



Financial Statements  
June 30, 2023

# Oxnard Union High School District



**OXNARD UNION**  
**HIGH SCHOOL DISTRICT**

*Building Powerful Futures for Every Student*

- Independent Auditor’s Report ..... 1
- Management’s Discussion and Analysis ..... 5
- Government Wide Financial Statements
  - Statement of Net Position ..... 14
  - Statement of Activities..... 15
- Government Fund Financial Statements
  - Balance Sheet – Governmental Funds ..... 16
  - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position ..... 17
  - Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds ..... 19
  - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities ..... 21
- Fiduciary Fund Financial Statements
  - Statement of Net Position – Fiduciary Funds ..... 23
  - Statement of Changes in Net Position – Fiduciary Funds ..... 24
- Notes to Financial Statements ..... 25
- Required Supplementary Information
  - Budgetary Comparison Schedule – General Fund ..... 67
  - Schedule of Changes in the District’s Net OPEB Liability and Related Ratios..... 68
  - Schedule of OPEB Investment Returns ..... 70
  - Schedule of the District’s Proportionate Share of the Net OPEB Liability – MPP Program..... 71
  - Schedule of the District’s Proportionate Share of the Net Pension Liability - CalSTRS ..... 72
  - Schedule of the District’s Proportionate Share of the Net Pension Liability - CalPERS ..... 73
  - Schedule of the District’s Contributions - CalSTRS ..... 74
  - Schedule of the District’s Contributions - CalPERS ..... 75
  - Notes to Required Supplementary Information ..... 76
- Supplementary Information
  - Schedule of Expenditures of Federal Awards ..... 78
  - Local Education Agency Organization Structure..... 80
  - Schedule of Average Daily Attendance ..... 81
  - Schedule of Instructional Time ..... 82
  - Reconciliation of Annual Financial and Budget Report with Audited Financial Statements ..... 83
  - Schedule of Financial Trends and Analysis ..... 84
  - Schedule of Charter Schools ..... 85
  - Combining Balance Sheet – Non-Major Governmental Funds ..... 86
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds..... 87
  - Notes to Supplementary Information..... 89

Independent Auditor’s Reports

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 91

Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance ..... 93

Independent Auditor’s Report on State Compliance..... 96

Schedule of Findings and Questioned Costs

    Summary of Auditor’s Results..... 101

    Financial Statement Findings ..... 102

    Federal Awards Findings and Questioned Costs..... 104

    State Compliance Findings and Questioned Costs..... 105

    Summary Schedule of Prior Audit Findings..... 106



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxnard Union High School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxnard Union High School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Adoption of New Accounting Standard***

As discussed in Notes 1 and 16 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's net OPEB liability and related ratios, schedule of OPEB investment returns, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability - CalSTRS, schedule of the District's proportionate share of the net pension liability - CalPERS, schedule of the District's contributions - CalSTRS, and schedule of the District's contributions - CalPERS, 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 7, 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 cursive script that reads "Erin Bailey LLP".

Rancho Cucamonga, California  
December 7, 2023

## BOARD OF TRUSTEES

Karen M. Sher, M.Ed.  
President

Genevieve Flores-Haro  
Vice President

Linda Baker Torres  
Clerk

Elizabeth M. Botello  
Member

Steve Hall, Ed.D.  
Member

## ADMINISTRATION

Tom McCoy, Ed.D.  
Superintendent

Dr. Deborah Salgado, Ed.D.  
Assistant Superintendent  
Human Resources

Roger Adams  
Assistant Superintendent  
Educational Services

Richard Urias  
Assistant Superintendent  
Business Services

Visit our Website  
[www.oxnardunion.org](http://www.oxnardunion.org)

This section of Oxnard Union High School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 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 Oxnard Union High School District and its component units using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

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

The *Fund Financial Statements* include statements for each of two categories of activities: governmental and fiduciary.

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

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

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



**FINANCIAL HIGHLIGHTS OF THE PAST YEAR**

Total General Fund revenues increased by \$83,427,181 from the previous fiscal year. The following table shows major revenue sources for fiscal year 2022-2023 compared with fiscal year 2021-2022.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Local Control Funding Formula (includes property taxes)	\$ 228,780,471	\$ 185,703,341	\$ 43,077,130
Federal sources	27,187,936	26,430,705	757,231
Other State sources	57,571,803	24,108,932	33,462,871
Other local sources	<u>22,528,538</u>	<u>16,398,589</u>	<u>6,129,949</u>
 Total	 <u>\$ 336,068,748</u>	 <u>\$ 252,641,567</u>	 <u>\$ 83,427,181</u>

Total General Fund expenditures increased by \$38,409,912 from the previous fiscal year. The following table shows expenditures for fiscal year 2022-2023 compared with fiscal year 2021-2022.

	<u>2023</u>		<u>2022</u>		<u>Change</u>	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Certificated salaries	\$ 116,191,134	37%	\$ 104,833,504	38%	11,357,630	11%
Classified salaries	37,241,394	12%	32,327,269	12%	4,914,125	15%
Employee benefits	84,664,853	27%	79,075,521	28%	5,589,332	7%
Books and supplies	12,414,253	4%	11,088,756	4%	1,325,497	12%
Services and other	35,703,153	11%	29,828,292	11%	5,874,861	20%
Other outgo	4,303,958	1%	4,863,296	2%	(559,338)	-12%
Capital outlay and debt service	<u>25,407,140</u>	<u>8%</u>	<u>15,499,335</u>	<u>6%</u>	<u>9,907,805</u>	<u>64%</u>
 Total	 <u>\$ 315,925,885</u>	 <u>100%</u>	 <u>\$ 277,515,973</u>	 <u>101%</u>	 <u>\$ 38,409,912</u>	 <u>14%</u>

