11,291,972	27,598	3,040,663	(8,223,711)
Plant services	34,030,127	18,974	1,934,469	(32,076,684)
Ancillary services	11,823,941	54	8,523,324	(3,300,563)
Community services	115,859	-	-	(115,859)
Enterprise services	5,342	129	9,091	3,878
Interest on long-term liabilities	14,225,135	-	-	(14,225,135)
Other outgo	5,288,138	439,629	3,260,832	(1,587,677)
Total governmental activities	<u>\$ 273,553,282</u>	<u>\$ 1,349,305</u>	<u>\$ 76,189,070</u>	<u>(196,014,907)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				66,220,572
Property taxes, levied for debt service				23,438,752
Taxes levied for other specific purposes				2,335,826
Federal and State aid not restricted to specific purposes				139,697,400
Interest and investment earnings				(909,539)
Interagency revenues				1,517,532
Miscellaneous				15,654,727
Subtotal, general revenues and subventions				<u>247,955,270</u>
Change in Net Position				51,940,363
Net Position - Beginning, as restated				<u>(118,252,339)</u>
Net Position - Ending				<u>\$ (66,311,976)</u>

Oxnard Union High School District

Balance Sheet – Governmental Funds

June 30, 2022

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets							
Deposits and investments	\$ 44,794,551	\$ 5,073,749	\$ 49,485,425	\$ 25,603,569	\$ 587,209	\$ 18,281,981	\$ 143,826,484
Receivables	19,758,519	37,782	85,282	37,826	-	2,624,540	22,543,949
Due from other funds	716,459	2,248,545	-	-	-	148,347	3,113,351
Stores inventories	576,027	-	-	-	-	-	576,027
Total assets	\$ 65,845,556	\$ 7,360,076	\$ 49,570,707	\$ 25,641,395	\$ 587,209	\$ 21,054,868	\$ 170,059,811
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 19,557,025	\$ 7,360,076	\$ 2,350,626	\$ -	\$ -	\$ 527,011	\$ 29,794,738
Due to other funds	148,347	-	-	-	-	2,965,004	3,113,351
Unearned revenue	8,302,674	-	-	-	-	-	8,302,674
Total liabilities	28,008,046	7,360,076	2,350,626	-	-	3,492,015	41,210,763
Fund Balances							
Nonspendable	586,027	-	-	-	-	2,100	588,127
Restricted	13,757,970	-	-	25,641,395	587,209	17,560,753	57,547,327
Assigned	14,234,791	-	47,220,081	-	-	-	61,454,872
Unassigned	9,258,722	-	-	-	-	-	9,258,722
Total fund balances	37,837,510	-	47,220,081	25,641,395	587,209	17,562,853	128,849,048
Total liabilities and fund balances	\$ 65,845,556	\$ 7,360,076	\$ 49,570,707	\$ 25,641,395	\$ 587,209	\$ 21,054,868	\$ 170,059,811

Oxnard Union High School District
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2022

Total Fund Balance - Governmental Funds		\$ 128,849,048
<p>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
The cost of capital assets is	\$ 738,714,565	
Accumulated depreciation is	<u>(212,724,068)</u>	
Net capital assets		525,990,497
<p>Right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
The cost of right-to-use leased assets is	958,051	
Accumulated amortization is	<u>(615,943)</u>	
Net right-to-use leased assets		342,108
<p>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.</p>		
		(5,286,770)
<p>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</p>		
Debt refundings (deferred charge on refunding)	13,059,318	
Other postemployment benefits (OPEB)	6,081,360	
Net pension liability	<u>41,331,999</u>	
Total deferred outflows of resources		60,472,677
<p>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</p>		
Other postemployment benefits (OPEB)	(27,168,487)	
Net pension liability	<u>(84,094,336)</u>	
Total deferred inflows of resources		(111,262,823)
<p>Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
		(114,269,903)
<p>The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
		(101,322,625)

Oxnard Union High School District
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2022

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	\$ (352,863,504)
Qualified energy conservation bonds	(7,418,222)
Certificates of participation	(46,850,000)
Unamortized debt premiums	(35,309,665)
Private placement debt issuances	(3,751,020)
Leases	(175,484)
Compensated absences	(2,280,929)

In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is

(1,175,361)

Total long-term liabilities

\$ (449,824,185)

Total net position - governmental activities

\$ (66,311,976)

Oxnard Union High School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2022

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues							
Local Control Funding Formula	\$ 201,780,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,780,984
Federal sources	28,650,939	-	-	-	-	12,399,344	41,050,283
Other State sources	32,075,599	-	-	125,267	-	3,886,593	36,087,459
Other local sources	19,087,078	212,791	(464,646)	23,102,445	1,184	11,891,667	53,830,519
Total revenues	<u>281,594,600</u>	<u>212,791</u>	<u>(464,646)</u>	<u>23,227,712</u>	<u>1,184</u>	<u>28,177,604</u>	<u>332,749,245</u>
Expenditures							
Current							
Instruction	152,300,855	-	-	-	-	2,179,089	154,479,944
Instruction-related activities							
Supervision of instruction	8,320,968	-	-	-	-	-	8,320,968
Instructional library, media, and technology	2,305,053	-	-	-	-	-	2,305,053
School site administration	18,000,749	-	-	-	-	926,782	18,927,531
Pupil services							
Home-to-school transportation	3,429,244	-	-	-	-	-	3,429,244
Food services	319,405	-	-	-	-	8,311,396	8,630,801
All other pupil services	25,642,171	-	-	-	-	645,750	26,287,921
Administration							
Data processing	5,265,865	-	-	-	-	-	5,265,865
All other administration	12,581,500	-	-	-	-	451,998	13,033,498
Plant services	25,766,812	641	-	-	-	171,071	25,938,524
Ancillary services	4,179,025	-	-	-	-	7,900,640	12,079,665
Community services	116,007	-	-	-	-	-	116,007
Other outgo	5,288,138	-	-	-	-	-	5,288,138
Enterprise services	-	-	-	-	-	5,675	5,675
Facility acquisition and construction	11,846,171	112,999,012	19,241,234	-	-	3,141,666	147,228,083
Debt service							
Principal	1,798,068	319,545	1,684,780	10,155,000	2,245,000	-	16,202,393
Interest and other	355,942	6,570	-	12,947,726	2,109,541	-	15,419,779
Total expenditures	<u>277,515,973</u>	<u>113,325,768</u>	<u>20,926,014</u>	<u>23,102,726</u>	<u>4,354,541</u>	<u>23,734,067</u>	<u>462,959,089</u>

Oxnard Union High School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2022

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,078,627	\$ (113,112,977)	\$ (21,390,660)	\$ 124,986	\$ (4,353,357)	\$ 4,443,537	\$ (130,209,844)
Other Financing Sources (Uses)							
Transfers in	-	2,248,545	51,095,000	-	2,344,962	-	55,688,507
Other sources - proceeds from bond issuance	-	-	-	97,355,000	-	-	97,355,000
Other sources - proceeds from lease	-	90,398	-	-	-	-	90,398
Special item - proceeds from building sale	-	-	1,709,780	-	-	-	1,709,780
Transfers out	(2,000,000)	-	-	-	(49,095,000)	(4,593,507)	(55,688,507)
Other uses - payment to bond prepayment	-	-	-	(96,590,192)	-	-	(96,590,192)
Net Financing Sources (Uses)	(2,000,000)	2,338,943	52,804,780	764,808	(46,750,038)	(4,593,507)	2,564,986
Net Change in Fund Balances	2,078,627	(110,774,034)	31,414,120	889,794	(51,103,395)	(149,970)	(127,644,858)
Fund Balance - Beginning	35,758,883	110,774,034	15,805,961	24,751,601	51,690,604	17,712,823	256,493,906
Fund Balance - Ending	\$ 37,837,510	\$ -	\$ 47,220,081	\$ 25,641,395	\$ 587,209	\$ 17,562,853	\$ 128,849,048

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, 2022

Total Net Change in Fund Balances - Governmental Funds \$ (127,644,858)

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 and amortization expenses in the Statement of Activities.

