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### ***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 total OPEB liability and related ratios, 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, 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 GAAS, 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 GAAS. 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 11, 2023 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.

Fresno, California  
December 11, 2023

# Teach, Learn, Every Day, No Excuses



Oakdale Joint Unified School District  
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## DISTRICT ADMINISTRATION

**Larry Mendonca**  
Deputy Superintendent  
Pupil Services & Facilities

**Craig Redman**  
Assistant Superintendent  
Human Resources

**Gillian Wegener, Ed.D.**  
Assistant Superintendent  
Curriculum & Instruction

**Kassandra Booth**  
Chief Business Officer

**Armida Colon**  
Director, State  
& Federal Programs

**Tracey Jakubowski**  
Director of  
Special Education

## GOVERNING BOARD

**Tina Shatswell**  
President

**Clayton Schemper**  
Clerk

**Bill Duvall, Jr.**  
Member

**Diane Gilbert**  
Member

**Terri Taylor**  
Member

This section of Oakdale Joint Unified School District's 2022-2023 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023, with comparative information for the year ended June 30, 2022. 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 Oakdale Joint Unified School District (the District).

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 and right-to-use leased assets), deferred outflows, as well as all liabilities (including long-term liabilities), and deferred inflows. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

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

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

The Proprietary Funds are prepared using the economic resources measurement focus and the accrual basis of accounting.

The Fiduciary Funds are prepared using the economic resources measurement focus and the accrual basis of accounting.

The 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 Oakdale Joint Unified School District.



## REPORTING THE DISTRICT AS A WHOLE

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

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

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of 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 governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

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

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

**Business-Type Activities** - The District charges fees to help it cover the costs of certain services it provides. The District's before school programs and services are included here.

## 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.

**Proprietary Funds** - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Activities*. In fact, the financial information reported in District's Before School Program Enterprise Fund is the same as the business-type activities we report in the government-wide statements, but provides more detail and additional information, such as cash flows.

## THE DISTRICT AS TRUSTEE

### Reporting the District's Fiduciary Responsibilities

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

## FINANCIAL HIGHLIGHTS OF THE PAST YEAR

During the 2022-2023 school year, challenges remained for school districts across the State as we saw a drastic decrease in the regular attendance of students. For Oakdale, our attendance rate during 2022-2023 was 92.3%, while traditionally our attendance was at around 94%. Student attendance is an important factor to monitor, not just for funding purposes, but also for the educational benefit of students. Students who are absent for any reason miss important educational content and socialization with their grade-alike peers, and if they are chronically absent, they will be ill-prepared for advancing to the next grade level. Therefore, we are working with all sites on an attendance campaign in the hopes that we can raise our attendance rates back to 94% or higher.

The ability for the District to maintain and improve facilities continues to be a local effort. Minimal state funds are available and while developer fee dollars are steady, they are dramatically insufficient for constructing a new school. Recognizing these financial limits, the District carefully plans and balances facility needs to ensure all needs are met.

In 2022-2023, between the amazing work of our maintenance and operations staff, as well as contracted vendors, Oakdale Joint Unified School District has been able to repaint Magnolia Elementary School and resurface Cloverland Elementary School parking lot. Furthermore, the Oakdale School Farm was able to extend its Pole Barn for additional animal housing and the District replaced numerous old HVAC units throughout the district.

## THE DISTRICT AS A WHOLE

### Net Position

The District's net position for governmental activities was \$51.8 million for the fiscal year ended June 30, 2023, and \$35.9 million for the fiscal year ended June 30, 2022; an increase of \$15.9 million. Of this amount, \$15.7 was restricted. 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 focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$46,395,220	\$ 41,079,174	\$ 321,468	\$ 386,021	\$46,716,688	\$ 41,465,195
Capital assets and right-to-use leased assets	70,799,100	68,628,818	-	-	70,799,100	68,628,818
Total assets	117,194,320	109,707,992	321,468	386,021	117,515,788	110,094,013
Deferred Outflows of Resources	17,387,604	13,862,863	13,968	40,966	17,401,572	13,903,829
<b>Liabilities</b>						
Current liabilities	5,133,643	10,117,791	110	47,371	5,133,753	10,165,162
Long-term liabilities	69,136,574	51,580,869	40,874	232,729	69,177,448	51,813,598
Total liabilities	74,270,217	61,698,660	40,984	280,100	74,311,201	61,978,760
Deferred Inflows of Resources	8,484,047	25,948,623	1,663	77,051	8,485,710	26,025,674
<b>Net Position</b>						
Net investment in capital assets	62,792,544	60,181,727	-	-	62,792,544	60,181,727
Restricted	15,676,448	7,636,669	-	-	15,676,448	7,636,669
Unrestricted (Deficit)	(26,641,332)	(31,894,824)	292,789	69,836	(26,348,543)	(31,824,988)
Total net position	\$51,827,660	\$ 35,923,572	\$ 292,789	\$ 69,836	\$52,120,449	\$ 35,993,408

The \$51.8 million net position of the governmental activities represents the accumulated results of all past years' operations. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased approximately \$5.3 million.

### Changes in Net Position

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

Table 2

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 1,735,117	\$ 1,225,321	\$ -	\$ -	\$ 1,735,117	\$ 1,225,321
Operating grants and contributions	19,366,006	17,858,855	-	-	19,366,006	17,858,855
General revenues						
Federal and State aid not restricted	39,527,329	33,419,299	-	-	39,527,329	33,419,299
Property taxes	23,646,119	22,190,433	-	-	23,646,119	22,190,433
Other general revenues	8,701,611	(18,357)	26,585	254,259	8,728,196	235,902
Total revenues	<u>92,976,182</u>	<u>74,675,551</u>	<u>26,585</u>	<u>254,259</u>	<u>93,002,767</u>	<u>74,929,810</u>
<b>Expenses</b>						
Instruction-related	53,547,802	48,109,114	-	-	53,547,802	48,109,114
Pupil services	10,313,680	9,447,338	-	-	10,313,680	9,447,338
Administration	3,650,173	3,299,158	-	-	3,650,173	3,299,158
Plant services	6,863,549	6,402,946	-	-	6,863,549	6,402,946
All other services	2,696,890	1,944,105	(196,368)	156,937	2,500,522	2,101,042
Total expenses	<u>77,072,094</u>	<u>69,202,661</u>	<u>(196,368)</u>	<u>156,937</u>	<u>76,875,726</u>	<u>69,359,598</u>
Change in net position	<u>\$ 15,904,088</u>	<u>\$ 5,472,890</u>	<u>\$ 222,953</u>	<u>\$ 97,322</u>	<u>\$ 16,127,041</u>	<u>\$ 5,570,212</u>

### Governmental Activities

As reported in the *Statement of Activities*, the cost of all of our governmental activities this year was \$77.1 million as compared to \$69.2 million in the prior year. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$23.6 million because the cost was paid by those who benefited from the programs, \$1.7 million, or by other governments and organizations who subsidized certain programs with grants and contributions of \$19.4 million. We paid for the remaining “public benefit” portion of our governmental activities with \$48.2 million in State and Federal unrestricted funds and with other revenues, like interest and general entitlements.

## THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$41.4 million as compared to \$31.1 million in the prior year, which is an overall increase of approximately \$10.3 million from last year. The General Fund balance increased \$8.5 million from the prior year due to continued Federal and State funding related to COVID-19. The remaining funds increased by \$1.8 million primarily due to increased child nutrition revenues relating to the return to in-person instruction and due to increased developer fee revenues.

### General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 12, 2023. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report.

- Student attendance is a driving factor for the majority of income for the General Fund. The 2022-2023 school year attendance was 4,772.72. Due to the new three year rolling average attendance calculation, we were funded on 5,053.04 (excluding District funded County programs).
- The District received an increase in total revenue by \$14.8 million, primarily due to one-time grants.
- The expenditures for the General Fund increased \$6.2 million from the 2021-2022 year, primarily due one-time grants.

The District budgeted a decrease General Fund balance of approximately \$1.1 million. However, revenues and other sources were about \$7.9 million more than budgeted, and expenditures and other uses were approximately \$1.7 million less than budgeted, resulting in an increase of \$8.5 million to the fund balance from the prior year.

## CAPITAL ASSETS, RIGHT-TO-USE LEASED ASSETS, AND LONG-TERM LIABILITIES

### Capital Assets and Right-to-Use Leased Assets

At June 30, 2023, the District had \$70.8 million in a broad range of capital assets and right-to-use leased assets (net of accumulated depreciation and amortization expenses), including land, buildings, equipment and right-to-use leased assets. This amount represents a net increase (including additions, deductions, depreciation and amortization expenses) of \$2.2 million from last year. This year's major additions include the District wide HVAC replacement and LED lighting projects. The District is still in the process of reroofing a significant portion of all school buildings as well as installing a fence at Oakdale Junior High School. We present more detailed information about our capital assets and right-to-use leased assets in the Notes to Financial Statements.

Table 3

	Governmental Activities	
	2023	2022
Land and construction in progress	\$ 15,529,254	\$ 14,858,325
Buildings and improvements	50,788,089	50,287,106
Equipment	4,271,708	3,406,755
Right-to-use leased assets	210,049	76,632
Total	\$ 70,799,100	\$ 68,628,818

**Long-Term Liabilities**

At the end of this year, the District had \$69.1 million in long-term liabilities outstanding versus \$51.6 million last year, an increase of \$17.5 million primarily due to increases in pension liabilities. These liabilities consisted of:

Table 4

	Governmental and Business-Type Activities	
	2023	2022
Long-Term Liabilities		
General obligation bonds	\$ 6,830,000	\$ 7,810,000
Unamortized premiums	648,541	731,333
Financed purchase agreement	469,262	-
Leases	212,740	79,359
Compensated absences	146,256	161,129
Net OPEB liability	9,310,681	9,828,671
Aggregate net pension liability	51,519,094	32,970,377
Total	\$ 69,136,574	\$ 51,580,869

The District's general obligation bond S&P rating at the time of their last issuance was "AAA". We present more detailed information about our capital assets in the Notes to Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

In considering the District Budget for the 2023-2024 year, the District Board and management used the following criteria:

The key assumption in our adopted budget revenue forecast is:

1. State aid included 8.22% cost of living adjustment from prior year.
2. Average Daily Attendance funded a three-year average: 2020-2021 through 2022-2023.
3. State and Federal Career Technical Education grants continue.
4. Federal grants updated with preliminary funding levels until final information is known.