**REPORTING THE DISTRICT AS A WHOLE**

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

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

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

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

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

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

**THE DISTRICT AS TRUSTEE**

**Reporting the District's Fiduciary Responsibilities**

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

**THE DISTRICT AS A WHOLE**

**Net Position**

The District's net position was \$14,969,342 for the fiscal year ended June 30, 2023. Of this amount, \$(217,574,786) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

**Table 1**

	Governmental Activities	
	2023	2022 as restated
Assets		
Current and other assets	\$ 178,540,113	\$ 166,946,460
Capital assets, right-to-use leased assets, and right-to-use subscription IT assets	651,996,565	527,819,907
Total assets	<u>830,536,678</u>	<u>694,766,367</u>
Deferred outflows of resources	<u>75,764,092</u>	<u>60,472,677</u>
Liabilities		
Current liabilities	44,986,121	43,384,182
Long-term liabilities	816,760,805	665,416,713
Total liabilities	<u>861,746,926</u>	<u>708,800,895</u>
Deferred inflows of resources	<u>29,584,502</u>	<u>111,262,823</u>
Net Position		
Net investment in capital assets	160,270,491	94,265,709
Restricted	72,273,637	54,211,851
Unrestricted (deficit)	<u>(217,574,786)</u>	<u>(213,302,234)</u>
Total net position (deficit)	<u>\$ 14,969,342</u>	<u>\$ (64,824,674)</u>

The \$(217,574,786) in unrestricted net position deficit of governmental activities represents the accumulated results of all past years' operations.

**Changes in Net Position**

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

**Table 2**

	Governmental Activities	
	2023	2022*
Revenues		
Program revenues		
Charges for services	\$ 3,195,800	\$ 1,349,305
Operating grants and contributions	102,158,232	76,189,070
General revenues		
Federal and State aid not restricted	167,430,848	139,697,400
Property taxes	101,671,782	91,995,150
Other general revenues	18,408,763	16,262,720
Total revenues	392,865,425	325,493,645
Expenses		
Instruction-related	185,393,160	158,576,952
Pupil services	41,357,561	33,231,881
Administration	27,445,459	16,255,907
Plant services	27,683,661	34,030,127
All other services	31,191,568	31,458,415
Total expenses	313,071,409	273,553,282
Change in net position	\$ 79,794,016	\$ 51,940,363

\* The revenues and expenses for fiscal year 2022 were not restated to show the effects of GASB Statement No. 96 for comparative purposes.

**Governmental Activities**

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was \$313,071,409. However, the amount that our taxpayers ultimately financed for these activities through local taxes was \$101,671,782 because the cost was paid by those who benefited from the programs (\$3,195,800) or by other governments and organizations who subsidized certain programs with grants and contributions (\$102,158,232). We paid for the remaining "public benefit" portion of our governmental activities with \$167,430,848 in State and Federal funds, and \$18,408,763 with other revenues, like interest and general entitlements.

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

**Table 3**

	Total Cost of Services		Net Cost of Services	
	2023	2022*	2023	2022*
Instruction-related	\$ 185,393,160	\$ 158,576,952	\$ (116,389,761)	\$ (119,489,730)
Pupil services	41,357,561	33,231,881	(16,150,620)	(12,477,705)
Administration	27,445,459	16,255,907	(25,367,639)	(12,745,432)
Plant services	27,683,661	34,030,127	(25,109,863)	(32,076,684)
All other services	31,191,568	31,458,415	(24,699,494)	(19,225,356)
<b>Total</b>	<b>\$ 313,071,409</b>	<b>\$ 273,553,282</b>	<b>\$ (207,717,377)</b>	<b>\$ (196,014,907)</b>

\* The total and net cost of services for fiscal year 2022 were not restated to show the effects of GASB Statement No. 96 for comparative purposes.

### THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$140,252,956, which is an increase of \$11,403,908 from last year (Table 4).

**Table 4**

Governmental Fund	Balances and Activity			
	June 30, 2022	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2023
General Fund	\$ 37,837,510	\$ 336,338,826	\$ 323,925,885	\$ 50,250,451
Building Fund	-	101,370,244	79,712,868	21,657,376
Special Reserve Fund for Capital				
Outlay Projects	47,220,081	12,379,555	36,898,396	22,701,240
Bond Interest and Redemption Fund	25,641,395	31,224,486	30,595,725	26,270,156
Student Activity Fund	2,086,990	4,907,042	4,748,738	2,245,294
Adult Education Fund	615,880	4,429,353	4,556,422	488,811
Cafeteria Fund	6,570,725	15,361,370	9,833,597	12,098,498
Capital Facilities Fund	8,057,074	3,380,647	7,141,636	4,296,085
County School Facilities Fund	232,184	4,520	-	236,704
Debt Service Fund	587,209	2,369,791	2,948,659	8,341
<b>Total</b>	<b>\$ 128,849,048</b>	<b>\$ 511,765,834</b>	<b>\$ 500,361,926</b>	<b>\$ 140,252,956</b>

**General Fund Budgetary Highlights**

The District is required to adopt its budget by June 30 each year. This was prior to adoption of the State budget. Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. After the year-end closing process is complete, the unaudited actuals are presented to the governing board. Budget adjustments are brought to the governing board on a regular basis to reflect changes in both revenues and expenditures that become known during the year. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 67.)