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

Capital outlays	\$ 138,079,833
Depreciation and amortization expenses	<u>(15,142,287)</u>

Net expense adjustment	122,937,546
------------------------	-------------

The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was (96,488)

Gain on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (535,445)

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position. (90,398)

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. 32,429

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. 13,612,723

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, 2022

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. \$ 26,996,137

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 (97,355,000)

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.

Deferred charge on refunding recognized 8,724,459
Premium amortization 8,158,996
Deferred charge on refunding amortization (2,337,177)

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 91,765,000
Qualified Zone Academy bonds 1,108,068
Certificates of participation 2,245,000
Private placement debt issuances 2,373,980
Leases 319,545

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. 1,725,846

Change in net position of governmental activities \$ 51,940,363

Oxnard Union High School District
Statement of Net Position – Fiduciary Funds
June 30, 2022

	Retiree Benefits Trust	Custodial Fund
Assets		
Deposits and investments	\$ 74,314,110	\$ 62,717
Receivables	9,734	298
Prepaid expenses	11,779	-
	<u>\$ 74,335,623</u>	<u>\$ 63,015</u>
Liabilities		
Accounts payable	\$ 47,385	\$ 1,000
Net Position		
Restricted for individuals, organizations, and other governments	74,288,238	62,015
	<u>\$ 74,288,238</u>	<u>\$ 62,015</u>
Total net position	<u>\$ 74,288,238</u>	<u>\$ 62,015</u>

Oxnard Union High School District
Statement of Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2022

	<u>Retiree Benefits Trust</u>	<u>Custodial Fund</u>
Additions		
Contributions		
Private donations	\$ -	\$ 2,200
Investment income	(14,382,743)	-
Interest	-	222
	<u> </u>	<u> </u>
Total additions	<u>(14,382,743)</u>	<u>2,422</u>
Deductions		
Administrative expense	<u>51,797</u>	<u>-</u>
Net Increase (Decrease) in Fiduciary Net Position	(14,434,540)	1,422
Net Position - Beginning	<u>88,722,778</u>	<u>60,593</u>
Net Position - Ending	<u><u>\$ 74,288,238</u></u>	<u><u>\$ 62,015</u></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.

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).

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.).

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 and amortization of leased assets. 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 governmental 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.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2022.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the

term of the contract.

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, 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 MPP. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Leases

The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District measures the lease liability at the present value of payments expected to

be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term.

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Fund Balances - Governmental Funds

As of June 30, 2022, 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 \$54,211,851 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. 87

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 15 and the additional disclosures required by this standard is included in Note 8.

Implementation of GASB Statement No. 92

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

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

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The provisions of this Statement have been implemented as of June 30, 2022 and did not have a significant impact on the financial statements.

Implementation of GASB Statement No. 93

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

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

The provisions of this Statement have been implemented as of June 30, 2022 and did not have a significant impact on the financial statements.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2022, were classified in the accompanying financial statements as follows:

Governmental funds	\$ 143,826,484
Fiduciary funds	<u>74,376,827</u>
Total deposits and investments	<u><u>\$ 218,203,311</u></u>

Deposits and investments as of June 30, 2022, consisted of the following:

Cash on hand and in banks	\$ 2,098,690
Cash with fiscal agent	587,209
Cash in revolving	12,100
Investments	<u>215,505,312</u>
Total deposits and investments	<u><u>\$ 218,203,311</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	\$ 141,191,202	278

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	\$ 141,191,202	N/A	\$ 141,191,202

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.

Investment Type	Reported Amount	Maturity Date
Foreign Stocks	\$ 1,812,596	7/1/2023
Mutual Fund - Fixed Income	23,126,459	7/1/2023
Mutual Fund - Equity	31,989,777	7/1/2023
Mutual Fund - Domestic Equity	12,770,153	7/1/2023
Mutual Fund - Balanced	3,726,069	7/1/2023
Total	\$ 73,425,054	

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, 2022, the District’s bank balance was not exposed to custodial credit risk.

Note 3 - Receivables

Receivables at June 30, 2022, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total	Fiduciary Funds
Federal Government							
Categorical aid	\$ 13,385,677	\$ -	\$ -	\$ -	\$ 2,360,594	\$ 15,746,271	\$ -
State Government							
LCFF apportionment	26,349	-	-	-	-	26,349	-
Categorical aid	4,156,309	-	-	-	177,129	4,333,438	-
Lottery	1,131,687	-	-	-	-	1,131,687	-
Local Government							
Interest	134,429	37,782	85,282	37,826	26,138	321,457	98
Other local sources	924,068	-	-	-	60,679	984,747	9,934
Total	\$ 19,758,519	\$ 37,782	\$ 85,282	\$ 37,826	\$ 2,624,540	\$ 22,543,949	\$ 10,032

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, 2021 as restated	Additions	Deductions	Balance June 30, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 29,620,944	\$ 27,149,853	\$ (490,870)	\$ 56,279,927
Construction in progress	119,564,093	116,199,208	(56,026,584)	179,736,717
Total capital assets not being depreciated	149,185,037	143,349,061	(56,517,454)	236,016,644
Capital assets being depreciated				
Land improvements	87,663,915	16,421,790	(131,289)	103,954,416
Buildings and improvements	348,233,036	18,296,734	(584,302)	365,945,468
Furniture and equipment	17,832,673	15,948,434	(983,070)	32,798,037
Total capital assets being depreciated	453,729,624	50,666,958	(1,698,661)	502,697,921
Total capital assets	602,914,661	194,016,019	(58,216,115)	738,714,565
Accumulated depreciation				
Land improvements	(34,916,236)	(3,850,630)	108,463	(38,658,403)
Buildings and improvements	(151,830,496)	(10,065,326)	562,553	(161,333,269)
Furniture and equipment	(12,795,930)	(919,536)	983,070	(12,732,396)
Total accumulated depreciation	(199,542,662)	(14,835,492)	1,654,086	(212,724,068)
Net depreciable capital assets	403,371,999	179,180,527	(56,562,029)	525,990,497
Right-to-use leased assets being amortized				
Furniture and equipment	867,653	90,398	-	958,051
Accumulated amortization				
Furniture and equipment	(309,148)	(306,795)	-	(615,943)
Net right-to-use leased assets	558,505	(216,397)	-	342,108
Governmental activities capital assets and right- to-use leased assets, net	\$ 403,930,504	\$ 178,964,130	\$ (56,562,029)	\$ 526,332,605

Depreciation and amortization expenses were charged to governmental functions as follows:

Governmental Activities	
Instruction	\$ 8,614,670
School site administration	5,192,423
Home-to-school transportation	445,065
Food services	593,418
Plant services	<u>296,711</u>
Total depreciation and amortization expenses governmental activities	<u><u>\$ 15,142,287</u></u>

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, 2022, between major and non-major governmental funds are as follows:

Due To	Due From			Total
	General Fund	Building Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ 148,347	\$ 148,347
Non-Major Governmental Funds	716,459	2,248,545	-	2,965,004
Total	\$ 716,459	\$ 2,248,545	\$ 148,347	\$ 3,113,351

A balance of \$288,829 is due to the General Fund from the Adult Education Non-Major Governmental Fund for indirect costs.