The key assumptions in our expenditure forecast are:

1. Step and column increase for all contracted employees eligible for the salary improvement.
2. Continued full funding of the Restricted Maintenance Account.
3. Increased pension costs for CalSTRS and CalPERS members.
4. Spending priorities outlined in the Local Control Accountability Plan adopted on June 12, 2023.

## **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 Cassandra Booth, Chief Business Officer, at Oakdale Joint Unified School District, 168 S. Third Avenue, Oakdale, California 95361, or e-mail at [kbooth@ojusd.org](mailto:kbooth@ojusd.org).

Oakdale Joint Unified School District  
Statement of Net Position  
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Deposits and investments	\$ 43,028,042	\$ 321,566	\$ 43,349,608
Receivables	3,109,938	(98)	3,109,840
Prepaid expense	62,938	-	62,938
Stores inventories	194,302	-	194,302
Capital assets not depreciated	15,529,254	-	15,529,254
Capital assets, net of accumulated depreciation	55,059,797	-	55,059,797
Right-to-use leased assets, net of accumulated amortization	210,049	-	210,049
Total assets	<u>117,194,320</u>	<u>321,468</u>	<u>117,515,788</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	117,749	-	117,749
Deferred outflows of resources related to OPEB	1,100,076	406	1,100,482
Deferred outflows of resources related to pensions	16,169,779	13,562	16,183,341
Total deferred outflows of resources	<u>17,387,604</u>	<u>13,968</u>	<u>17,401,572</u>
<b>Liabilities</b>			
Accounts payable	2,596,776	110	2,596,886
Interest payable	93,625	-	93,625
Unearned revenue	2,443,242	-	2,443,242
<b>Long-term liabilities</b>			
Long-term liabilities other than OPEB and pensions due within one year	1,127,196	-	1,127,196
Long-term liabilities other than OPEB and pensions due in more than one year	7,179,603	-	7,179,603
Net other postemployment benefits liability (OPEB)	9,310,681	2,100	9,312,781
Aggregate net pension liabilities	51,519,094	38,774	51,557,868
Total liabilities	<u>74,270,217</u>	<u>40,984</u>	<u>74,311,201</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to OPEB	2,145,457	496	2,145,953
Deferred inflows of resources related to pensions	6,338,590	1,167	6,339,757
Total deferred inflows of resources	<u>8,484,047</u>	<u>1,663</u>	<u>8,485,710</u>



Oakdale Joint Unified School District  
Statement of Net Position  
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position			
Net investment in capital assets	62,792,544	-	62,792,544
Restricted for			
Debt service	1,113,393	-	1,113,393
Capital projects	1,632,465	-	1,632,465
Educational programs	11,195,038	-	11,195,038
Food service	1,429,953	-	1,429,953
Student activities	305,599	-	305,599
Unrestricted (deficit)	<u>(26,641,332)</u>	<u>292,789</u>	<u>(26,348,543)</u>
Total net position	<u>\$ 51,827,660</u>	<u>\$ 292,789</u>	<u>\$ 52,120,449</u>

Oakdale Joint Unified School District  
Statement of Activities  
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction	\$ 46,911,591	\$ 882,288	\$ 9,678,258	\$ (36,351,045)	\$ -	\$ (36,351,045)
Instruction-related activities						
Supervision of instruction	892,000	7,906	534,813	(349,281)	-	(349,281)
Instructional library, media, and technology	504,775	-	5,183	(499,592)	-	(499,592)
School site administration	5,239,436	-	653,251	(4,586,185)	-	(4,586,185)
Pupil services						
Home-to-school transportation	2,717,240	96	124,803	(2,592,341)	-	(2,592,341)
Food services	2,371,126	7,683	2,875,535	512,092	-	512,092
All other pupil services	5,225,314	306,669	1,522,825	(3,395,820)	-	(3,395,820)
Administration						
Data processing	493,210	-	-	(493,210)	-	(493,210)
All other administration	3,156,963	66,989	474,025	(2,615,949)	-	(2,615,949)
Plant services	6,863,549	383,108	2,041,053	(4,439,388)	-	(4,439,388)
Ancillary services	1,204,546	-	1,186,050	(18,496)	-	(18,496)
Community services	23,598	-	-	(23,598)	-	(23,598)
Enterprise services	179,547	-	-	(179,547)	-	(179,547)
Interest on long-term liabilities	182,006	-	-	(182,006)	-	(182,006)
Other outgo	1,107,193	80,378	270,210	(756,605)	-	(756,605)
Total governmental activities	<u>77,072,094</u>	<u>1,735,117</u>	<u>19,366,006</u>	<u>(55,970,971)</u>	<u>-</u>	<u>(55,970,971)</u>
Business-Type Activities						
Enterprise services	<u>(196,368)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,368</u>	<u>196,368</u>
Total primary government	<u>\$ 76,875,726</u>	<u>\$ 1,735,117</u>	<u>\$ 19,366,006</u>	<u>(55,970,971)</u>	<u>196,368</u>	<u>(55,774,603)</u>

Oakdale Joint Unified School District  
Statement of Activities  
Year Ended June 30, 2023

	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business- Type Activities	Total
General Revenues and Subventions			
Property taxes, levied for general purposes	22,045,123	-	22,045,123
Property taxes, levied for debt service	1,285,182	-	1,285,182
Taxes levied for other specific purposes	315,814	-	315,814
Federal and State aid not restricted to specific purposes	39,527,329	-	39,527,329
Interest and investment earnings	385,810	8,131	393,941
Interagency revenues	160,828	-	160,828
Miscellaneous and unspent State entitlements revenues	8,154,973	18,454	8,173,427
Subtotal, general revenues and subventions	71,875,059	26,585	71,901,644
Change in Net Position	15,904,088	222,953	16,127,041
Net Position - Beginning	35,923,572	69,836	35,993,408
Net Position - Ending	\$ 51,827,660	\$ 292,789	\$ 52,120,449

Oakdale Joint Unified School District

Balance Sheet – Governmental Funds

June 30, 2023

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Deposits and investments	\$ 35,029,423	\$ 7,998,619	\$ 43,028,042
Receivables	2,777,893	332,045	3,109,938
Due from other funds	-	520,850	520,850
Prepaid expenditures	62,938	-	62,938
Stores inventories	14,457	179,845	194,302
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 37,884,711</u>	<u>\$ 9,031,359</u>	<u>\$ 46,916,070</u>
<b>Liabilities</b>			
Accounts payable	\$ 2,134,506	\$ 462,270	\$ 2,596,776
Due to other funds	520,850	-	520,850
Unearned revenue	2,443,242	-	2,443,242
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>5,098,598</u>	<u>462,270</u>	<u>5,560,868</u>
<b>Fund Balances</b>			
Nonspendable	87,395	179,845	267,240
Restricted	10,346,445	5,459,866	15,806,311
Committed	11,414,666	877,577	12,292,243
Assigned	3,661,346	2,051,801	5,713,147
Unassigned	7,276,261	-	7,276,261
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>32,786,113</u>	<u>8,569,089</u>	<u>41,355,202</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 37,884,711</u>	<u>\$ 9,031,359</u>	<u>\$ 46,916,070</u>

Oakdale Joint Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2023

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Total Fund Balance - Governmental Funds		\$ 41,355,202
<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	\$ 116,905,781	
Accumulated depreciation is	<u>(46,316,730)</u>	
Net capital assets		70,589,051
<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	282,375	
Accumulated amortization is	<u>(72,326)</u>	
Net right-to-use leased assets		210,049
<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>		
		(93,625)
<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)	117,749	
Other postemployment benefits (OPEB)	1,100,076	
Net pension liability	<u>16,169,779</u>	
Total deferred outflows of resources		17,387,604
<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)	(2,145,457)	
Net pension liability	<u>(6,338,590)</u>	
Total deferred inflows of resources		(8,484,047)
<p>Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
		(51,519,094)

Oakdale Joint Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2023

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The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(9,310,681)
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 including unamortized premiums	(7,478,541)	
Financed purchase agreement	(469,262)	
Leases	(212,740)	
Compensated absences	(146,256)	
Total long-term liabilities		(8,306,799)
Total net position - governmental activities		\$ 51,827,660

Oakdale Joint Unified School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2023

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Local Control Funding Formula	\$ 58,844,316	\$ 681,074	\$ 59,525,390
Federal sources	4,904,368	1,393,361	6,297,729
Other State sources	15,669,351	2,311,094	17,980,445
Other local sources	7,051,011	3,394,758	10,445,769
Total revenues	<u>86,469,046</u>	<u>7,780,287</u>	<u>94,249,333</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	48,480,508	514,998	48,995,506
Instruction-related activities			
Supervision of instruction	950,715	-	950,715
Instructional library, media, and technology	543,385	6,013	549,398
School site administration	5,308,843	178,728	5,487,571
Pupil services			
Home-to-school transportation	2,378,424	-	2,378,424
Food services	205,962	2,422,190	2,628,152
All other pupil services	5,618,922	-	5,618,922
Administration			
Data processing	452,449	-	452,449
All other administration	3,262,724	83,769	3,346,493
Plant services	8,058,530	93,209	8,151,739
Ancillary services	-	1,204,546	1,204,546
Community services	23,719	-	23,719
Other outgo	1,107,193	-	1,107,193
Facility acquisition and construction	1,168,289	1,316,288	2,484,577
Debt service			
Principal	-	980,000	980,000
Interest and other	-	290,125	290,125
Total expenditures	<u>77,559,663</u>	<u>7,089,866</u>	<u>84,649,529</u>
Excess of Revenues Over Expenditures	<u>8,909,383</u>	<u>690,421</u>	<u>9,599,804</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	192,786	1,242,156	1,434,942
Proceeds from leases	188,980	-	188,980
Proceeds from financed purchase agreement	486,160	-	486,160
Transfers out	(1,242,156)	(192,786)	(1,434,942)
Net Financing Sources (Uses)	<u>(374,230)</u>	<u>1,049,370</u>	<u>675,140</u>
Net Change in Fund Balances	8,535,153	1,739,791	10,274,944
Fund Balance - Beginning	24,250,960	6,829,298	31,080,258
Fund Balance - Ending	<u>\$ 32,786,113</u>	<u>\$ 8,569,089</u>	<u>\$ 41,355,202</u>

Oakdale Joint Unified 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, 2023

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Total Net Change in Fund Balances - Governmental Funds \$ 10,274,944

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.