**CAPITAL ASSETS, RIGHT-TO-USE LEASED ASSETS, RIGHT-TO-USE SUBSCRIPTION IT ASSETS, AND LONG-TERM LIABILITIES**

**Capital Assets, Right-to-Use Leased Assets, and Right-to-Use Subscription IT Assets**

At June 30, 2023, the District had \$651,996,565 in a broad range of capital assets, right-to-use leased assets, and right-to-use subscription IT assets (net of depreciation and amortization), including land, buildings, furniture, and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, depreciation, and amortization) of \$124,176,658, or 23.5%, from last year (Table 5).

**Table 5**

	Governmental Activities	
	2023	2022 as restated
Land and construction in progress	\$ 264,317,280	\$ 236,016,644
Buildings and improvements	364,347,409	269,908,212
Equipment	22,042,709	20,065,641
Leased assets	308,097	342,108
Right-to-use subscription IT assets	981,070	1,487,302
Total	\$ 651,996,565	\$ 527,819,907

**Long-Term Liabilities**

At the end of this year, the District had \$816,760,805 in outstanding long-term liabilities versus \$665,416,713 last year, an increase of \$151,344,092. Long-term liabilities consisted of:

**Table 6**

	Governmental Activities	
	2023	2022
Long-Term Liabilities		
General obligation bonds	\$ 437,851,065	\$ 354,038,865
Premium on issuance	30,944,999	29,925,203
Qualified energy conservation bonds	6,241,216	7,418,222
Certificates of participation	46,165,000	46,850,000
Premium on issuance	5,150,355	5,384,462
Private placement debt issuances	-	3,751,020
Leases	279,044	175,484
Compensated absences	3,323,226	2,280,929
Net OPEB liability	96,154,825	101,322,625
Aggregate net pension liability	190,651,075	114,269,903
Total	\$ 816,760,805	\$ 665,416,713

**SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2022 - 2023 ARE NOTED BELOW:**

- Construction progressing for new comprehensive high school - Del Sol High School
- Built Wellness Centers at the majority of high schools
- Provided free meals to all students
- Offered a 11.25% on schedule pay increase to employees

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

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

The key assumptions in our revenue forecast are:

- Local Control Funding Formula (LCFF) is projected to increase over prior year \$936 per Average Daily Attendance (ADA).
- LCFF entitlement per ADA \$12,327.
- Cost of Living Allowance (COLA) for LCFF is projected at 8.22%.

- LCFF is calculated based on 16,656 District Enrollment and an estimated ADA percentage of 90%
- Unduplicated pupil 3 year rolling percentage at \$69.19%.
- Federal revenues are projected to decrease due to the end of ESSER and ARP funding which will be expended during the 2023-24 fiscal year.
- State revenues were projected to decrease due to prior year one-time funding allocations.

Expenditures are based on the following forecasts:

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

- Teacher Student ratio was staffed at 30:1 for the comprehensive high schools and flat staffing for the alternative schools (Frontier 13.50 FTE, Oxnard Middle College 8.25 FTE and Condor 16.75 FTE).
- Increase staff costs for step/column and longevity movement.
- CalSTRS employer rate of 19.10% which is the same as the 2022-23 rate.
- CalPERS employer rate 26.68% an increase of over the 2021-22 rate of 25.37%.
- 2024 employee health and welfare increased by approximately 10% over 2023 calendar year.
- Required three percent (3%) contribution for Routine Restricted Maintenance Account.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

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



Oxnard Union High School District  
Statement of Net Position  
June 30, 2023

	Governmental Activities
<b>Assets</b>	
Deposits and investments	\$ 149,898,763
Receivables	28,044,299
Stores inventories	597,051
Capital assets not depreciated	264,317,280
Capital assets, net of accumulated depreciation	386,390,118
Right-to-use leased assets, net of accumulated amortization	308,097
Right-to-use subscription IT assets, net of accumulated amortization	981,070
Total assets	830,536,678
<b>Deferred Outflows of Resources</b>	
Deferred charge on refunding	11,874,180
Deferred outflows of resources related to OPEB	2,730,773
Deferred outflows of resources related to pensions	61,159,139
Total deferred outflows of resources	75,764,092
<b>Liabilities</b>	
Accounts payable	33,532,129
Interest payable	6,698,964
Unearned revenue	4,755,028
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	10,425,237
Long-term liabilities other than OPEB and pensions due in more than one year	519,529,668
Net other postemployment benefits (OPEB) liability	96,154,825
Aggregate net pension liability	190,651,075
Total liabilities	861,746,926
<b>Deferred Inflows of Resources</b>	
Deferred inflows of resources related to OPEB	11,779,536
Deferred inflows of resources related to pensions	17,804,966
Total deferred inflows of resources	29,584,502
<b>Net Position</b>	
Net investment in capital assets	160,270,491
Restricted for	
Debt service	19,579,533
Capital projects	4,296,085
Educational programs	33,567,516
Other restrictions	14,830,503
Unrestricted	(217,574,786)
Total net position	\$ 14,969,342