The balance of \$2,248,545 is due to the Building Fund from the Capital Facilities Non-Major Governmental Fund for construction costs.

A balance of \$416,065 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for indirect costs.

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

Operating Transfers

Interfund transfers for the year ended June 30, 2022, consisted of the following:

The Capital Facilities Non-Major Governmental Fund transferred to the COP Debt Service Fund for debt service payments.	\$ 2,344,962
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for capital projects.	2,000,000
The Capital Facilities Non-Major Governmental Fund transferred to the Building Fund for capital projects.	2,248,545
The COP Debt Service Fund transferred to the Special Reserve Fund for Capital Outlay Projects for capital projects.	<u>49,095,000</u>
Total	<u><u>\$ 55,688,507</u></u>

Note 6 - Accounts Payable

Accounts payable at June 30, 2022, consisted of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total	Fiduciary Funds
Vendor payables	\$ 10,488,572	\$ -	\$ -	\$ 40,077	\$ 10,528,649	\$ 48,385
LCFF apportionment	7,876,472	-	-	-	7,876,472	-
Salaries and benefits	1,191,981	-	-	129,094	1,321,075	-
Construction	-	7,360,076	2,350,626	357,840	10,068,542	-
Total	<u><u>\$ 19,557,025</u></u>	<u><u>\$ 7,360,076</u></u>	<u><u>\$ 2,350,626</u></u>	<u><u>\$ 527,011</u></u>	<u><u>\$ 29,794,738</u></u>	<u><u>\$ 48,385</u></u>

Note 7 - Unearned Revenue

Unearned revenue at June 30, 2022, consisted of the following:

	General Fund
Federal financial assistance	\$ 1,165,041
State categorical aid	7,137,633
Total	\$ 8,302,674

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, 2021 as restated	Additions	Deductions	Balance June 30, 2022	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 348,352,377	\$ 97,451,488	\$ (91,765,000)	\$ 354,038,865	\$ 14,180,000
Qualified energy conservation bonds	8,526,290	-	(1,108,068)	7,418,222	1,177,006
Certificates of participation	49,095,000	-	(2,245,000)	46,850,000	685,000
Private placement debt issuances	6,125,000	-	(2,373,980)	3,751,020	710,000
Unamortized debt premiums	43,468,661	-	(8,158,996)	35,309,665	-
Leases	404,631	90,398	(319,545)	175,484	145,009
Compensated absences	2,313,358	-	(32,429)	2,280,929	-
Total	\$ 458,285,317	\$ 97,541,886	\$ (106,003,018)	\$ 449,824,185	\$ 16,897,015

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 Special Reserve Fund for Capital Outlay Projects and the General Fund. Payments for Qualified Energy Conservation Bonds are made in the General Fund. Payments for leases are made in the Building Fund. Payments for compensated absences are typically liquidated in the General Fund, Cafeteria Non-Major Governmental Fund, and Adult Education Non-Major Governmental Fund.

Additions and deductions from compensated absences are reported to its net cumulative change in the current year.

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 November 23, 2021, the District issued \$97,355,000 of 2021 Refunding General Obligation Bonds. The Refunding General Obligation Bonds will be used to refinance portions of the District's 2012 Refunding Bonds, 2004 Series C Bonds, and 2018 Series A Bonds. As a result, these portions are 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 \$22,801,266 over the life of the new debt and an economic gain of \$6,366,221 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 7.80%.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds		Interest Accreted	Redeemed	Bonds	
				Outstanding July 1, 2021	Issued			Outstanding June 30, 2022	
04/20/99	08/01/27	4.60% - 5.95%	\$ 10,199,913	\$ 3,780,274	\$ -	\$ 96,488	\$ (615,000)	\$ 3,261,762	
04/28/11	08/01/25	5.31%	4,052,103	1,802,103	-	-	(325,000)	1,477,103	
05/03/12	08/01/27	3.00% - 5.00%	10,435,000	2,890,000	-	-	(2,180,000)	710,000	
01/23/14	08/01/37	3.00% - 5.00%	50,000,000	10,900,000	-	-	(5,585,000)	5,315,000	
01/27/16	08/01/35	3.00% - 5.00%	30,945,000	15,165,000	-	-	-	15,165,000	
07/07/16	08/01/27	2.00% - 5.00%	18,350,000	12,175,000	-	-	(1,750,000)	10,425,000	
12/21/17	08/01/40	3.00% - 5.00%	42,275,000	41,265,000	-	-	(275,000)	40,990,000	
10/18/18	08/01/42	3.75% - 5.00%	130,000,000	106,645,000	-	-	(80,310,000)	26,335,000	
04/02/20	08/01/37	0.873%-2.477%	55,450,000	54,765,000	-	-	(725,000)	54,040,000	
08/05/20	08/01/45	0.35% - 5.00%	120,000,000	98,965,000	-	-	-	98,965,000	
11/23/21	08/01/43	0.37% - 3.18%	97,355,000	-	97,355,000	-	-	97,355,000	
				<u>\$ 348,352,377</u>	<u>\$ 97,355,000</u>	<u>\$ 96,488</u>	<u>\$ (91,765,000)</u>	<u>\$354,038,865</u>	

Debt Service Requirements to Maturity

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Total Accreted Obligation	Unaccreted Interest	Maturity Value
2023	\$ -	\$ -	\$ -	\$ -	\$ -
2024	-	-	-	-	-
2025	121,308	342,362	463,670	86,330	550,000
2026	155,034	437,546	592,580	147,420	740,000
2027	149,202	411,488	560,690	179,310	740,000
2028	29,369	80,452	109,821	40,179	150,000
Total	<u>\$ 454,913</u>	<u>\$ 1,271,848</u>	<u>\$ 1,726,761</u>	<u>\$ 453,239</u>	<u>\$ 2,180,000</u>

Oxnard Union High School District

Notes to Financial Statements

June 30, 2022

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2023	\$ 14,180,000	\$ 11,788,311	\$ 25,968,311
2024	8,380,000	11,379,924	19,759,924
2025	8,475,000	11,058,874	19,533,874
2026	8,847,104	10,795,812	19,642,916
2027	10,545,000	10,519,095	21,064,095
2028-2032	65,120,000	44,681,883	109,801,883
2033-2037	88,115,000	33,296,164	121,411,164
2038-2042	83,155,000	20,710,834	103,865,834
2043-2047	65,495,000	5,871,826	71,366,826
Total	\$ 352,312,104	\$ 160,102,723	\$ 512,414,827

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, 2022, the principal balance outstanding was \$7,418,222.