Depreciation and amortization expenses	\$ (2,970,127)
Capital outlays	<u>5,144,153</u>

Net expense adjustment	2,174,026
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Gain(Loss) on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (3,744)

Some of the capital assets acquired this year were financed. The amount financed is reported in the governmental funds as a source of financing. On the other hand, the proceeds are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position. (486,160)

Right-to-use leased assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position. (188,980)

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. 14,873

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. 3,326,181



Oakdale Joint Unified 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, 2023

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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.	(350,770)
Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	82,792
Deferred charge on refunding amortization	(16,821)
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	980,000
Financed purchases	16,898
Leases	55,599
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	25,250
	<hr/>
Change in net position of governmental activities	<u>\$ 15,904,088</u>

Oakdale Joint Unified School District  
Statement of Net Position – Proprietary Funds  
June 30, 2023

	Business-Type Activities - Enterprise Fund Before School Program
Assets	
Current assets	
Deposits and investments	\$ 321,566
Receivables	(98)
Total assets	321,468
Deferred Outflows of Resources	
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	406
Deferred outflows of resources related to pensions	13,562
Total deferred outflows of resources	13,968
Liabilities	
Current liabilities	
Accounts payable	110
Noncurrent liabilities	
Net other postemployment benefits liabilities	2,100
Aggregate net pension liabilities	38,774
Total noncurrent liabilities	40,874
Total liabilities	40,984
Deferred Inflows of Resources	
Deferred inflows of resources related to other postemployment benefits (OPEB) liability	496
Deferred inflows of resources related to pensions	1,167
Total deferred inflows of resources	1,663
Net Position	
Unrestricted	\$ 292,789

Oakdale Joint Unified School District  
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds  
Year Ended June 30, 2023

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	Business-Type Activities - Enterprise Fund <u>Before School Program</u>
Operating Revenues	
Local and intermediate sources	<u>\$ 18,455</u>
Operating Expenses	
Payroll costs	43,587
Penson and OPEB expense	(240,245)
Supplies and materials	658
Other operating costs	<u>(368)</u>
Total operating expenses	<u>(196,368)</u>
Operating Profit	<u>214,823</u>
Nonoperating Revenues	
Fair market value adjustments	3,931
Interest income	<u>4,199</u>
Total nonoperating revenues	<u>8,130</u>
Change in Net Position	222,953
Net Position - Beginning	<u>69,836</u>
Net Position - Ending	<u><u>\$ 292,789</u></u>

Oakdale Joint Unified School District  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund Before School Program
Operating Activities	
Cash receipts from parents and guardians	\$ 22,036
Cash payments for interfund services provided	31,356
Cash payments to other suppliers of goods or services	(47,551)
Cash payments to employees for services	(43,587)
	(37,746)
Net Cash Used for Operating Activities	
Investing Activities	
Fair market value adjustments	3,931
Interest on investments	4,199
	8,130
Net Cash From Investing Activities	
Net Change in Cash and Cash Equivalents	(29,616)
Cash and Cash Equivalents, Beginning	351,182
Cash and Cash Equivalents, Ending	\$ 321,566
Reconciliation of Operating Profit to Net Cash Used for Operating Activities	
Operating profit	\$ 214,823
Changes in assets, deferred outflows, liabilities, and deferred inflows	
Receivables	3,581
Due from other funds	31,356
Deferred outflows of resources	26,998
Accounts payable	(47,261)
Net other postemployment benefits liabilities	(58,227)
Aggregate net pension liabilities	(133,628)
Deferred inflows of resources	(75,388)
	(37,746)
Net Cash Used for Operating Activities	\$ (37,746)

Oakdale Joint Unified School District  
Statement of Net Position – Fiduciary Funds  
June 30, 2023

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	<u>Custodial Fund</u>	<u>Scholarship Trust Fund</u>
Assets		
Deposits and investments	<u>\$ 454,341</u>	<u>\$ 1,952,781</u>
Net Position		
Held for scholarships	<u>\$ 454,341</u>	<u>\$ 1,952,781</u>

Oakdale Joint Unified School District  
Statement of Changes in Net Position – Fiduciary Funds  
Year Ended June 30, 2023

	Custodial Fund	Scholarship Trust Fund
Additions		
Contributions		
Private donations	\$ 73,369	\$ -
Net change in market value	-	120,640
Investment income	-	31,990
Interests and dividends	3,164	22,762
Total contributions	76,533	175,392
Deductions		
Scholarships awarded	64,206	44,158
Bank fees	103	175
Total deductions	64,309	44,333
Net Change in Fiduciary Net Position	12,224	131,059
Net Position - Beginning	442,117	1,821,722
Net Position - Ending	\$ 454,341	\$ 1,952,781

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

### **Financial Reporting Entity**

The Oakdale Joint Unified School District (the District) was unified under the laws of the State of California. The District operates under a locally-elected five-member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates one comprehensive high school, one junior high school, four elementary schools, an independent study high school, a charter school, and one continuation high school.

A reporting entity is comprised of the primary government 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 Oakdale Joint Unified School District, this includes general operations, food service, and student related activities of the District.

### **Related Entity**

The District has an approved Charter for the Oakdale Charter School pursuant to *Education Code* Section 47605. The Oakdale Charter School is operated by the District, and its financial activities are presented in the Charter School Special Revenue Fund.

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

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

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

### **Major Governmental Funds**

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

Two funds currently defined as special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Non-Capital Fund, and Fund 20, Special Reserve Postemployment Benefits Fund, are not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as extensions of the General Fund, and accordingly have been consolidated with the General Fund for presentation in these audited financial statements. As a result, the General Fund reflects an increase in fund balance of \$4,886,082.

### 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 Activities Fund** The Student Activities 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.
- **Charter School Fund** The Charter School Fund may be used by authorizing districts to account separately for the operating activities of a district-operated charter school that would otherwise be reported in the authorizing District's General Fund.
- **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).
- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

**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).

- **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.
- **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).



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

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

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

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

- **Enterprise Fund** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the District accounts for the financial transactions related to the Before School Program operations of the District.

**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. The District's fiduciary funds are split into two classifications: scholarship trust funds and custodial funds. The 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 fund is the Leo Volz Scholarship Trust Fund. Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties outside the District's reporting entity. The District's custodial funds are for the Oakdale Joint Unified School District scholarships.

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

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

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

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose 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, if measurable, and typically paid within 60 days. 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 expenses, are not recognized in the governmental funds but are recognized in the government-wide statements.

### **Cash and Cash Equivalents**

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

### **Investments**

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

### **Prepaid Expenditures (Expenses)**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### **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.

**Capital Assets, Depreciation, and Amortization**

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. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

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

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/infrastructure, 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, 2023.

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 or useful life of the underlying asset.

**Interfund Balances**

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

**Compensated Absences**

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position as long-term liabilities.

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

determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

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

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

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

### **Premiums**

In the government-wide financial statements, long-term liabilities are reported as liabilities in the governmental activities. Debt premiums are amortized over the life of the debt using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, debt premiums are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources.

### **Deferred Outflows of Resources and Deferred 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 primarily by the General Fund.

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

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

### **Leases**

The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of the lease term, 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 or useful life of the underlying asset.

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

As of June 30, 2023, fund balances of the governmental funds are classified as follows:

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

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

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

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board, chief business official or superintendent 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 maintains a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts and it is the Board's desire to keep this level at five percent of General Fund expenditures and other financing uses, however, it shall not be lower than the requirements of 5 CCR 15450.

**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 \$15,676,448 of restricted net position.

**Operating Revenues and Expenses**

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

**Interfund Activity**

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 in 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 Stanislaus 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. 96**

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract.

**Note 2 - Deposits and Investments****Summary of Deposits and Investments**

Deposits and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 43,028,042
Proprietary funds	321,566
Fiduciary funds	<u>2,407,122</u>
Total deposits and investments	<u><u>\$ 45,756,730</u></u>

Deposits and investments as of June 30, 2023, consist of the following:

Cash on hand and in banks	\$ 1,151,317
Cash in revolving	10,000
Investments	<u>44,595,413</u>
Total deposits and investments	<u><u>\$ 45,756,730</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 has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and which also times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of \$43,024,008 in the Stanislaus County Treasury Investment Pool that has an average weighted maturity of 428 days.

**Segmented Time Distribution**

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the District's investments by maturity:

Investment Type	Reported Amount	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
Money Market Mutual Funds	\$ 1,571,405	\$ 1,571,405	\$ -	\$ -	\$ -
County Pool	43,024,008	-	43,024,008	-	-
Total	<u>\$ 44,595,413</u>	<u>\$ 1,571,405</u>	<u>\$ 43,024,008</u>	<u>\$ -</u>	<u>\$ -</u>

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2023, \$671,926 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

**Custodial Credit Risk - Investments**

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the investment in Money Market Mutual Funds of \$1,571,405, the District has a custodial credit risk exposure of \$1,571,405 because the related securities are uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

**Note 3 - Fair Value Measurements**

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

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

The District’s fair value measurements are as follows at June 30, 2023:

Investment Type	Reported Amount	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Money Market Mutual Funds	\$ 1,571,405	\$ 1,571,405	\$ -	\$ -
County Pool	43,024,008	43,024,008	-	-
Total	<u>\$ 44,595,413</u>	<u>\$ 44,595,413</u>	<u>\$ -</u>	<u>\$ -</u>

All assets have been valued using a market approach, with quoted market prices.