Oxnard Union High 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
Governmental Activities				
Instruction	\$ 150,324,098	\$ 2,055,523	\$ 58,871,635	\$ (89,396,940)
Instruction-related activities				
Supervision of instruction	8,608,379	210,867	3,767,718	(4,629,794)
Instructional library, media, and technology	1,802,188	-	72,800	(1,729,388)
School site administration	24,658,495	53,240	3,971,616	(20,633,639)
Pupil services				
Home-to-school transportation	3,030,531	-	191,434	(2,839,097)
Food services	10,071,557	178,423	14,284,584	4,391,450
All other pupil services	28,255,473	75,437	10,477,063	(17,702,973)
Administration				
Data processing	4,978,932	-	91,460	(4,887,472)
All other administration	22,466,527	78,033	1,908,327	(20,480,167)
Plant services	27,683,661	43,455	2,530,343	(25,109,863)
Ancillary services	9,325,621	-	5,031,345	(4,294,276)
Community services	215,675	-	-	(215,675)
Enterprise services	3,877	115	7,535	3,773
Interest on long-term liabilities	17,119,535	-	-	(17,119,535)
Other outgo	4,526,860	500,707	952,372	(3,073,781)
Total governmental activities	<u>\$ 313,071,409</u>	<u>\$ 3,195,800</u>	<u>\$ 102,158,232</u>	<u>(207,717,377)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				71,577,469
Property taxes, levied for debt service				27,815,721
Taxes levied for other specific purposes				2,278,592
Federal and State aid not restricted to specific purposes				167,430,848
Interest and investment earnings				2,219,871
Interagency revenues				1,647,293
Miscellaneous				14,541,599
Total general revenues and subventions				<u>287,511,393</u>
Change in Net Position				79,794,016
Net Position - Beginning, as restated				<u>(64,824,674)</u>
Net Position - Ending				<u>\$ 14,969,342</u>

Oxnard Union High School District  
Balance Sheet – Governmental Funds  
June 30, 2023

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Deposits and investments	\$ 56,303,345	\$ 25,293,789	\$ 25,106,491	\$ 26,000,028	\$ 17,195,110	\$ 149,898,763
Receivables	23,834,173	518,859	385,932	270,128	3,035,207	28,044,299
Due from other funds	469,965	-	-	-	9,101	479,066
Stores inventories	597,051	-	-	-	-	597,051
<b>Total assets</b>	<b><u>\$ 81,204,534</u></b>	<b><u>\$ 25,812,648</u></b>	<b><u>\$ 25,492,423</u></b>	<b><u>\$ 26,270,156</u></b>	<b><u>\$ 20,239,418</u></b>	<b><u>\$ 179,019,179</u></b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 26,189,955	\$ 4,155,272	\$ 2,791,183	\$ -	\$ 395,719	\$ 33,532,129
Due to other funds	9,100	-	-	-	469,966	479,066
Unearned revenue	4,755,028	-	-	-	-	4,755,028
<b>Total liabilities</b>	<b><u>30,954,083</u></b>	<b><u>4,155,272</u></b>	<b><u>2,791,183</u></b>	<b><u>-</u></b>	<b><u>865,685</u></b>	<b><u>38,766,223</u></b>
<b>Fund Balances</b>						
Nonspendable	607,051	-	-	-	2,100	609,151
Restricted	33,567,516	21,657,376	-	26,270,156	19,371,633	100,866,681
Assigned	6,358,107	-	22,701,240	-	-	29,059,347
Unassigned	9,717,777	-	-	-	-	9,717,777
<b>Total fund balances</b>	<b><u>50,250,451</u></b>	<b><u>21,657,376</u></b>	<b><u>22,701,240</u></b>	<b><u>26,270,156</u></b>	<b><u>19,373,733</u></b>	<b><u>140,252,956</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 81,204,534</u></b>	<b><u>\$ 25,812,648</u></b>	<b><u>\$ 25,492,423</u></b>	<b><u>\$ 26,270,156</u></b>	<b><u>\$ 20,239,418</u></b>	<b><u>\$ 179,019,179</u></b>

Oxnard Union High School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2023

---

Total Fund Balance - Governmental Funds \$ 140,252,956

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

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

The cost of capital assets is	\$ 876,831,297
Accumulated depreciation is	<u>(226,123,899)</u>

Net capital assets	650,707,398
--------------------	-------------

Right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of right-to-use leased assets is	729,652
Accumulated amortization is	<u>(421,555)</u>

Net right-to-use leased assets	308,097
--------------------------------	---------

Right-to-use subscription IT assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of right-to-use subscription IT assets is	1,598,228
Accumulated amortization is	<u>(617,158)</u>

Net right-to-use subscription IT assets	981,070
---	---------

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.

(6,698,964)

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

Debt refundings (deferred charge on refunding)	11,874,180
Other postemployment benefits (OPEB) liability	2,730,773
Net pension liability	<u>61,159,139</u>

Total deferred outflows of resources to pensions	75,764,092
--	------------

Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to

Other postemployment benefits (OPEB) liability	(11,779,536)
Net pension liability	<u>(17,804,966)</u>

Total deferred inflows of resources to pensions	(29,584,502)
---	--------------

Oxnard Union High School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2023

---

Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.	\$(190,651,075)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.	(96,154,825)
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	\$ (436,477,016)
Premium on issuance of general obligation bonds	(30,944,999)
Qualified energy conservation bonds	(6,241,216)
Certificates of participation	(46,165,000)
Premium on issuance of certificates of participation	(5,150,355)
Leases	(279,044)
Compensated absences	(3,323,226)
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(1,374,049)
Total long-term liabilities	(529,954,905)
Total net position - governmental activities	\$ 14,969,342

Oxnard Union High School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2023