The qualified energy conservation bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
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	1,484,481	105,240	1,589,721
2028	780,982	21,672	802,654
Total	\$ 7,418,222	\$ 1,294,524	\$ 8,712,746

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, 2022, the principal balance outstanding was \$46,850,000.

The certificates of participation mature as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,215,000	1,535,450	2,750,450
2028-2032	11,575,000	6,518,650	18,093,650
2033-2037	13,955,000	4,045,650	18,000,650
2038-2042	11,205,000	1,614,775	12,819,775
2043-2046	5,785,000	329,250	6,114,250
Total	\$ 46,850,000	\$ 20,514,775	\$ 67,364,775

Private Placement Debt Issuances

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 with an interest rate of 2.88%. The District’s land and facility lease is summarized below:

The private placement debt matures as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2023	\$ 710,000	\$ 89,186	\$ 799,186
2024	735,000	82,325	817,325
2025	755,000	61,013	816,013
2026	775,000	39,128	814,128
2027	776,020	16,661	792,681
Total	\$ 3,751,020	\$ 288,313	\$ 4,039,333

Leases

The District has entered into agreements to lease various facilities and equipment. The District’s liability on lease agreements is summarized below:

Lease	Leases Outstanding July 1, 2021 (as restated)	Addition	Payments	Leases Outstanding June 30, 2022
Portables	\$ 404,631	\$ 90,398	\$ (319,545)	\$ 175,484

Portables

The District entered into agreements to lease portable classrooms for 3 years, beginning May 1, 2020; May 15, 2020; August 1, 2020; and December 1, 2021. The leases terminate April 2023, July 2023, and December 2023. Under the terms of the lease, the District pays annual payments from \$30,800 - \$118,215. At the start of the lease, the District paid \$332,728 in delivery and installation costs. At June 30, 2022, the District has recognized a right-to-use asset of \$342,108 and a lease liability of \$175,484 related to this agreement. During the fiscal year, the District recorded \$306,795 in amortization expense and \$6,570 in interest expense for the right-to-use the office space. The District used a discount rate of 1.96%, based on the State and Local Government Securities table on July 1, 2021 and adding 150 basis points or 1.5%.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 145,009	\$ 1,292	\$ 146,301
2024	30,475	325	30,800
Total	\$ 175,484	\$ 1,617	\$ 177,101

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2022, amounted to \$2,280,929.

Note 9 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2022, 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
District Plan	\$ 100,370,886	\$ 6,081,360	\$ 27,168,487	\$ (26,787,228)
Medicare Premium Payment (MPP) Program	951,739	-	-	(208,909)
Total	<u>\$ 101,322,625</u>	<u>\$ 6,081,360</u>	<u>\$ 27,168,487</u>	<u>\$ (26,996,137)</u>

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, 2022, the valuation date, Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	706
Active employees	380
Total	<u>1,086</u>

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, 2022, the District contributed \$11,262,920 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, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	50%
Equities	50%

Rate of Return

For the year ended June 30, 2022, 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 \$100,370,886 was measured as of June 30, 2022, 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, 2022, were as follows:

Total OPEB liability	\$ 174,659,124
Plan fiduciary net position	<u>(74,288,238)</u>
Net OPEB liability	<u>\$ 100,370,886</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>42.53%</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2022.

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, 2022, (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, 2021	\$ 209,885,296	\$ 88,722,778	\$ 121,162,518
Service cost	1,687,186	-	1,687,186
Interest	12,305,846	(14,382,742)	26,688,588
Employer Contributions	-	11,262,920	(11,262,920)
Difference between expected and actual experience	(37,956,284)	-	(37,956,284)
Benefit payments	(11,262,920)	(11,262,920)	-
Administrative expense	-	(51,798)	51,798
Net change in total OPEB liability	(35,226,172)	(14,434,540)	(20,791,632)
Balance, June 30, 2022	\$ 174,659,124	\$ 74,288,238	\$ 100,370,886

No changes to benefits noted from the prior evaluation.

No changes of assumptions and other inputs noted from the prior evaluation.

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

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

Discount Rate	Net OPEB Liability
1% decrease (5.00%)	\$ 120,226,612
Current discount rate (6.00%)	100,370,886
1% increase (7.00%)	83,637,644

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 Rate	Net OPEB Liability
1% decrease (3.0%)	\$ 81,995,914
Current healthcare cost trend rate (4.0%)	100,370,886
1% increase (5.0%)	122,286,244

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$(26,787,228). At June 30, 2022, 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	\$ -	\$ 25,372,988
Changes of assumptions	-	1,795,499
Difference between projected and actual earnings on OPEB plan investments	6,081,360	-
Total	\$ 6,081,360	\$ 27,168,487

The deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the net OPEB liability in the subsequent fiscal year. The remaining 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
2023	\$ (14,632,724)
2024	(11,015,192)
2025	619,878
2026	3,940,911
Total	\$ (21,087,127)

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, 2020 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, 2022, the District reported a liability of \$951,739 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability 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 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, 2021 and June 30, 2020, was 0.2745% and 0.2386%, respectively, resulting in a net decrease in the proportionate share of 0.0359%.

For the year ended June 30, 2022, the District recognized OPEB expense of \$(208,909).

Actuarial Methods and Assumptions

The June 30, 2021 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total OPEB liability to June 30, 2021, using the assumptions listed in the following table:

Measurement Date	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2020	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018	June 30, 2014 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	2.16%	2.21%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2020, 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 245 or an average of 0.16% of the potentially eligible population (152,062).

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, 2021, 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, 2021, is 2.16%. 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 2.16%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2021, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.05% from 2.21% as of June 30, 2020.

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 (1.16%)	\$ 1,049,077
Current discount rate (2.16%)	951,739
1% increase (3.16%)	868,573

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)	\$ 865,495
Current Medicare costs trend rate (4.50% Part A and 5.40% Part B)	951,739
1% increase (5.50% Part A and 6.40% Part B)	1,050,614