**Note 4 - Receivables**

Receivables at June 30, 2023, consist of intergovernmental grants, entitlements, and local sources. All receivables are considered collectible in full.

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Proprietary Funds</u>
Federal Government				
Categorical aid	\$ 2,058,357	\$ 320,964	\$ 2,379,321	\$ -
State Government				
LCFF apportionment	-	4,560	4,560	-
Categorical aid	719,536	6,521	726,057	-
Local Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98)</u>
Total	<u>\$ 2,777,893</u>	<u>\$ 332,045</u>	<u>\$ 3,109,938</u>	<u>\$ (98)</u>

**Note 5 - Capital Assets and Right-to-Use Leased Assets**

Capital assets and right-to-use leased assets activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 13,755,591	\$ -	\$ -	\$ 13,755,591
Construction in progress	1,102,734	1,773,663	(1,102,734)	1,773,663
Total capital assets not being depreciated	<u>14,858,325</u>	<u>1,773,663</u>	<u>(1,102,734)</u>	<u>15,529,254</u>
Capital assets being depreciated				
Land improvements	19,271,113	771,896	-	20,043,009
Buildings and improvements	70,364,334	2,272,878	-	72,637,212
Furniture and equipment	7,521,023	1,239,470	(64,187)	8,696,306
Total capital assets being depreciated	<u>97,156,470</u>	<u>4,284,244</u>	<u>(64,187)</u>	<u>101,376,527</u>
Total capital assets	<u>112,014,795</u>	<u>6,057,907</u>	<u>(1,166,921)</u>	<u>116,905,781</u>
Accumulated depreciation				
Land improvements	(11,920,573)	(874,483)	-	(12,795,056)
Buildings and improvements	(27,427,768)	(1,669,308)	-	(29,097,076)
Furniture and equipment	(4,114,268)	(370,773)	60,443	(4,424,598)
Total accumulated depreciation	<u>(43,462,609)</u>	<u>(2,914,564)</u>	<u>60,443</u>	<u>(46,316,730)</u>
Net depreciable capital assets	<u>53,693,861</u>	<u>1,369,680</u>	<u>(3,744)</u>	<u>55,059,797</u>
Right-to-use leased assets being amortized				
Furniture and equipment	260,147	188,980	(166,752)	282,375
Accumulated amortization				
Furniture and equipment	(183,515)	(55,563)	166,752	(72,326)
Net right-to-use leased assets	<u>76,632</u>	<u>133,417</u>	<u>-</u>	<u>210,049</u>
Governmental activities capital assets and right-to-use leased assets, net	<u>\$ 68,628,818</u>	<u>\$ 3,276,760</u>	<u>\$ (1,106,478)</u>	<u>\$ 70,799,100</u>

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

Governmental Activities	
Instruction	\$ 1,311,554
Supervision of instruction	116,583
Home-to-school transportation	699,495
Food services	233,165
Data processing	116,583
All other administration	113,854
Plant services	378,893
	<u>378,893</u>
Total depreciation and amortization expenses - governmental activities	<u>\$ 2,970,127</u>

**Note 6 - Interfund Transactions**

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

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2023, between the major fund and non-major governmental funds are as follows:

Funds	Due from Other Funds	Due to Other Funds
Major Governmental Fund		
General	\$ -	\$ 520,850
Non-Major Governmental Funds		
Charter Schools	20,773	-
Cafeteria	77	-
Special Reserve Fund for Capital Outlay Projects	500,000	-
	<u>500,000</u>	<u>-</u>
Total	<u>\$ 520,850</u>	<u>\$ 520,850</u>

The General Fund owes the Charter Schools Non-Major Governmental Fund for ESSER program.	\$ 20,773
The General Fund owes the Cafeteria Non-Major Governmental Fund for indirect costs.	77
The General Fund owes the Special Reserve for Capital Outlay Non-Major Governmental Fund for capital outlay projects.	<u>500,000</u>
Total	<u>\$ 520,850</u>

**Operating Transfers**

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2023, consist of the following:

The General Fund transferred to the Deferred Maintenance Non-Major Governmental Fund for future maintenance costs.	\$ 300,000
The General Fund transferred to the Special Reserve for Capital Outlay Non-Major Governmental Fund for capital outlay.	500,000
The General Fund transferred to the Special Reserve for Capital Outlay Non-Major Governmental Fund for the bus replacement program.	442,156
The Charter Schools Non-Major Governmental Fund transferred to the General Fund for District services.	41,996
The Special Reserve for Capital Outlay Non-Major Governmental Fund transferred to the General Fund for new school buses.	<u>150,790</u>
Total	<u><u>\$ 1,434,942</u></u>

**Note 7 - Prepaid Expenditures (Expenses)**

Prepaid expenditures (expenses) at June 30, 2023, consist of the following:

	<u>General Fund</u>
Subscriptions	\$ 60,100
Credit card	<u>2,838</u>
Total	<u><u>\$ 62,938</u></u>

**Note 8 - Accounts Payable**

Accounts payable at June 30, 2023, consists of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Funds
Vendor payables	\$ 1,207,174	\$ 446,330	\$ 1,653,504	\$ 110
LCFF apportionment	592,862	-	592,862	-
Salaries and benefits	334,470	15,940	350,410	-
Total	\$ 2,134,506	\$ 462,270	\$ 2,596,776	\$ 110

**Note 9 - Unearned Revenue**

Unearned revenue at June 30, 2023, consists of the following:

	General Fund
Federal financial assistance	\$ 1,251,020
State categorical aid	1,192,222
Total	\$ 2,443,242



**Note 10 - Long-Term Liabilities Other than OPEB and Pensions**

**Summary**

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

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
<b>Long-Term Liabilities</b>					
General obligation bonds	\$ 7,810,000	\$ -	\$ (980,000)	\$ 6,830,000	\$ 1,025,000
Unamortized debt premiums	731,333	-	(82,792)	648,541	-
Financed purchase agreement	-	486,160	(16,898)	469,262	52,704
Leases	79,359	188,980	(55,599)	212,740	49,492
Compensated absences	161,129	-	(14,873)	146,256	-
<b>Total</b>	<b>\$ 8,781,821</b>	<b>\$ 675,140</b>	<b>\$ (1,150,162)</b>	<b>\$ 8,306,799</b>	<b>\$ 1,127,196</b>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local tax revenues. The premiums are being amortized over the life of the related debt. The financed purchase agreement is paid by the General Fund. The leases are paid by the fund using the right-to-use asset. The compensated absences will be paid by the fund for which the employee worked.

**General Obligation Bonds**

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2022	Redeemed	Bonds Outstanding June 30, 2023
5/3/17	8/1/30	4.0-2.0%	\$ 11,555,000	<u>\$ 7,810,000</u>	<u>\$ (980,000)</u>	<u>\$ 6,830,000</u>

**Debt Service Requirements to Maturity**

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2024	\$ 1,025,000	\$ 265,700	\$ 1,290,700
2025	1,065,000	224,700	1,289,700
2026	1,110,000	182,100	1,292,100
2027	1,155,000	137,700	1,292,700
2028	1,200,000	91,500	1,291,500
2029-2031	1,275,000	72,000	1,347,000
Total	\$ 6,830,000	\$ 973,700	\$ 7,803,700

**Financed Purchase Agreement**

The District has entered into an agreement to finance the retrofit of LED lighting. Such an agreement is, in substance, a purchase and is reported as a financed purchase agreement. The District's liability on the agreement is summarized below:

Year Ending June 30,	Principal
2024	\$ 52,704
2025	52,710
2026	52,703
2027	52,683
2028	52,680
2029-2033	205,782
Total	\$ 469,262

**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, 2022	Addition	Payments	Leases Outstanding June 30, 2023
Copiers	\$ 64,877	\$ 188,980	\$ (52,191)	\$ 201,666
Postage machine	14,482	-	(3,408)	11,074
Total	\$ 79,359	\$ 188,980	\$ (55,599)	\$ 212,740

**Copiers**

The District entered into agreements to lease copiers for five years. Under the terms of the leases, the District paid total monthly payments of \$7,697, which amounted to total principal and interest costs of \$473,604. The annual interest rate charged on the leases range from 3.4% to 4.0%. At June 30, 2023, the District has recognized right-to-use assets of \$264,619 and lease liability of \$201,666 related to these agreements. During the fiscal year, the District recorded \$52,018 in amortization expense and \$4,931 in interest expense for the right-to-use the copiers. The District also pays per each additional copy in excess of the contracted amount, which are not included in the measurement of the lease liability as they are variable in nature.

**Postage Machine**

The District entered into an agreement to lease a postage machine for five years. Under the terms of the lease, the District binder paid monthly payments of \$327, which amounted to total principal and interest costs of \$19,622. The annual interest rate charged on the lease is 4.0%. At June 30, 2023, the District has recognized a right-to-use asset of \$17,756 and a lease liability of \$11,074 related to this agreement. During the fiscal year, the District recorded \$3,545 in amortization expense and \$518 in interest expense for the right-to-use the postage machine.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 49,492	\$ 6,671	\$ 56,163
2025	48,389	4,939	53,328
2026	49,535	3,211	52,746
2027	45,291	1,523	46,814
2029-2033	20,033	282	20,315
Total	<u>\$ 212,740</u>	<u>\$ 16,626</u>	<u>\$ 229,366</u>

**Compensated Absences**

Compensated absences (unpaid employee vacation) for the District at June 30, 2023, amounted to \$146,256.