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Local Control Funding Formula	\$ 228,780,471	\$ -	\$ -	\$ -	\$ -	\$ 228,780,471
Federal sources	27,187,936	-	-	-	11,016,760	38,204,696
Other State sources	57,571,803	-	-	145,233	8,092,418	65,809,454
Other local sources	<u>22,528,538</u>	<u>1,370,244</u>	<u>3,775,946</u>	<u>28,282,739</u>	<u>8,998,495</u>	<u>64,955,962</u>
Total revenues	<u>336,068,748</u>	<u>1,370,244</u>	<u>3,775,946</u>	<u>28,427,972</u>	<u>28,107,673</u>	<u>397,750,583</u>
<b>Expenditures</b>						
<b>Current</b>						
Instruction	158,967,789	-	-	-	2,349,283	161,317,072
Instruction-related activities						
Supervision of instruction	9,882,211	-	-	-	2,586	9,884,797
Instructional library, media, and technology	2,003,262	-	-	-	-	2,003,262
School site administration	20,565,788	-	-	-	1,204,239	21,770,027
Pupil services						
Home-to-school transportation	2,778,497	-	-	-	-	2,778,497
Food services	426,603	-	-	-	9,537,157	9,963,760
All other pupil services	30,968,415	-	-	-	627,423	31,595,838
Administration						
Data processing	5,016,160	-	-	-	-	5,016,160
All other administration	22,860,038	-	-	-	490,812	23,350,850
Plant services	27,604,380	-	-	-	198,842	27,803,222
Ancillary services	5,043,023	-	-	-	4,748,738	9,791,761
Community services	228,219	-	-	-	-	228,219
Other outgo	4,526,860	-	-	-	-	4,526,860
Enterprise services	-	-	-	-	4,629	4,629
Facility acquisition and construction	23,327,949	79,309,200	33,469,158	-	4,771,634	140,877,941
Debt service						
Principal	1,548,248	145,276	3,401,020	16,290,000	685,000	22,069,544
Interest and other	<u>178,443</u>	<u>258,392</u>	<u>28,218</u>	<u>14,305,725</u>	<u>1,660,050</u>	<u>16,430,828</u>
Total expenditures	<u>315,925,885</u>	<u>79,712,868</u>	<u>36,898,396</u>	<u>30,595,725</u>	<u>26,280,393</u>	<u>489,413,267</u>

Oxnard Union High School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2023

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,142,863	\$ (78,342,624)	\$ (33,122,450)	\$ (2,167,753)	\$ 1,827,280	\$ (91,662,684)
Other Financing Sources (Uses)						
Transfers in	-	-	8,603,609	-	2,345,050	10,948,659
Other sources - proceeds from issuance of general obligation bonds	-	100,000,000	-	-	-	100,000,000
Other sources - premiums from issuance of general obligation bonds	-	-	-	2,796,514	-	2,796,514
Other sources - leases	270,078	-	-	-	-	270,078
Transfers out	(8,000,000)	-	-	-	(2,948,659)	(10,948,659)
Net Financing Sources (Uses)	(7,729,922)	100,000,000	8,603,609	2,796,514	(603,609)	103,066,592
Net Change in Fund Balances	12,412,941	21,657,376	(24,518,841)	628,761	1,223,671	11,403,908
Fund Balance - Beginning	37,837,510	-	47,220,081	25,641,395	18,150,062	128,849,048
Fund Balance - Ending	<u>\$ 50,250,451</u>	<u>\$ 21,657,376</u>	<u>\$ 22,701,240</u>	<u>\$ 26,270,156</u>	<u>\$ 19,373,733</u>	<u>\$ 140,252,956</u>

Oxnard Union High School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2023

---

Total Net Change in Fund Balances - Governmental Funds \$ 11,403,908

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

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

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

Capital outlays	\$ 140,281,350
Depreciation and amortization expenses	<u>(15,866,710)</u>

Net expense adjustment	124,414,640
------------------------	-------------

Gain on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (237,982)

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. (270,078)

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. (1,042,297)

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. 9,735,338

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. 17,206,164



Oxnard Union High School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2023

---

Proceeds received from general obligation bonds are a revenue in governmental funds, but it increases long-term liabilities in Statement of Net Position and does not affect the Statement of Activities.	\$(100,000,000)
Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium on issuance recognized	(2,796,514)
Premium amortization	2,010,825
Deferred charge on refunding amortization	(1,185,138)
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	16,290,000
Qualified energy conservation bonds	1,177,006
Certificates of participation	685,000
Private placement debt issuances	3,751,020
Leases	166,518
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.	<u>(1,514,394)</u>
Change in net position of governmental activities	<u><u>\$ 79,794,016</u></u>

Oxnard Union High School District  
Statement of Net Position – Fiduciary Funds  
June 30, 2023

---

	<u>Retiree Benefits Trust</u>	<u>Custodial Fund</u>
<b>Assets</b>		
Deposits and investments	\$ 81,987,001	\$ 63,851
Receivables	7,831	794
Prepaid expenses	12,620	-
Total assets	<u>\$ 82,007,452</u>	<u>\$ 64,645</u>
<b>Liabilities</b>		
Accounts payable	<u>\$ 55,776</u>	<u>\$ 500</u>
<b>Net Position</b>		
Restricted for individuals, organizations, and other governments	<u>81,951,676</u>	<u>64,145</u>
Total net position	<u>\$ 81,951,676</u>	<u>\$ 64,145</u>

Oxnard Union High School District  
Statement of Changes in Net Position – Fiduciary Funds  
Year Ended June 30, 2023

	Retiree Benefits Trust	Custodial Fund
Additions		
Contributions		
Private donations	\$ -	\$ 1,000
Employee contributions	11,311	-
Total contributions	11,311	1,000
Investment earnings		
Interest and dividends	2,441,365	1,630
Net increase in fair value of investments	5,445,081	-
Total investment earnings	7,886,446	1,630
Less investment costs		
Investment activity costs	187,273	-
Net investment earnings	7,699,173	1,630
Total additions	7,710,484	2,630
Deductions		
Administrative expense	47,046	-
Net Increase in Fiduciary Net Position	7,663,438	2,130
Net Position - Beginning	74,288,238	62,015
Net Position - Ending	\$ 81,951,676	\$ 64,145

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

### **Financial Reporting Entity**

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

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

### **Other Related Entities**

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

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

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

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

### **Major Governmental Funds**

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

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

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

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

### Non-Major Governmental Funds

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

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

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

**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.

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

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

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

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

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

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

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

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

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

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

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

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

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

**Investments**

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

**Stores Inventories**

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

**Capital Assets, Depreciation, and Amortization**

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

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

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

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

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT 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 activities column of the statement of net position.