Note 10 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Nonspendable						
Revolving cash	\$ 10,000	\$ -	\$ -	\$ -	\$ 2,100	\$ 12,100
Stores inventories	576,027	-	-	-	-	576,027
Total nonspendable	<u>586,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,100</u>	<u>588,127</u>
Restricted						
Legally restricted programs	13,757,970	-	-	-	9,271,495	23,029,465
Capital projects	-	-	-	-	8,289,258	8,289,258
Debt services	-	-	25,641,395	587,209	-	26,228,604
Total restricted	<u>13,757,970</u>	<u>-</u>	<u>25,641,395</u>	<u>587,209</u>	<u>17,560,753</u>	<u>57,547,327</u>
Assigned						
Summer School Reserve	1,426,055	-	-	-	-	1,426,055
Unallocated Unit Share	7,033,882	-	-	-	-	7,033,882
Del Sol FFE Contribution	3,000,000	-	-	-	-	3,000,000
Solar Drive Debt	2,000,000	-	-	-	-	2,000,000
Donations	27,442	-	-	-	-	27,442
Unrestricted Lottery	747,412	-	-	-	-	747,412
Del Sol High School COP	-	33,913,957	-	-	-	33,913,957
Del Sol High School Start up	-	2,431,388	-	-	-	2,431,388
Solar Drive Debt	-	23,641	-	-	-	23,641
Rancho Campana High School	-	10,851,095	-	-	-	10,851,095
Total assigned	<u>14,234,791</u>	<u>47,220,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,454,872</u>
Unassigned						
Reserve for economic uncertainties	8,385,479	-	-	-	-	8,385,479
Remaining unassigned	873,243	-	-	-	-	873,243
Total unassigned	<u>9,258,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,258,722</u>
Total	<u>\$ 37,837,510</u>	<u>\$ 47,220,081</u>	<u>\$ 25,641,395</u>	<u>\$ 587,209</u>	<u>\$ 17,562,853</u>	<u>\$ 128,849,048</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, 2022, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 72,239,553	\$ 32,488,473	\$ 66,588,997	\$ 7,146,689
CalPERS	42,030,350	8,843,526	17,505,339	3,616,127
Total	<u>\$ 114,269,903</u>	<u>\$ 41,331,999</u>	<u>\$ 84,094,336</u>	<u>\$ 10,762,816</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, 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, 2022, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.92%	16.92%
Required state contribution rate	10.828%	10.828%

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, 2022, are presented above and the District's total contributions were \$16,786,727.

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

At June 30, 2022, 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	\$ 72,239,553
State's proportionate share of the net pension liability	36,348,141
Total	\$ 108,587,694

The net pension liability was measured as of June 30, 2021. 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, 2021 and June 30, 2020, was 0.1587% and 0.1572%, respectively, resulting in a net increase in the proportionate share of 0.0015%.

For the year ended June 30, 2022, the District recognized pension expense of \$7,146,689. In addition, the District recognized pension expense and revenue of \$1,243,607 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 16,786,727	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	5,285,206	1,757,855
Differences between projected and actual earnings on pension plan investments	-	57,143,347
Differences between expected and actual experience in the measurement of the total pension liability	180,964	7,687,795
Changes of assumptions	<u>10,235,576</u>	<u>-</u>
Total	<u>\$ 32,488,473</u>	<u>\$ 66,588,997</u>

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>
2023	\$ (14,510,984)
2024	(13,272,809)
2025	(13,602,196)
2026	<u>(15,757,358)</u>
Total	<u>\$ (57,143,347)</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 seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	\$ 4,062,081
2024	4,850,475
2025	(657,103)
2026	(446,334)
2027	(676,406)
Thereafter	(876,617)
Total	\$ 6,256,096

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, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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 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 current and future valuation, CalSTRS' independent 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, 2021, 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 of 7.10% and assume 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%)	\$ 147,053,874
Current discount rate (7.10%)	72,239,553
1% increase (8.10%)	10,145,095

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, 2020 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, 2022, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	22.91%	22.91%

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 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, 2022, are presented above and the total District contributions were \$7,588,812.

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$42,030,350. The net pension liability was measured as of June 30, 2021. 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, 2021 and June 30, 2020, was 0.2067% and 0.2077%, respectively, resulting in a net decrease in the proportionate share of 0.0010%.

For the year ended June 30, 2022, the District recognized pension expense of \$3,616,127. At June 30, 2022, 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	\$ 7,588,812	\$ -
Change in proportion and differences between contributions made and District’s proportionate share of contributions	-	1,276,259
Differences between projected and actual earnings on pension plan investments	-	16,129,997
Differences between expected and actual experience in the measurement of the total pension liability	1,254,714	99,083
Changes of assumptions	-	-
	\$ 8,843,526	\$ 17,505,339
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:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	\$ (4,045,390)
2024	(3,720,098)
2025	(3,878,445)
2026	(4,486,064)
Total	\$ (16,129,997)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	\$ 246,745
2024	(239,536)
2025	(117,987)
2026	(9,850)
Total	-\$ 120,628

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, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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%)	\$ 70,869,071
Current discount rate (7.15%)	42,030,350
1% increase (8.15%)	18,088,023

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 \$10,208,987 (10.828% 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, 2022.

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, 2022.

Construction Commitments

As of June 30, 2022, the District has the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
New Del Sol HS Design and Construction	\$ 131,729,220	06/30/24
ACHS HVAC Modernization	347,245	06/30/23
CIHS HVAC Modernization	7,310,672	06/30/24
HHS HVAC Modernization	7,114,531	06/30/23
RMHS HVAC Modernization	7,836,166	06/30/23
OHS HVAC Modernization	2,976,806	06/30/23
PHS HVAC Modernization	2,554,433	06/30/23
RCHS HVAC Modernization	1,211,113	06/30/23
Interior Bleacher Replacement at Hueneme HS and Channel Islands HS	181,555	06/30/23
Interior Bleacher Replacement at Adolfo Camarillo HS and Rio Mesa HS	737,133	06/30/23
Hueneme High School Site Security Fencing	1,119,209	06/30/23
Total	<u>\$ 163,118,083</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, 2022, the District made payments of \$2,664,782, \$30,539,121, and \$6,040, to VCSSFA, CSEBO, and VCFast, respectively.

Note 15 - Restatement of Prior Year Net Position and Fund Balance

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

Government-Wide Financial Statements	
Net Position - Beginning	\$ (118,406,213)
Right-to-use intangible asset, net of amortization	558,505
Lease liability	(404,631)
	(404,631)
Net Position - Beginning as Restated	\$ (118,252,339)

Oxnard Union High School District
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive (Negative)
				Final to Actual
Revenues				
Local Control Funding Formula	\$ 197,034,720	\$ 198,994,127	\$ 201,780,984	\$ 2,786,857
Federal sources	16,509,493	50,531,908	28,650,939	(21,880,969)
Other State sources	38,008,216	31,679,157	32,075,599	396,442
Other local sources	18,995,688	22,337,344	19,087,078	(3,250,266)
Total revenues	<u>270,548,117</u>	<u>303,542,536</u>	<u>281,594,600</u>	<u>(21,947,936)</u>
Expenditures				
Current				
Certificated salaries	104,777,931	103,438,898	104,833,504	(1,394,606)
Classified salaries	29,627,196	31,157,180	32,327,269	(1,170,089)
Employee benefits	84,815,815	80,852,705	79,075,521	1,777,184
Books and supplies	22,802,250	37,547,018	11,088,756	26,458,262
Services and operating expenditures	22,654,664	30,109,434	29,828,292	281,142
Other outgo	2,773,961	2,698,781	4,863,296	(2,164,515)
Capital outlay	872,175	22,394,748	13,345,325	9,049,423
Debt service				
Debt service - principal	1,319,232	1,798,068	1,798,068	-
Debt service - interest and other	223,860	355,942	355,942	-
Total expenditures	<u>269,867,084</u>	<u>310,352,774</u>	<u>277,515,973</u>	<u>32,836,801</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>681,033</u>	<u>(6,810,238)</u>	<u>4,078,627</u>	<u>10,888,865</u>
Other Financing Sources (Uses)				
Transfers out	-	(2,000,000)	(2,000,000)	-
Net Change in Fund Balances	681,033	(8,810,238)	2,078,627	10,888,865
Fund Balance - Beginning	<u>35,758,883</u>	<u>35,758,883</u>	<u>35,758,883</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 36,439,916</u>	<u>\$ 26,948,645</u>	<u>\$ 37,837,510</u>	<u>\$ 10,888,865</u>