**Note 11 - Other Postemployment Benefit (OPEB) Liability**

For the fiscal year ended June 30, 2023, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 9,085,964	\$ 1,100,482	\$ 2,145,953	\$ 783,258
Medicare Premium Payment (MPP) Program	226,817	-	-	(60,553)
Total	<u>\$ 9,312,781</u>	<u>\$ 1,100,482</u>	<u>\$ 2,145,953</u>	<u>\$ 722,705</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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Plan Membership**

At June 30, 2021, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	50
Active employees	<u>450</u>
Total	<u><u>500</u></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 Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

**Contributions**

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Oakdale Teachers Association (OTA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, OTA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2022, the District paid \$431,023 in benefits.

**Actuarial Assumption**

The total OPEB liability as of June 30, 2021, actuarial valuation, was determined by using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75%
Discount rate	3.54%
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 the 2017 CalPERS Active Mortality for Miscellaneous Employees Table for classified and miscellaneous employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

Retirement rates were based on the 2020 CalSTRS Retirement Rates for certificated employees, the 2017 CalPERS Retirement Rates for classified employees hired before 2013, and the 2017 CalPERS two percent at 62 Retirement Rates for classified employees hired after 2012 (adjusted to reflect minimum retirement age of 55.)

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance, June 30, 2021	\$ 9,601,628
Service cost	665,838
Interest	209,658
Differences between expected and actual experience	(25,317)
Changes of assumptions	(934,820)
Benefit payments	(431,023)
Net change in total OPEB liability	(515,664)
Balance, June 30, 2022	\$ 9,085,964

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total 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	Total OPEB Liability
1% decrease (2.54%)	\$ 9,787,091
Current discount rate (3.54%)	9,085,964
1% increase (4.54%)	8,618,002

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

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

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (3.0%)	\$ 8,107,674
Current healthcare cost trend rate (4.0%)	9,085,964
1% increase (5.0%)	10,195,369

Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions - The discount rate was changed from 2.16% to 3.54% since the previous measurement.

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$783,258. At June 30, 2023, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 402,622	\$ -
Differences between expected and actual experience	245	851,803
Changes of assumptions	<u>697,615</u>	<u>1,294,150</u>
Total	<u>\$ 1,100,482</u>	<u>\$ 2,145,953</u>

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

The deferred outflows of resources and deferred inflows of resources related to differences between expected and actual experience 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 remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 76,209	\$ 196,603
2025	76,209	196,603
2026	76,209	196,603
2027	76,209	196,603
2028	76,209	196,603
Thereafter	<u>316,570</u>	<u>1,162,938</u>
Total	<u>\$ 697,615</u>	<u>\$ 2,145,953</u>

**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, 2021, 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, 2023, the District reported a liability of \$226,817 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability 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, 2021. 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, 2022 and June 30, 2021, respectively, was 0.0689% and 0.0720%, resulting in a net decrease in the proportionate share of 0.0031%.

For the year ended June 30, 2023, the District recognized OPEB expense of \$(60,553).



### Actuarial Methods and Assumptions

The June 30, 2022 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total OPEB liability to June 30, 2022, using the assumptions listed in the following table:

Measurement Date	June 30, 2022	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2020
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.54%	2.16%
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, 2021, 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 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 209 or an average of 0.14% of the potentially eligible population (145,282).

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, 2022, 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, 2022, is 3.54%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.54%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 1.38% from 2.16% as of June 30, 2021.

**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:

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.54%)	\$ 247,274
Current discount rate (3.54%)	226,817
1% increase (4.54%)	209,104

**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 current 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:

<u>Medicare Costs Trend Rates</u>	<u>Net OPEB Liability</u>
1% decrease (3.50% Part A and 4.40% Part B)	\$ 208,113
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	226,817
1% increase (5.50% Part A and 6.40% Part B)	248,019

**Note 12 - Fund Balances**

Fund balances are composed of the following elements:

	General Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>			
Revolving cash	\$ 10,000	\$ -	\$ 10,000
Stores inventories	14,457	179,845	194,302
Prepaid expenditures	62,938	-	62,938
Total nonspendable	<u>87,395</u>	<u>179,845</u>	<u>267,240</u>
<b>Restricted</b>			
Legally restricted programs	10,346,445	848,593	11,195,038
Student activities	-	305,599	305,599
Food service	-	1,429,953	1,429,953
Capital projects	-	1,668,703	1,668,703
Debt service	-	1,207,018	1,207,018
Total restricted	<u>10,346,445</u>	<u>5,459,866</u>	<u>15,806,311</u>
<b>Committed</b>			
Deferred maintenance program	-	877,577	877,577
Stabilization	7,002,610	-	7,002,610
Textbook and technology	1,224,733	-	1,224,733
Lottery	1,314,323	-	1,314,323
BP 3100 - District minimum reserve	1,573,000	-	1,573,000
Special education contingency	300,000	-	300,000
Total committed	<u>11,414,666</u>	<u>877,577</u>	<u>12,292,243</u>
<b>Assigned</b>			
Retiree health benefits	3,661,346	-	3,661,346
Capital projects	-	2,051,801	2,051,801
Total assigned	<u>3,661,346</u>	<u>2,051,801</u>	<u>5,713,147</u>
<b>Unassigned</b>			
Reserve for economic uncertainties	2,359,000	-	2,359,000
Remaining unassigned	4,917,261	-	4,917,261
Total unassigned	<u>7,276,261</u>	<u>-</u>	<u>7,276,261</u>
Total	<u>\$ 32,786,113</u>	<u>\$ 8,569,089</u>	<u>\$ 41,355,202</u>

**Note 13 - Risk Management****Property and Liability**

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2023, the District contracted with Central Region School Insurance Group (CRSIG) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Workers' Compensation**

For fiscal year 2023, the District participated in the Central Region School Insurance Group (CRSIG), an insurance purchasing pool. The intent of CRSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in CRSIG. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in CRSIG. Each participant pays its workers' compensation premium based on its individual rate.

**Employee Medical Benefits**

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

**Note 14 - 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, 2023, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 31,879,647	\$ 9,300,321	\$ 5,747,297	\$ 2,578,895
CalPERS	19,678,221	6,883,020	592,460	2,460,930
Total	<u>\$ 51,557,868</u>	<u>\$ 16,183,341</u>	<u>\$ 6,339,757</u>	<u>\$ 5,039,825</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, 2021, 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, 2023, are summarized as follows:

	<u>STRP Defined Benefit Program</u>	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	19.10%	19.10%
Required employer contribution rate	10.828%	10.828%
Required state contribution rate		

### Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the District's total contributions were \$5,923,291.

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

At June 30, 2023, 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	\$ 31,879,647
State's proportionate share of the net pension liability	<u>15,965,202</u>
Total	<u>\$ 47,844,849</u>

The net pension liability was measured as of June 30, 2022. 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, 2022 and June 30, 2021, respectively, was 0.0459% and 0.0479%, resulting in a net decrease in the proportionate share of 0.0020%.

Oakdale Joint Unified School District

Notes to Financial Statements

June 30, 2023

For the year ended June 30, 2023, the District recognized pension expense of \$2,578,895. In addition, the District recognized pension expense and revenue of \$1,287,583 for support provided by the State. At June 30, 2023, 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	\$ 5,923,291	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,769,880	1,798,013
Differences between projected and actual earnings on pension plan investments	-	1,558,976
Differences between expected and actual experience in the measurement of the total pension liability	26,151	2,390,308
Changes of assumptions	<u>1,580,999</u>	<u>-</u>
Total	<u>\$ 9,300,321</u>	<u>\$ 5,747,297</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 of resources and deferred 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>
2024	\$ (1,145,184)
2025	(1,240,613)
2026	(1,863,653)
2027	<u>2,690,474</u>
Total	<u>\$ (1,558,976)</u>

The deferred outflows of resources and deferred 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
2024	\$ 832,414
2025	(351,718)
2026	(347,641)
2027	(222,994)
2028	(339,415)
Thereafter	(381,937)
Total	<u>\$ (811,291)</u>

#### Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015 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, 2022, are summarized in the following table:

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

**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:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.10%)	\$ 54,143,464
Current discount rate (7.10%)	31,879,647
1% increase (8.10%)	13,393,985

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

**Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:  
<https://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

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

The CalPERS provisions and benefits in effect at June 30, 2023, 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%	8.00%
Required employer contribution rate	25.370%	25.370%

## 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, 2023, are presented above and the total District contributions were \$2,623,891.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$19,678,221. The net pension liability was measured as of June 30, 2022. 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, 2022 and June 30, 2021, respectively, was 0.0572% and 0.0557%, resulting in a net increase in the proportionate share of 0.0015%.

For the year ended June 30, 2023, the District recognized pension expense of \$2,460,930. At June 30, 2023, 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	\$ 2,623,891	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	391,048	102,841
Differences between projected and actual earnings on pension plan investments	2,323,463	-
Differences between expected and actual experience in the measurement of the total pension liability	88,934	489,619
Changes of assumptions	1,455,684	-
	<u>\$ 6,883,020</u>	<u>\$ 592,460</u>
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 of resources and deferred 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
2024	\$ 387,480
2025	343,668
2026	175,550
2027	1,416,765
Total	<u>\$ 2,323,463</u>

The deferred outflows of resources and deferred 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 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 461,892
2025	459,505
2026	424,397
2027	(2,588)
Total	<u>\$ 1,343,206</u>

### Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. 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 - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	(5%)	(0.59%)

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on 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 expected rate of return on the School Employer Pool investments 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 (5.90%)	\$ 28,426,187
Current discount rate (6.90%)	19,678,221
1% increase (7.90%)	12,448,349

**Social Security**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security. Contributions made by the District and an employee vest immediately. The District contributes 6.2% of an employee's gross earnings. An employee is required to contribute 6.2% of his or her gross earnings to Social Security.

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,560,734 (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. On behalf payments have been included in the calculation of available reserves and in the budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule*.

**Note 15 - 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, 2023.

**Litigation**

The District is not currently a party to any legal proceedings.