### Compensated Absences

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

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

### Accrued Liabilities and Long-Term Liabilities

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

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

### Debt Issuance Costs and Premiums

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

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

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

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

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

### **Pensions**

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

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

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

### **Subscriptions**

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. As of June 30, 2023, the District did not recognize a subscription liability as all subscriptions were prepaid. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over shorter of the subscription term or useful life of the underlying asset. The amortization period varies from 2 to 5 years.

### **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. The District currently does not have any committed funds.

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

**Unassigned** - all other spendable amounts.

**Spending Order Policy**

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

**Minimum Fund Balance Policy**

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

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$72,273,637 of net position restricted by enabling legislation.

**Interfund Activity**

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

**Estimates**

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

**Property Tax**

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

**Change in Accounting Principles**

**Implementation of GASB Statement No. 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. The effect of the implementation of this standard on beginning net position is disclosed in Note 16 and the additional disclosures required by this standard are included in Note 5.

**Note 2 - Deposits and Investments**

**Summary of Deposits and Investments**

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

Governmental funds	\$ 149,898,763
Fiduciary funds	<u>82,050,852</u>
Total deposits and investments	<u><u>\$ 231,949,615</u></u>

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

Cash on hand and in banks	\$ 2,663,874
Cash with fiscal agent	8,341
Cash in revolving	12,100
Investments	<u>229,265,300</u>
Total deposits and investments	<u><u>\$ 231,949,615</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 manages its exposure to interest rate risk by primarily investing in the Ventura County Investment Pool. The District maintains an investment of \$147,685,179 with the Ventura County Investment Pool that has a weighted average maturity of 247 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s investment in the Ventura County Investment Pool has been rated AAAs/S1 by Fitch Ratings.

**Trust**

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

Investment Type	Reported Amount	Maturity in Days
Foreign Stocks	\$ 2,291,736	1
Mutual Fund - Fixed Income	22,976,559	1
Mutual Fund - Equity	37,687,226	1
Mutual Fund - Domestic Equity	14,933,435	1
Mutual Fund - Balanced	3,691,165	1
Total	<u>\$ 81,580,121</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, the District’s bank balance of \$2,006,532 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.

**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	Uncategorized
Foreign Stocks	\$ 2,291,736	\$ 2,291,736	\$ -
Mutual Fund - Fixed Income	22,976,559	22,976,559	-
Mutual Fund - Equity	37,687,226	37,687,226	-
Mutual Fund - Domestic Equity	14,933,435	14,933,435	-
Mutual Fund - Balanced	3,691,165	3,691,165	-
Ventura County Investment Pool	147,685,179	147,685,179	147,685,179
Total	\$ 229,265,300	\$ 229,265,300	\$ 147,685,179



**Note 4 - Receivables**

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

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total	Fiduciary Funds
Federal Government							
Categorical aid	\$ 13,500,692	\$ -	\$ -	\$ -	\$ 1,995,217	\$ 15,495,909	\$ -
State Government							
Categorical aid	6,613,287	-	-	-	771,279	7,384,566	-
Lottery	1,005,311	-	-	-	-	1,005,311	-
Local Government							
Interest	725,460	518,859	385,932	270,128	150,141	2,050,520	794
Other local sources	1,989,423	-	-	-	118,570	2,107,993	7,831
<b>Total</b>	<b>\$ 23,834,173</b>	<b>\$ 518,859</b>	<b>\$ 385,932</b>	<b>\$ 270,128</b>	<b>\$ 3,035,207</b>	<b>\$ 28,044,299</b>	<b>\$ 8,625</b>

**Note 5 - Capital Assets, Right-to-Use Leased Assets, and Right-to-Use Subscription IT Assets**

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

	Balance July 1, 2022 as restated	Additions	Deductions	Balance June 30, 2023
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 56,279,927	\$ -	\$ (79,267)	\$ 56,200,660
Construction in progress	179,736,717	131,081,244	(102,701,341)	208,116,620
Total capital assets not being depreciated	<u>236,016,644</u>	<u>131,081,244</u>	<u>(102,780,608)</u>	<u>264,317,280</u>
Capital assets being depreciated				
Land improvements	103,954,416	1,274,999	(305,198)	104,924,217
Buildings and improvements	365,945,468	107,135,197	(1,399,149)	471,681,516
Furniture and equipment	32,798,037	3,110,247	-	35,908,284
Total capital assets being depreciated	<u>502,697,921</u>	<u>111,520,443</u>	<u>(1,704,347)</u>	<u>612,514,017</u>
Total capital assets	<u>738,714,565</u>	<u>242,601,687</u>	<u>(104,484,955)</u>	<u>876,831,297</u>
Accumulated depreciation				
Land improvements	(38,658,403)	(3,100,577)	304,192	(41,454,788)
Buildings and improvements	(161,333,269)	(10,711,707)	1,241,440	(170,803,536)
Furniture and equipment	(12,732,396)	(1,133,179)	-	(13,865,575)
Total accumulated depreciation	<u>(212,724,068)</u>	<u>(14,945,463)</u>	<u>1,545,632</u>	<u>(226,123,899)</u>
Net depreciable capital assets	<u>525,990,497</u>	<u>227,656,224</u>	<u>(102,939,323)</u>	<u>650,707,398</u>
Right-to-use leased assets being amortized				
Buildings and improvements	958,051	-	(498,477)	459,574
Furniture and equipment	-	270,078	-	270,078
Total right-to-use leased assets being amortized	<u>958,051</u>	<u>270,078</u>	<u>(498,477)</u>	<u>729,652</u>
Accumulated amortization				
Buildings and improvements	(615,943)	(270,329)	498,477	(387,795)
Furniture and equipment	-	(33,760)	-	(33,760)
Total accumulated amortization	<u>(615,943)</u>	<u>(304,089)</u>	<u>498,477</u>	<u>(421,555)</u>
Net right-to-use leased assets	<u>342,108</u>	<u>(34,011)</u>	<u>-</u>	<u>308,097</u>
Right-to-use subscription IT assets being amortized				
Right-to-use subscription IT assets	1,487,302	110,926	-	1,598,228
Accumulated amortization	-	(617,158)	-	(617,158)
Net right-to-use subscription IT assets	<u>1,487,302</u>	<u>(506,232)</u>	<u>-</u>	<u>981,070</u>
Governmental activities capital assets, right-to-use leased assets, and right-to-use subscription IT assets, net	<u>\$ 527,819,907</u>	<u>\$ 227,115,981</u>	<u>\$ (102,939,323)</u>	<u>\$ 651,996,565</u>