Oxnard Union High School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 1,687,186	\$ 1,642,030	\$ 3,316,803	\$ 3,220,197	\$ 3,037,922
Interest	12,305,846	12,132,371	14,486,278	13,572,428	13,139,429
Difference between expected and actual experience	(37,956,284)	-	(8,081,263)	-	-
Changes of assumptions	-	-	(28,728,017)	-	-
Benefit payments	(11,262,920)	(10,548,562)	(9,409,273)	(9,409,273)	(8,876,673)
Net change in total OPEB liability	(35,226,172)	3,225,839	(28,415,472)	7,383,352	7,300,678
Total OPEB Liability - Beginning	209,885,296	206,659,457	235,074,929	227,691,577	220,390,899
Total OPEB Liability - Ending (a)	<u>\$ 174,659,124</u>	<u>\$ 209,885,296</u>	<u>\$ 206,659,457</u>	<u>\$ 235,074,929</u>	<u>\$ 227,691,577</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 11,262,920	\$ 10,567,190	\$ 9,441,363	\$ 9,409,273	\$ 8,876,673
Interest	(14,382,742)	20,688,094	3,171,431	3,713,087	5,411,667
Benefit payments	(11,262,920)	(10,548,562)	(9,409,273)	(9,409,273)	(8,876,673)
Administrative expense	(51,798)	(46,894)	(41,624)	(40,120)	(8,197)
Other expense	-	-	-	(17,315)	-
Net change in plan fiduciary net position	(14,434,540)	20,659,828	3,161,897	3,655,652	5,403,470
Plan Fiduciary Net Position - Beginning	88,722,778	68,062,950	64,901,053	61,245,401	55,841,931
Plan Fiduciary Net Position - Ending (b)	<u>\$ 74,288,238</u>	<u>\$ 88,722,778</u>	<u>\$ 68,062,950</u>	<u>\$ 64,901,053</u>	<u>\$ 61,245,401</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 100,370,886</u>	<u>\$ 121,162,518</u>	<u>\$ 138,596,507</u>	<u>\$ 170,173,876</u>	<u>\$ 166,446,176</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	42.53%	42.27%	32.93%	27.61%	26.90%
Covered Payroll	27,369,359	36,543,795	36,543,795	42,005,000	42,005,000
Net OPEB Liability as a Percentage of Covered Payroll	366.73%	331.55%	379.26%	405.13%	396.25%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

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

Oxnard Union High School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2022

	2017
Total OPEB Liability	
Service cost	\$ 5,143,257
Interest	11,086,979
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(8,403,086)
Net change in total OPEB liability	7,827,150
Total OPEB Liability - Beginning	212,563,749
Total OPEB Liability - Ending (a)	\$ 220,390,899
Plan Fiduciary Net Position	
Employer Contributions	\$ 8,403,086
Interest	6,502,209
Benefit payments	(8,403,086)
Administrative expense	(8,230)
Other expense	-
Net change in plan fiduciary net position	6,493,979
Plan Fiduciary Net Position - Beginning	49,347,952
Plan Fiduciary Net Position - Ending (b)	\$ 55,841,931
Net OPEB Liability - Ending (a) - (b)	\$ 164,548,968
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	25.34%
Covered Payroll	54,534,000
Net OPEB Liability as a Percentage of Covered Payroll	301.74%
Measurement Date	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, 2022

	2022	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%	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, 2022

Year ended June 30,	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.2386%	0.2739%	0.2745%	0.2692%	0.2746%
Proportionate share of the net OPEB liability	\$ 951,739	\$ 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	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	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	-0.80%	-0.71%	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2021	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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CaSTRS					
Proportion of the net pension liability	0.1587%	0.1572%	0.1551%	0.1500%	0.1517%
Proportionate share of the net pension liability	\$ 72,239,553	\$ 152,320,108	\$ 140,124,868	\$ 137,867,679	\$ 140,270,672
State's proportionate share of the net pension liability	36,348,141	78,521,034	76,447,470	78,935,694	82,982,945
Total	<u>\$ 108,587,694</u>	<u>\$ 230,841,142</u>	<u>\$ 216,572,338</u>	<u>\$ 216,803,373</u>	<u>\$ 223,253,617</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>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>82.59%</u>	<u>174.07%</u>	<u>164.23%</u>	<u>168.11%</u>	<u>162.84%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87%</u>	<u>72%</u>	<u>73%</u>	<u>71%</u>	<u>69%</u>
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CaIPERS					
Proportion of the net pension liability	0.2067%	0.2077%	0.2069%	0.2100%	0.2132%
Proportionate share of the net pension liability	\$ 42,030,350	\$ 63,720,105	\$ 60,307,163	\$ 56,001,050	\$ 50,895,389
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>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>141.63%</u>	<u>214.86%</u>	<u>210.08%</u>	<u>202.10%</u>	<u>175.67%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81%</u>	<u>70%</u>	<u>70%</u>	<u>71%</u>	<u>72%</u>
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 the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2022

	<u>2017</u>	<u>2016</u>	<u>2015</u>
CaSTRS			
Proportion of the net pension liability	0.1436%	0.1485%	0.1239%
Proportionate share of the net pension liability	\$ 116,138,746	\$ 99,966,960	\$ 72,419,094
State's proportionate share of the net pension liability	66,115,716	52,871,502	43,729,775
Total	<u>\$ 182,254,462</u>	<u>\$ 152,838,462</u>	<u>\$ 116,148,869</u>
Covered payroll	<u>\$ 74,247,894</u>	<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>156.42%</u>	<u>149.50%</u>	<u>100.62%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014
CaIPERS			
Proportion of the net pension liability	0.2034%	0.1941%	0.1854%
Proportionate share of the net pension liability	\$ 40,178,268	\$ 28,611,809	\$ 21,046,174
Covered payroll	<u>\$ 24,527,518</u>	<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>163.81%</u>	<u>136.04%</u>	<u>97.27%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74%</u>	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2016	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's Contributions
Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CaSTRS					
Contractually required contribution	\$ 16,786,727	\$ 14,126,627	\$ 14,963,099	\$ 13,890,354	\$ 11,833,917
Less contributions in relation to the contractually required contribution	<u>16,786,727</u>	<u>14,126,627</u>	<u>14,963,099</u>	<u>13,890,354</u>	<u>11,833,917</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 99,212,335</u>	<u>\$ 87,471,375</u>	<u>\$ 87,503,503</u>	<u>\$ 85,321,585</u>	<u>\$ 82,009,127</u>
Contributions as a percentage of covered payroll	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>
CaIPERS					
Contractually required contribution	\$ 7,588,812	\$ 6,143,109	\$ 5,848,535	\$ 5,185,056	\$ 4,303,655
Less contributions in relation to the contractually required contribution	<u>7,588,812</u>	<u>6,143,109</u>	<u>5,848,535</u>	<u>5,185,056</u>	<u>4,303,655</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 33,124,452</u>	<u>\$ 29,676,855</u>	<u>\$ 29,656,382</u>	<u>\$ 28,706,987</u>	<u>\$ 27,710,096</u>
Contributions as a percentage of covered payroll	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</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's Contributions
Year Ended June 30, 2022