**Note 16 - Participation in Public Entity Risk Pools and Joint Powers Authorities**

The District is a member of the Central Region School Insurance Group (CRSIG) joint powers authority and the California's Valued Trust (CVT). The District pays annual premiums to these entities for its vision, dental, health, workers' compensation, and property and liability coverage. The relationships between the District and the entities are such that the entities are not component units of the District for financial reporting purposes.

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

The District has appointed one member to the governing board of CRSIG.

During the year ended June 30, 2023, the District made payments of \$1,247,011 to CRSIG for workers' compensation, and property and liability coverage. At June 30, 2023, the District has recorded no accounts receivable or accounts payable due from/to CRSIG.

The District has no members appointed to the governing board of CVT.

During the year ended June 30, 2023, the District made payments of \$2,648,215 to CVT for employee health benefits. At June 30, 2023, the District has recorded no accounts receivable or accounts payable due from/to CVT.





Oakdale Joint Unified School District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
<b>Revenues</b>				
Local Control Funding Formula	\$ 51,894,144	\$ 58,758,127	\$ 58,844,316	\$ 86,189
Federal sources	2,327,743	5,371,684	4,904,368	(467,316)
Other State sources	5,457,541	8,923,635	15,669,351	6,745,716
Other local sources	4,658,508	5,606,344	7,051,011	1,444,667
Total revenues <sup>1</sup>	<u>64,337,936</u>	<u>78,659,790</u>	<u>86,469,046</u>	<u>7,809,256</u>
<b>Expenditures</b>				
<b>Current</b>				
Certificated salaries	27,832,698	31,554,074	31,224,810	329,264
Classified salaries	9,499,191	10,726,824	10,726,216	608
Employee benefits	16,157,060	17,086,908	16,790,750	296,158
Books and supplies	3,056,710	4,834,174	3,292,458	1,541,716
Services and operating expenditures	8,949,060	11,119,511	11,054,616	64,895
Other outgo	1,661,808	1,315,759	1,231,356	84,403
Capital outlay	307,620	3,430,977	3,239,457	191,520
Total expenditures <sup>1</sup>	<u>67,464,147</u>	<u>80,068,227</u>	<u>77,559,663</u>	<u>2,508,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,126,211)</u>	<u>(1,408,437)</u>	<u>8,909,383</u>	<u>10,317,820</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	568,453	727,173	192,786	(534,387)
Proceeds from leases	-	-	188,980	188,980
Proceeds from financed purchase agreement	-	-	486,160	486,160
Transfers out	<u>(300,000)</u>	<u>(400,000)</u>	<u>(1,242,156)</u>	<u>(842,156)</u>
Net financing sources (uses)	<u>268,453</u>	<u>327,173</u>	<u>(374,230)</u>	<u>(701,403)</u>
Net Change in Fund Balances	(2,857,758)	(1,081,264)	8,535,153	9,616,417
Fund Balance - Beginning	<u>24,250,960</u>	<u>24,250,960</u>	<u>24,250,960</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 21,393,202</u>	<u>\$ 23,169,696</u>	<u>\$ 32,786,113</u>	<u>\$ 9,616,417</u>

<sup>1</sup> Due to the consolidation of Fund 17, Special Reserve Fund for Other than Capital Outlay Projects, and Fund 20, Special Reserve Fund for Postemployment Benefits for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however are not included in the original and final General Fund budgets.

Oakdale Joint Unified School District  
Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability			
Service cost	\$ 665,838	\$ 973,804	\$ 766,775
Interest	209,658	231,417	309,262
Difference between expected and actual experience	(25,317)	(829,122)	(142,931)
Changes of assumptions	(934,820)	(389,366)	800,664
Benefit payments	<u>(431,023)</u>	<u>(417,159)</u>	<u>(451,689)</u>
Net change in total OPEB liability	(515,664)	(430,426)	1,282,081
Total OPEB Liability - Beginning	<u>9,601,628</u>	<u>10,032,054</u>	<u>8,749,973</u>
Total OPEB Liability - Ending	<u><u>\$ 9,085,964</u></u>	<u><u>\$ 9,601,628</u></u>	<u><u>\$ 10,032,054</u></u>
Covered Payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020

<sup>1</sup> The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

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

Oakdale Joint Unified School District  
Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2023

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 726,937	\$ 707,481	\$ 688,546
Interest	310,228	294,906	253,646
Difference between expected and actual experience	(14,872)	-	-
Changes of assumptions	136,692	(171,334)	-
Benefit payments	<u>(418,875)</u>	<u>(456,244)</u>	<u>(438,696)</u>
Net change in total OPEB liability	740,110	374,809	503,496
Total OPEB Liability - Beginning	<u>8,009,863</u>	<u>7,635,054</u>	<u>7,131,558</u>
Total OPEB Liability - Ending	<u><u>\$ 8,749,973</u></u>	<u><u>\$ 8,009,863</u></u>	<u><u>\$ 7,635,054</u></u>
Covered Payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

<sup>1</sup> The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

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

Oakdale Joint Unified School District  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2023

Year ended June 30,	2023	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.0689%	0.0720%	0.0781%	0.0788%	0.0795%	0.0802%
Proportionate share of the net OPEB liability	\$ 226,817	\$ 287,370	\$ 333,939	\$ 290,777	\$ 304,474	\$ 337,375
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	(0.94%)	(0.80%)	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Oakdale Joint Unified School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>CalSTRS</b>					
Proportion of the net pension liability	0.0459%	0.0479%	0.0452%	0.0441%	0.0443%
Proportionate share of the net pension liability	\$ 31,879,647	\$ 21,812,175	\$ 43,825,174	\$ 39,864,600	\$ 40,730,838
State's proportionate share of the net pension liability	15,965,202	10,975,041	22,591,882	21,748,800	23,320,310
Total	<u>\$ 47,844,849</u>	<u>\$ 32,787,216</u>	<u>\$ 66,417,056</u>	<u>\$ 61,613,400</u>	<u>\$ 64,051,148</u>
Covered payroll	<u>\$ 28,443,729</u>	<u>\$ 27,156,359</u>	<u>\$ 25,103,234</u>	<u>\$ 24,467,783</u>	<u>\$ 24,014,012</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>112.08%</u>	<u>80.32%</u>	<u>174.58%</u>	<u>162.93%</u>	<u>169.61%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81%</u>	<u>87%</u>	<u>72%</u>	<u>73%</u>	<u>71%</u>
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>CalPERS</b>					
Proportion of the net pension liability	0.0572%	0.0557%	0.0559%	0.0553%	0.0570%
Proportionate share of the net pension liability	<u>\$ 19,678,221</u>	<u>\$ 11,330,604</u>	<u>\$ 17,157,973</u>	<u>\$ 16,109,049</u>	<u>\$ 15,201,576</u>
Covered payroll	<u>\$ 9,255,779</u>	<u>\$ 8,149,179</u>	<u>\$ 8,061,361</u>	<u>\$ 7,451,224</u>	<u>\$ 7,527,725</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>212.60%</u>	<u>139.04%</u>	<u>212.84%</u>	<u>216.19%</u>	<u>201.94%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>81%</u>	<u>70%</u>	<u>70%</u>	<u>71%</u>
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.

Oakdale Joint Unified School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2023

	2018	2017	2016	2015
<b>CalSTRS</b>				
Proportion of the net pension liability	0.0443%	0.0457%	0.0463%	0.0467%
Proportionate share of the net pension liability	\$ 40,963,715	\$ 36,961,317	\$ 31,199,553	\$ 27,297,799
State's proportionate share of the net pension liability	24,233,787	21,041,419	16,501,124	16,483,590
Total	<u>\$ 65,197,502</u>	<u>\$ 58,002,736</u>	<u>\$ 47,700,677</u>	<u>\$ 43,781,389</u>
Covered payroll	<u>\$ 23,621,224</u>	<u>\$ 22,982,507</u>	<u>\$ 22,008,671</u>	<u>\$ 20,768,933</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>173.42%</u>	<u>160.82%</u>	<u>141.76%</u>	<u>131.44%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>69%</u>	<u>70%</u>	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>CalPERS</b>				
Proportion of the net pension liability	0.0575%	0.0588%	0.0607%	0.0614%
Proportionate share of the net pension liability	<u>\$ 13,723,890</u>	<u>\$ 11,605,259</u>	<u>\$ 8,945,959</u>	<u>\$ 6,966,033</u>
Covered payroll	<u>\$ 7,331,063</u>	<u>\$ 7,057,939</u>	<u>\$ 6,750,854</u>	<u>\$ 6,452,246</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>187.20%</u>	<u>164.43%</u>	<u>132.52%</u>	<u>107.96%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>74%</u>	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

Oakdale Joint Unified School District  
Schedule of the District's Contributions  
Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>CalSTRS</b>					
Contractually required contribution	\$ 5,923,291	\$ 4,812,679	\$ 4,385,752	\$ 4,292,653	\$ 3,983,355
Less contributions in relation to the contractually required contribution	<u>5,923,291</u>	<u>4,812,679</u>	<u>4,385,752</u>	<u>4,292,653</u>	<u>3,983,355</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 31,011,995</u>	<u>\$ 28,443,729</u>	<u>\$ 27,156,359</u>	<u>\$ 25,103,234</u>	<u>\$ 24,467,783</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>
<b>CalPERS</b>					
Contractually required contribution	\$ 2,623,891	\$ 2,120,499	\$ 1,686,880	\$ 1,589,781	\$ 1,345,840
Less contributions in relation to the contractually required contribution	<u>2,623,891</u>	<u>2,120,499</u>	<u>1,686,880</u>	<u>1,589,781</u>	<u>1,345,840</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 10,342,495</u>	<u>\$ 9,255,779</u>	<u>\$ 8,149,179</u>	<u>\$ 8,061,361</u>	<u>\$ 7,451,224</u>
Contributions as a percentage of covered payroll	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>

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

Oakdale Joint Unified School District  
Schedule of the District's Contributions  
Year Ended June 30, 2023

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>CalSTRS</b>				
Contractually required contribution	\$ 3,465,222	\$ 2,971,550	\$ 2,466,023	\$ 1,954,370
Less contributions in relation to the contractually required contribution	<u>3,465,222</u>	<u>2,971,550</u>	<u>2,466,023</u>	<u>1,954,370</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 24,014,012</u>	<u>\$ 23,621,224</u>	<u>\$ 22,982,507</u>	<u>\$ 22,008,671</u>
Contributions as a percentage of covered payroll	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
<b>CalPERS</b>				
Contractually required contribution	\$ 1,169,131	\$ 1,018,138	\$ 836,154	\$ 794,643
Less contributions in relation to the contractually required contribution	<u>1,169,131</u>	<u>1,018,138</u>	<u>836,154</u>	<u>794,643</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 7,527,725</u>	<u>\$ 7,331,063</u>	<u>\$ 7,057,939</u>	<u>\$ 6,750,854</u>
Contributions as a percentage of covered payroll	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

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



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

### **Budgetary Comparison 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 Total OPEB Liability and Related Ratios**

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. 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 discount rate assumption was changed from 2.16% to 3.54% since the previous measurement.