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

Governmental Activities	
Instruction	\$ 8,909,246
Instructional library, media, and technology	28,005
School site administration	5,124,930
Home-to-school transportation	439,280
Food services	585,705
Data processing	216,361
Plant services	563,183
	<hr/>
Total depreciation and amortization expenses governmental activities	<u>\$ 15,866,710</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 major and non-major governmental funds are as follows:

Due To	Due From		Total
	General Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 469,966	\$ 469,966
Non-Major Governmental Funds	9,100	-	9,100
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 9,100</u>	<u>\$ 469,966</u>	<u>\$ 479,066</u>

A balance of \$174,329 is due to the General Fund from the Adult Education Non-Major Governmental Fund for indirect costs.

A balance of \$291,532 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for indirect costs.

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

**Operating Transfers**

Interfund transfers for the year ended June 30, 2023, consisted of the following:

The Capital Facilities Non-Major Governmental Fund transferred to the COP Debt Service Non-Major Governmental Fund for debt service payments.	\$ 2,345,050
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for private placement debt payments and capital projects.	8,000,000
The COP Debt Service Non-Major Governmental Fund transferred to the Special Reserve Fund for Capital Outlay Projects for capital projects.	<u>603,609</u>
Total	<u><u>\$ 10,948,659</u></u>

**Note 7 - Accounts Payable**

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

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total	Fiduciary Funds
Vendor payables	\$ 15,908,108	\$ -	\$ 2,790,992	\$ 311,621	\$ 19,010,721	\$ 56,276
LCFF apportionment	4,715,172	-	-	-	4,715,172	-
Salaries and benefits	1,875,785	-	191	84,098	1,960,074	-
Capital outlay	-	4,155,272	-	-	4,155,272	-
Due to CDE	3,690,890	-	-	-	3,690,890	-
Total	<u><u>\$ 26,189,955</u></u>	<u><u>\$ 4,155,272</u></u>	<u><u>\$ 2,791,183</u></u>	<u><u>\$ 395,719</u></u>	<u><u>\$ 33,532,129</u></u>	<u><u>\$ 56,276</u></u>

**Note 8 - Unearned Revenue**

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

	General Fund
Federal financial assistance	\$ 1,436,931
State categorical aid	3,241,433
Other local	<u>76,664</u>
Total	<u><u>\$ 4,755,028</u></u>

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

**Summary**

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

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
<b>Long-Term Liabilities</b>					
General obligation bonds	\$ 354,038,865	\$ 100,102,200	\$ (16,290,000)	\$ 437,851,065	\$ 8,380,000
Premium on issuance	29,925,203	2,796,514	(1,776,718)	30,944,999	-
Qualified energy conservation bonds	7,418,222	-	(1,177,006)	6,241,216	1,248,995
Certificates of participation	46,850,000	-	(685,000)	46,165,000	715,000
Premium on issuance	5,384,462	-	(234,107)	5,150,355	-
Private placement debt issuances	3,751,020	-	(3,751,020)	-	-
Leases	175,484	270,078	(166,518)	279,044	81,242
Compensated absences	2,280,929	1,042,297	-	3,323,226	-
<b>Total</b>	<b>\$ 449,824,185</b>	<b>\$ 104,211,089</b>	<b>\$ (24,080,369)</b>	<b>\$ 529,954,905</b>	<b>\$ 10,425,237</b>

Payments for bonds associated with General Obligation Bonds are made in the Bond Interest and Redemption Fund. Payments for Qualified Energy Conservation Bonds are made in the General Fund. Payments on Certificates of Participation are made in the Debt Service Fund. Payments for private placement debt issuance obligations are made in the Special Reserve Fund for Capital Outlay Projects and the General Fund. Payments for leases are made in the General Fund and Building Fund. Payments for compensated absences are typically liquidated in the General Fund, Adult Education Non-Major Governmental Fund, and Cafeteria Non-Major Governmental Fund. Additions and deductions from compensated absences are reported to its net cumulative change in the current year.