	<u>2017</u>	<u>2016</u>	<u>2015</u>
CaSTRS			
Contractually required contribution	\$ 10,836,764	\$ 7,966,799	\$ 5,937,953
Less contributions in relation to the contractually required contribution	<u>10,836,764</u>	<u>7,966,799</u>	<u>5,937,953</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 86,142,798</u>	<u>\$ 74,247,894</u>	<u>\$ 66,868,840</u>
Contributions as a percentage of covered payroll	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CaIPERS			
Contractually required contribution	\$ 4,023,721	\$ 2,905,775	\$ 2,475,671
Less contributions in relation to the contractually required contribution	<u>4,023,721</u>	<u>2,905,775</u>	<u>2,475,671</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 28,972,645</u>	<u>\$ 24,527,518</u>	<u>\$ 21,031,951</u>
Contributions as a percentage of covered payroll	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

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

Note 1 - Purpose of Schedules

Budgetary Comparison 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 schedule 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.

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* – There were no changes in assumptions 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 2.21% to 2.16% 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 the District's 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.

Oxnard Union High School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing 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	\$ 3,688,999
COVID-19 Special Education ARP Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	793,883
Total Special Education Cluster			<u>4,482,882</u>
Passed Through California Department of Education (CDE)			
Adult Education - Basic Grants to States	84.002	14508	350,826
Adult Education - Basic Grants to States	84.002	13978	181,667
Adult Education - Basic Grants to States	84.002	14109	148,961
Subtotal			<u>681,454</u>
Title I Grants to Local Educational Agencies - Basic Grants Low-Income Neglected	84.010	14329	3,254,235
Title I Grants to Local Educational Agencies - School Improvement	84.010	15438	16,313
Subtotal			<u>3,270,548</u>
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	910
COVID-19 Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	5,015,460
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	11,002,632
COVID-19 ESSER III Fund: Learning Loss	84.425U	10155	441,684
COVID-19 Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425C	15621	2,062,915
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	368,687
COVID-19 American Rescue Plan-Homeless Children and Youth Program	84.425D	15564	38,243
Subtotal			<u>18,930,531</u>

Oxnard Union High School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title II, Part A, Supporting Effective Instruction	84.367	14341	\$ 576,882
Title III - Limited English Proficient (LEP) Student Program	84.365	14346	223,757
Rehabilitation Services Vocational Rehabilitation Grants to States - Workability II	84.126	10006	284,533
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	170,882
Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	84.196	14332	97,400
Carl D. Perkins Vocational and Technical Education Act of 1998 Secondary Education	84.048	14894	432,184
Total U.S. Department of Education			29,151,053
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13396	6,359,013
School Breakfast Program - National School Breakfast	10.553	13525	138,422
School Breakfast Program - Especially Needy Breakfast	10.553	13526	2,613,649
COVID-19 Emergency Operational Costs Reimbursement (ECR)	10.555	15637	171,745
National School Lunch Program - Commodity Supplemental Food	10.555	13391	567,012
Total Child Nutrition Cluster			9,849,841
Passed Through California Department of Social Services			
Child and Adult Care Food Program	10.558	13393	1,431,635
COVID-19 CACFP COVID-19 Emergency Operational Costs Reimbursement (ECR)	10.558	15577	95,963
Subtotal			1,527,598
Total U.S. Department of Agriculture			11,377,439
U.S. Department of Defense			
Junior Reserve Officer Training Corps - Air Force	12.000	[1]	178,591
U.S. Department of Interior			
National Park Services	15.954	[1]	2,749
Total Financial Assistance			\$ 40,709,832

[1] Pass-Through Entity Identifying Number not available

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
Elizabeth M. Botello	Vice President	2024
Karen M. Sher	Clerk	2022
Wayne Edmonds	Member	2022
Beatriz Herrera	Member	2022

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 Average Daily Attendance
 Year Ended June 30, 2022

	Final Report	
	Second Period Report C173CC7C	Annual Report 5645BD79
Regular ADA Ninth through twelfth	15,503.50	15,386.77
Special Education, Nonpublic, Nonsectarian Schools Ninth through twelfth	18.42	21.76
Extended Year Special Education, Nonpublic, Nonsectarian Schools Ninth through twelfth	1.40	1.40
Total ADA	15,523.32	15,409.93

Oxnard Union High School District
 Schedule of Instructional Time
 Year Ended June 30, 2022

Grade Level	1986-1987 Minutes Requirement	2021-2022 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Grades 9 - 12	64,800										
Grade 9		64,828	-	64,828	180	-	180	-	-	-	Complied
Grade 10		64,828	-	64,828	180	-	180	-	-	-	Complied
Grade 11		64,828	-	64,828	180	-	180	-	-	-	Complied
Grade 12		64,828	-	64,828	180	-	180	-	-	-	Complied

Oxnard Union High School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2022

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2022.

Oxnard Union High School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2022

	(Budget) 2023 ¹	2022	2021 ¹	2020 ¹
General Fund				
Revenues	\$ 295,326,801	\$ 281,594,600	\$ 252,641,567	\$ 220,821,133
Other sources	-	-	144,936	1,731,311
Total Revenues and Other Sources	<u>295,326,801</u>	<u>281,594,600</u>	<u>252,786,503</u>	<u>222,552,444</u>
Expenditures	299,449,257	277,515,973	238,940,902	227,161,747
Other uses and transfers out	-	2,000,000	226,753	148,367
Total Expenditures and Other Uses	<u>299,449,257</u>	<u>279,515,973</u>	<u>239,167,655</u>	<u>227,310,114</u>
Increase/(Decrease) in Fund Balance	<u>(4,122,456)</u>	<u>2,078,627</u>	<u>13,618,848</u>	<u>(4,757,670)</u>
Ending Fund Balance	<u>\$ 33,715,054</u>	<u>\$ 37,837,510</u>	<u>\$ 35,758,883</u>	<u>\$ 22,140,035</u>
Available Reserves ²	<u>\$ 17,501,734</u>	<u>\$ 9,258,722</u>	<u>\$ 17,910,830</u>	<u>\$ 18,327,365</u>
Available Reserves as a Percentage of Total Outgo	<u>5.84%</u>	<u>3.31%</u>	<u>7.49%</u>	<u>8.06%</u>
Long-Term Liabilities	<u>N/A</u>	<u>\$ 665,416,713</u>	<u>\$ 787,027,803</u>	<u>\$ 637,431,823</u>
K-12 Average Daily Attendance at P-2	<u>15,734</u>	<u>15,523</u>	<u>15,688</u>	<u>15,688</u>

The General Fund balance has increased by \$15,697,475 over the past two years. The fiscal year 2022-2023 budget projects a decrease of \$4,122,456 (10.90%). 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 deficit during the 2022-2023 fiscal year. Total long-term liabilities have increased by \$27,984,890 over the past two years.