### **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 plan's 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 2.16% to 3.54% 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 the CalSTRS plan from the previous valuations. The CalPERS plan rate of investment return assumption was changed from 7.15% to 6.90% since the previous valuation.

### **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.



Oakdale Joint Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Communications Commission Emergency Connectivity Fund	32.009	N/A	\$ 22,074
U.S. Department of Education Passed Through California Department of Education (CDE)			
COVID-19, Special Education ARP Local Assistance	84.027	15638	130,231
Special Education Grants to States - Basic Local Assistance	84.027	13379	1,088,828
Special Education Grants to States - Basic Local Assistance, Private School	84.027	10115	4,420
Total Special Education Cluster			<u>1,223,479</u>
COVID-19, Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	239,379
COVID-19, Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	1,443,082
COVID-19, Elementary and Secondary School Emergency Relief III (ESSER III) Fund Learning Loss	84.425U	10155	97,478
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	84.425D	15618	506,759
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs	84.425U	15620	21,385
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425U	15621	3,067
COVID-19, American Rescue Plan - Homeless Children and Youth II	84.425W	15566	11,330
Subtotal - COVID-19 programs, FFAL# 84.425			<u>2,322,480</u>
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	810,109
ESEA: ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	233,888
Subtotal - Title I programs, FFAL# 84.010			<u>1,043,997</u>

Oakdale Joint Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
ESEA (ESSA): Title II, Part A	84.367	14341	167,784
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	32,942
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	60,996
Strengthening Career and Technical Education for the 21st Century	84.048	14894	45,106
Total U.S. Department of Education			<u>4,896,784</u>
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	933,854
National School Lunch Program - Meal Supplements	10.555	13755	30,362
National School Lunch Program - Commodity Supplemental Food	10.555	13391	129,591
Subtotal - National School Lunch Programs, FFAL# 10.555			<u>1,093,807</u>
School Breakfast Program - National School Breakfast	10.553	13525	11,226
School Needy Breakfast Program - National School Breakfast	10.553	13526	249,136
Subtotal - National School Lunch Programs, FFAL# 10.553			<u>260,362</u>
National School Lunch Program - Summer Food Program	10.559	13004	24,538
Total Child Nutrition Cluster			<u>1,378,707</u>
Total U.S. Department of Agriculture			<u>1,378,707</u>
Total Federal Financial Assistance			<u>\$ 6,297,565</u>

**Organization**

The Oakdale Joint Unified School District was established in 1998 and consists of an area comprising approximately 336 square miles. The District operates one comprehensive high school, one junior high school, four elementary schools, an independent study high school, a charter school, and one continuation high school. There were no school boundary changes during the year.

**Governing Board**

Member	Office	Term Expires
Tina Shatswell	President	2024
Clayton Schemper	Clerk	2026
Bill Duvall	Member	2026
Diane Gilbert	Member	2026
Terri Taylor	Member	2024

**Administration**

Dave Kline, Ed.D.	Superintendent
Gillian Wegener, Ed.D.	Assistant Superintendent, Curriculum and Instruction
Kassandra Booth	Chief Business Officer
Craig Redman	Assistant Superintendent, Human Resources
Larry Mendonca	Deputy Superintendent, Pupil Services and Facilities

Oakdale Joint Unified School District  
 Schedule of Average Daily Attendance  
 Year Ended June 30, 2023

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	Second Period Report	Annual Report
Oakdale Joint Unified School District		
Regular ADA		
Transitional kindergarten through third	1,409.39	1,411.71
Fourth through sixth	1,016.66	1,019.48
Seventh and eighth	703.14	701.80
Ninth through twelfth	1,643.53	1,635.31
Total ADA	4,772.72	4,768.30
Oakdale Charter School		
Regular ADA, all Non-Classroom Based		
Seventh and eighth	7.44	8.02
Ninth through twelfth	50.42	51.16
Total charter school ADA	57.86	59.18

Oakdale Joint Unified School District

Schedule of Instructional Time

Year Ended June 30, 2023

<u>Grade Level</u>	<u>1986-1987 Minutes Requirement</u>	<u>2022-2023 Actual Minutes</u>	<u>Number of Actual Days</u>	<u>Status</u>
Kindergarten	36,000	36,900	180	Complied
Grades 1 - 3	50,400			
Grade 1		50,833	180	Complied
Grade 2		50,833	180	Complied
Grade 3		50,833	180	Complied
Grades 4 - 8	54,000			
Grade 4		54,093	180	Complied
Grade 5		54,093	180	Complied
Grade 6		54,093	180	Complied
Grade 7		57,750	180	Complied
Grade 8		57,750	180	Complied
Grades 9 - 12	64,800			
Grade 9		67,905	180	Complied
Grade 10		67,905	180	Complied
Grade 11		67,905	180	Complied
Grade 12		67,905	180	Complied



Oakdale Joint Unified School District  
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
Year Ended June 30, 2023

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2023.

Oakdale Joint Unified School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2023

	(Budget) 2024 <sup>1</sup>	2023	2022 <sup>1</sup>	2021 <sup>1</sup>
General Fund <sup>3</sup>				
Revenues	\$ 77,090,215	\$ 86,835,617	\$ 72,039,669	\$ 67,978,255
Other sources	217,140	374,178	270,114	578,068
<b>Total Revenues and Other Sources</b>	<b>77,307,355</b>	<b>87,209,795</b>	<b>72,309,783</b>	<b>68,556,323</b>
Expenditures	74,804,058	77,370,683	71,087,188	62,884,151
Other uses	400,000	1,242,156	300,000	1,300,000
<b>Total Expenditures and Other Uses</b>	<b>75,204,058</b>	<b>78,612,839</b>	<b>71,387,188</b>	<b>64,184,151</b>
Increase in Fund Balance	2,103,297	8,596,956	922,595	4,372,172
Ending Fund Balance	\$ 30,003,328	\$ 27,900,031	\$ 19,303,075	\$ 18,380,480
Available Reserves <sup>2</sup>	\$ 6,673,874	\$ 7,276,261	\$ 7,127,549	\$ 14,181,106
Available Reserves as a Percentage of Total Outgo	8.87%	9.26%	9.98%	22.09%
Long-Term Liabilities <sup>5</sup>	Not Available	\$ 69,136,574	\$ 51,580,869	\$ 80,726,628
Average Daily Attendance at P-2 <sup>4</sup>	4,745	4,773	4,745	5,102

The General Fund balance has increased by \$9,519,551 over the past two years. The fiscal year 2023-2024 budget projects a further increase of \$2,103,297 (7.54%). For a district this size, the State recommends available reserves of at least 3.0% of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating surplus during the 2023-2024 fiscal year. Total long-term liabilities have decreased by \$11,590,054 over the past two years.

Average daily attendance has decreased by 329 over the past two years. A decrease of 28 in ADA is anticipated during fiscal year 2023-2024.

<sup>1</sup> Financial information for 2024, 2022, and 2021 is included for analytical purposes only and has not been subjected to audit.

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

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

<sup>4</sup> Excludes charter school average daily attendance.

<sup>5</sup> Long-term liabilities balance was restated as of June 30, 2021, due to the implementation of GASB Statement No. 87.

Oakdale Joint Unified School District  
Schedule of Charter Schools  
Year Ended June 30, 2023

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<u>Name of Charter School</u>	<u>Charter Number</u>	<u>Included in Audit Report</u>
Oakdale Charter	0103	Yes

Oakdale Joint Unified School District  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2023

	Student Activities Fund	Charter Schools Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
<b>Assets</b>									
Deposits and investments	\$ 305,599	\$ 824,406	\$ 1,195,440	\$ 1,014,417	\$ 36,238	\$ 1,651,449	\$ 1,764,052	\$ 1,207,018	\$ 7,998,619
Receivables	-	11,081	320,964	-	-	-	-	-	332,045
Due from other funds	-	20,773	77	-	-	-	500,000	-	520,850
Stores inventories	-	-	179,845	-	-	-	-	-	179,845
<b>Total assets</b>	<b>\$ 305,599</b>	<b>\$ 856,260</b>	<b>\$ 1,696,326</b>	<b>\$ 1,014,417</b>	<b>\$ 36,238</b>	<b>\$ 1,651,449</b>	<b>\$ 2,264,052</b>	<b>\$ 1,207,018</b>	<b>\$ 9,031,359</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ 7,667	\$ 86,528	\$ 136,840	\$ -	\$ 18,984	\$ 212,251	\$ -	\$ 462,270
<b>Fund Balances</b>									
Nonspendable	-	-	179,845	-	-	-	-	-	179,845
Restricted	305,599	848,593	1,429,953	-	36,238	1,632,465	-	1,207,018	5,459,866
Committed	-	-	-	877,577	-	-	-	-	877,577
Assigned	-	-	-	-	-	-	2,051,801	-	2,051,801
<b>Total fund balances</b>	<b>305,599</b>	<b>848,593</b>	<b>1,609,798</b>	<b>877,577</b>	<b>36,238</b>	<b>1,632,465</b>	<b>2,051,801</b>	<b>1,207,018</b>	<b>8,569,089</b>
<b>Total liabilities and fund balances</b>	<b>\$ 305,599</b>	<b>\$ 856,260</b>	<b>\$ 1,696,326</b>	<b>\$ 1,014,417</b>	<b>\$ 36,238</b>	<b>\$ 1,651,449</b>	<b>\$ 2,264,052</b>	<b>\$ 1,207,018</b>	<b>\$ 9,031,359</b>