Average daily attendance has decreased by 165 over the past two years. Growth of 211 ADA is anticipated during fiscal year 2022-2023.

¹ Financial information for 2023, 2021, and 2020 are 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, 2022

<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, 2022

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Total Non-Major Governmental Funds
Assets						
Deposits and investments	\$ 2,086,990	\$ 751,339	\$ 4,560,450	\$ 10,624,740	\$ 258,462	\$ 18,281,981
Receivables	-	275,023	2,325,511	23,581	425	2,624,540
Due from other funds	-	-	148,347	-	-	148,347
Total assets	\$ 2,086,990	\$ 1,026,362	\$ 7,034,308	\$ 10,648,321	\$ 258,887	\$ 21,054,868
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ 121,653	\$ 47,518	\$ 331,137	\$ 26,703	\$ 527,011
Due to other funds	-	288,829	416,065	2,260,110	-	2,965,004
Total liabilities	-	410,482	463,583	2,591,247	26,703	3,492,015
Fund Balances						
Nonspendable	-	-	2,100	-	-	2,100
Restricted	2,086,990	615,880	6,568,625	8,057,074	232,184	17,560,753
Total fund balances	2,086,990	615,880	6,570,725	8,057,074	232,184	17,562,853
Total liabilities and fund balances	\$ 2,086,990	\$ 1,026,362	\$ 7,034,308	\$ 10,648,321	\$ 258,887	\$ 21,054,868

Oxnard Union High School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2022

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Total Non-Major Governmental Funds
Revenues						
Federal sources	\$ -	\$ 681,454	\$ 11,717,890	\$ -	\$ -	\$ 12,399,344
Other State sources	-	3,196,884	689,709	-	-	3,886,593
Other local sources	8,395,748	213,302	144,343	3,139,292	(1,018)	11,891,667
Total revenues	<u>8,395,748</u>	<u>4,091,640</u>	<u>12,551,942</u>	<u>3,139,292</u>	<u>(1,018)</u>	<u>28,177,604</u>
Expenditures						
Current						
Instruction	-	2,179,089	-	-	-	2,179,089
Instruction-related activities						
School site administration	-	926,782	-	-	-	926,782
Pupil services						
Food services	-	-	8,311,396	-	-	8,311,396
All other pupil services	-	645,750	-	-	-	645,750
Administration						
All other administration	-	155,103	269,739	27,156	-	451,998
Plant services	-	171,071	-	-	-	171,071
Ancillary services	7,900,640	-	-	-	-	7,900,640
Enterprise services	-	-	5,675	-	-	5,675
Facility acquisition and construction	-	-	-	2,683,180	458,486	3,141,666
Total expenditures	<u>7,900,640</u>	<u>4,077,795</u>	<u>8,586,810</u>	<u>2,710,336</u>	<u>458,486</u>	<u>23,734,067</u>

Oxnard Union High School District
Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2022

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Total Non-Major Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 495,108	\$ 13,845	\$ 3,965,132	\$ 428,956	\$ (459,504)	\$ 4,443,537
Other Financing Sources (Uses) Transfers out	-	-	-	(4,593,507)	-	(4,593,507)
Net Change in Fund Balances	495,108	13,845	3,965,132	(4,164,551)	(459,504)	(149,970)
Fund Balance - Beginning	1,591,882	602,035	2,605,593	12,221,625	691,688	17,712,823
Fund Balance - Ending	\$ 2,086,990	\$ 615,880	\$ 6,570,725	\$ 8,057,074	\$ 232,184	\$ 17,562,853

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, 2022. 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, 2022, 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, 2022. These unspent balances are reported as legally restricted ending balances within the General Fund.

	Assistance Listing Number	Amount
Description		
Total Federal Revenues reported on the financial statements		\$ 41,050,283
Child and Adult Care Food Program (CACFP)	93.575	(340,451)
Total financial assistance		\$ 40,709,832

Local Education Agency Organization Structure

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

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

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

These schedules 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.

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

Report on 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*.

We noted certain matters that we reported to management of the District in a separate letter dated December 15, 2022.

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
December 15, 2022

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Rancho Cucamonga, California
December 15, 2022

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on state compliance is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 state 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 state 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 compliance requirements as identified in the table below 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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:

	<u>Procedures Performed</u>
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	Yes

	<u>Procedures Performed</u>
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
After/Before School Education and Safety Program	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	No, see below
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In Person Instruction Grant	Yes
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
Annual Instructional Minutes - Classroom Based	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 have any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District has only grades 9-12; 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.

We did not perform procedures for the After/Before School Education and Safety Program because the District did not offer the program.

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

The District was not listed on the immunization assessment reports; therefore, we did not perform any related procedures.

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

The purpose of this report on internal control over state compliance is solely to describe the scope of our testing of internal control over state compliance and the results of that testing based on the requirements of the *2021-2022 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
December 15, 2022

Financial Statements

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

Federal Awards

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

Identification of major programs

Name of Federal Program or Cluster	Assistance Listing Number
COVID-19 Education Stabilization Fund	84.425C, 84.425D, 84.425U
Child Nutrition Cluster	10.553, 10.555
Dollar threshold used to distinguish between type A and type B programs	\$1,137,092
Auditee qualified as low-risk auditee?	No

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

2021-001 30000 – 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.

Current Status

Implemented.

Federal Awards Findings

None reported.

State Compliance Findings

None reported.



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

In planning and performing our audit of the financial statements of Oxnard Union High School District (the District) for the year ended June 30, 2022, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 15, 2022, on the government-wide financial statements of the District.

2021-2022 Observations and Recommendations

CHANNEL ISLANDS HIGH SCHOOL

Associated Student Body – Missing Approval Signatures

Observation

The check request form used to approve purchases did not include all three signatures; therefore, the expenditures lacked the three required approval signatures pursuant to California *Educational Code* Section 48933(5)(b).

Recommendation

In order to ensure compliance with the California *Educational Code*, the site should revise the request for payment form to include all three required approval signatures.

Associated Student Body – Disbursements Documentation

Observation

Disbursements were not always adequately supported by proper documentation, which include invoices and receiving documentation. Receiving documentation ensures that the club/ASB received all of the items ordered. By initialing or signing an invoice, the ASB clerk knows that all the merchandise was received prior to paying for the order.

Recommendation

All invoices should be accompanied by a purchase order, an invoice, and signed receiving documentation. This reduces the risk of unauthorized spending and items being paid for and not received. Purchase orders provide clubs with documentation of items requested that can then be checked to the receiving documentation for accuracy and completeness, giving the clubs better control over their spending and inventory.

OXNARD HIGH SCHOOL***Associated Student Body – Missing Approval Signatures*****Observation**

The check request form used to approve purchases did not include all three signatures prior to the disbursement being made.

Recommendation

All disbursement should obtain the required three signatures prior to the disbursement being made.

We will review the status of the current year comments during our next audit engagement.

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

Rancho Cucamonga, California
December 15, 2022