Oakdale Joint Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2023

	Student Activities Fund	Charter Schools Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
<b>Revenues</b>									
Local Control Funding Formula	\$ -	\$ 681,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 681,074
Federal sources	-	14,490	1,378,707	-	-	-	-	164	1,393,361
Other State sources	-	114,795	2,187,407	-	-	-	-	8,892	2,311,094
Other local sources	1,186,051	22,716	(18,344)	38,178	932	538,224	333,547	1,293,454	3,394,758
<b>Total revenues</b>	<b>1,186,051</b>	<b>833,075</b>	<b>3,547,770</b>	<b>38,178</b>	<b>932</b>	<b>538,224</b>	<b>333,547</b>	<b>1,302,510</b>	<b>7,780,287</b>
<b>Expenditures</b>									
<b>Current</b>									
Instruction	-	514,998	-	-	-	-	-	-	514,998
Instruction-related activities									
Instructional library, media, and technology	-	6,013	-	-	-	-	-	-	6,013
School site administration	-	178,728	-	-	-	-	-	-	178,728
Pupil services									
Food services	-	-	2,422,190	-	-	-	-	-	2,422,190
Administration									
All other administration	-	-	64,818	-	-	18,951	-	-	83,769
Plant services	-	1,508	70,818	-	-	-	20,883	-	93,209
Ancillary services	1,204,546	-	-	-	-	-	-	-	1,204,546
Facility acquisition and construction	-	-	-	783,270	-	24,660	508,358	-	1,316,288
Debt service									
Principal	-	-	-	-	-	-	-	980,000	980,000
Interest and other	-	-	-	-	3,725	-	-	286,400	290,125
<b>Total expenditures</b>	<b>1,204,546</b>	<b>701,247</b>	<b>2,557,826</b>	<b>783,270</b>	<b>3,725</b>	<b>43,611</b>	<b>529,241</b>	<b>1,266,400</b>	<b>7,089,866</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(18,495)</b>	<b>131,828</b>	<b>989,944</b>	<b>(745,092)</b>	<b>(2,793)</b>	<b>494,613</b>	<b>(195,694)</b>	<b>36,110</b>	<b>690,421</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	300,000	-	-	942,156	-	1,242,156
Transfers out	-	(41,996)	-	-	-	-	(150,790)	-	(192,786)

Oakdale Joint Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2023

	Student Activities Fund	Charter Schools Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Net Financing Sources (Uses)	-	(41,996)	-	300,000	-	-	791,366	-	1,049,370
Net Change in Fund Balances	(18,495)	89,832	989,944	(445,092)	(2,793)	494,613	595,672	36,110	1,739,791
Fund Balance - Beginning	324,094	758,761	619,854	1,322,669	39,031	1,137,852	1,456,129	1,170,908	6,829,298
Fund Balance - Ending	\$ 305,599	\$ 848,593	\$ 1,609,798	\$ 877,577	\$ 36,238	\$ 1,632,465	\$ 2,051,801	\$ 1,207,018	\$ 8,569,089

**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 Oakdale Joint Unified School District (the District) under programs of the federal government for the year ended June 30, 2023. 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 Oakdale Joint Unified School District, it is not intended to and does not present the net position, changes in net position or fund balances of Oakdale Joint Unified School 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. For the fiscal year ending June 30, 2023, the District expanded food commodities totaling \$129,591.

SEFA Reconciliation

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amount consists of FHA In Lieu of Tax Apportionment funds that have been recorded in the current period as revenues but have not been expended as of June 30, 2023. These unspent balances are reported as legally restricted ending balances within the Bond Interest and Redemption Fund.

	<u>Federal Financial Assistance Listing Number</u>	<u>Amount</u>
Description		
Total Federal Revenues reported on the financial statements		\$ 6,297,729
FHA In Lieu Tax Apportionment	N/A	<u>(164)</u>
Total Federal Financial Assistance		<u>\$ 6,297,565</u>

### **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 - Combining Balance Sheet and Combining 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.







## **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*.

### **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Fresno, California  
December 11, 2023



### ***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.

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

Fresno, California  
December 11, 2023



**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 *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a 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 the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 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 consider 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 *2022-2023 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 controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

2022-2023 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes



2022-2023 K-12 Audit Guide Procedures	Procedures Performed
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	No (see below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No (see below)
Comprehensive School Safety Plan	Yes
District of Choice	No (see below)
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes
<b>School Districts, County Offices of Education, and Charter Schools</b>	
California Clean Energy Jobs Act	No (see below)
After/Before School Education and Safety Program	Yes
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
Transitional Kindergarten	Yes
<b>Charter Schools</b>	
Attendance	Yes
Mode of Instruction	No (see below)
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes - Classroom Based	No (see below)
Charter School Facility Grant Program	No (see below)

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.

We did not perform Juvenile Court Schools procedures because the program is not offered by the District.

We did not perform Middle or Early College High Schools procedures because the program is not offered by the District.

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

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

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

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

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

We did not perform procedures for the Charter Schools Mode of Instruction nor Annual Instruction Minutes Classroom-Based because the District's charter school is entirely nonclassroom-based.

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

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 identify 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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from 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 *2022-2023 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.

Fresno, California  
December 11, 2023



**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	Federal Financial Assistance Listing Number
Special Education Cluster	84.027
COVID-19, Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D
COVID-19, Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U
COVID-19, Elementary and Secondary School Emergency Relief III (ESSER III) Fund Learning Loss	84.425U
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	84.425D
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs	84.425U
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425U
COVID-19, American Rescue Plan - Homeless Children and Youth II	84.425W
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

**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.

### State Compliance Findings

#### 2022-001      10000 - Kindergarten Continuance

##### Criteria or Specific Requirements

The District must comply with California *Education Code* Section 46300 (g) which states the following:

“In computing the average daily attendance of a school district, there shall be included the attendance of pupils in kindergarten after they have completed one school year in kindergarten only if the school district has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the State Department of Education and signed by the pupil's parent or guardian, that the pupil may continue in kindergarten for not more than an additional year.”

##### Condition

During our audit of the kindergarten retention forms, we noted that four out of the five forms utilized by the District are not the California Department of Education (CDE) approved form.

##### Questioned Costs

There is no questioned cost that will be realized with this condition as the District is being funded on their prior year average daily attendance. Had this not been the case, the condition would have resulted in a loss of 3.48 ADA and a loss in State Apportionment revenue of \$31,094.

##### Effect

The District is out of compliance with California *Education Code* Section 46300 (g).

##### Cause

Due to COVID-19, the use of the CDE approved form was overlooked. Although, this was discovered during in the 2020-21 audit, the discovery did not occur prior to the students' anniversary date for the 2021-2022 school year. Thus, resulting in the CDE approved form not being used.

##### Repeat Finding

Yes

**Recommendation**

The District should implement procedures which ensure that all sites understand the importance of completing the “Kindergarten Continuance” form when a Kindergarten student is retained for another year. Also, proper completion of the form should be ensured, and it should be kept on file at the school site.

**Current Status**

Implemented.

**2022-002      40000**

***Unduplicated Local Control Funding Formula Pupil Counts***

**Criteria or Specific Requirements**

With the Local Control Funding Formula, school districts receive supplemental funding known as the Supplement Grant and Concentration Grant. The amount of funding received is generated by the number of students who are either English Learners (EL) or participants in the Free/Reduced meal program in accordance with *Educational Code* Sections 2574(b)(3)(C), 42238.02(b)(3)(b), and 41020.

**Condition**

During the audit of the unduplicated local control funding formula pupil count, there were three pupils incorrectly reported as free/reduced on the CalPADS report.

**Questioned Costs**

There is an estimated questioned cost associated with this finding. The estimated questioned cost for the District is a reduction in revenue of \$11,210. The estimated questioned cost was calculated using the California Department of Education provided “Audit Finding Calculator for Fiscal Year 2019-2020, and Each Year Thereafter.”

**Effect**

An error rate percentage of 20% was derived from the total of three pupils incorrectly classified as free/reduced out of the 15 pupils tested. We applied the error rate percentage to the 101 total population of pupils that were reported as participating in the Free/Reduced meal program and were not direct certified, not foster/homeless, not migrant, and not designated as ELs. The below table summarizes the effect of the error on the unduplicated pupil percentage.

**Oakdale Joint Union School District**

Certified total enrollment	15,887
Certified total unduplicated pupil count	6,905
Unduplicated pupil count adjustment based on eligibility for FRPM	(20)
Adjusted total enrollment	15,887
Adjusted total unduplicated pupil count	6,885
Revised unduplicated pupil percentage	0.4334

**Cause**

The District was unable to locate the three household income verification forms supporting the students free/reduced classification. Previously the district had utilized a mixed method approach in regards to LCFF Application management. This used a hard copy paper application as well as a digital application that was available online. Parents were accustomed to using solely the hard copy application, which caused very little online participation. With hard copy applications precise storage methods are required to keep this application safe and secure. Unfortunately, the nutrition services department had undergone numerous changes, including new administrative and support personnel, adjustments to storage locations, and application processing which could have led to the three applications being misplaced.

**Repeat Finding**

No

**Recommendation**

The District should have procedures in place to ensure all students participating in the free/reduced meal program have a household income verification form or other supporting documentation available.

**Current Status**

Implemented.