**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	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2023
04/20/99	08/01/27	4.60%-5.95%	\$ 10,199,913	\$ 3,261,762	\$ -	\$ 102,200	\$ (655,000)	\$ 2,708,962
04/28/11	08/01/25	5.31%	4,052,103	1,477,103	-	-	(340,000)	1,137,103
05/03/12	08/01/27	3.00%-5.00%	10,435,000	710,000	-	-	(710,000)	-
01/23/14	08/01/37	3.00%-5.00%	50,000,000	5,315,000	-	-	(1,690,000)	3,625,000
01/27/16	08/01/35	3.00%-5.00%	30,945,000	15,165,000	-	-	(45,000)	15,120,000
07/07/16	08/01/27	2.00%-5.00%	18,350,000	10,425,000	-	-	(1,840,000)	8,585,000
12/21/17	08/01/40	3.00%-5.00%	42,275,000	40,990,000	-	-	(550,000)	40,440,000
10/18/18	08/01/42	3.75%-5.00%	130,000,000	26,335,000	-	-	(2,980,000)	23,355,000
04/02/20	08/01/37	0.873%-2.477%	55,450,000	54,040,000	-	-	(730,000)	53,310,000
08/05/20	08/01/45	0.35%-5.00%	120,000,000	98,965,000	-	-	(2,380,000)	96,585,000
11/23/21	08/01/43	0.37%-3.18%	97,355,000	97,355,000	-	-	(2,260,000)	95,095,000
07/07/22	08/01/47	1.60%-5.00%	100,000,000	-	100,000,000	-	(2,110,000)	97,890,000
				<u>\$ 354,038,865</u>	<u>\$100,000,000</u>	<u>\$ 102,200</u>	<u>\$ (16,290,000)</u>	<u>\$ 437,851,065</u>

**Debt Service Requirements to Maturity**

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Total Accreted Obligation	Unaccreted Interest	Maturity Value
2024	\$ -	\$ -	\$ -	\$ -	\$ -
2025	121,308	369,951	491,259	58,741	550,000
2026	155,034	472,805	627,839	112,161	740,000
2027	149,202	444,416	593,618	146,382	740,000
2028	29,369	86,877	116,246	33,754	150,000
Total	<u>\$ 454,913</u>	<u>\$ 1,374,049</u>	<u>\$ 1,828,962</u>	<u>\$ 351,038</u>	<u>\$ 2,180,000</u>

Oxnard Union High School District

Notes to Financial Statements

June 30, 2023

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2024	\$ 8,380,000	\$ 15,342,324	\$ 23,722,324
2025	9,770,000	14,995,374	24,765,374
2026	11,117,103	14,661,012	25,778,115
2027	11,815,000	14,313,496	26,128,496
2028	13,045,000	13,902,079	26,947,079
2029-2033	72,980,000	63,099,816	136,079,816
2034-2038	97,550,000	49,553,763	147,103,763
2039-2043	93,410,000	33,479,079	126,889,079
2044-2048	117,955,000	12,877,433	130,832,433
Total	\$ 436,022,103	\$ 232,224,376	\$ 668,246,479

**Qualified Energy Conservation Bonds**

In September 2010, the District entered into a lease agreement in the amount of \$19,067,726 with the Golden Schools Financing Authority. The notes mature August 2027, with an interest rate of 5.5%. As of June 30, 2023, the principal balance outstanding was \$6,241,216.

The qualified energy conservation bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2024	\$ 1,248,995	\$ 329,145	\$ 1,578,140
2025	1,324,153	258,789	1,582,942
2026	1,402,605	184,215	1,586,820
2027	1,484,481	105,240	1,589,721
2028	780,982	21,672	802,654
Total	\$ 6,241,216	\$ 899,061	\$ 7,140,277

**Certificates of Participation**

On March 17, 2021, the District, pursuant to a lease agreement with the Local Facilities Finance Corporation, issued certificates of participation in the amount of \$49,095,000. The certificates mature on August 1, 2045 with interest ranges ranging from 2.32% to 4.00%. As of June 30, 2023, the principal balance outstanding was \$46,165,000.

Oxnard Union High School District

Notes to Financial Statements

June 30, 2023

The certificates of participation mature as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 715,000	\$ 1,632,650	\$ 2,347,650
2025	745,000	1,604,050	2,349,050
2026	970,000	1,574,250	2,544,250
2027	1,215,000	1,535,450	2,750,450
2028	2,400,000	1,486,850	3,886,850
2029-2033	11,755,000	6,055,650	17,810,650
2034-2038	14,555,000	3,487,450	18,042,450
2039-2043	9,905,000	1,308,750	11,213,750
2044-2045	3,905,000	169,625	4,074,625
<b>Total</b>	<b><u>\$ 46,165,000</u></b>	<b><u>\$ 18,854,725</u></b>	<b><u>\$ 65,019,725</u></b>

**Private Placement Debt Issuances**

The District has entered into an agreement to finance the acquisition, construction, and improvement of property and facilities to be used for District administrative purposes with an interest rate of 2.88%. As of June 30, 2023, the outstanding principal has been fully paid off.

**Leases**

The District has entered into agreements to lease various facilities and equipment. As of June 30, 2023, the District recognized a right-to-use asset of \$308,097 and a lease liability of \$279,044 related to these agreements. The District is required to make principal and interest payments through December 2027.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 81,242	\$ 10,746	\$ 91,988
2025	53,379	7,809	61,188
2026	55,831	5,357	61,188
2027	58,396	2,792	61,188
2028-2032	30,196	398	30,594
<b>Total</b>	<b><u>\$ 279,044</u></b>	<b><u>\$ 27,102</u></b>	<b><u>\$ 306,146</u></b>



**Subscriptions-Based Information Technology Arrangements (SBITAs)**

The District entered into various SBITA contracts related to digital licensing for student curriculum, cloud and data security, and school management software with subscription terms ranging from 2 years to 4 years. At June 30, 2023, the District has recognized a right-to-use subscriptions IT asset, net of accumulated amortization, of \$981,070 related to these agreement. No subscription liability was recognized related for these agreements as the District prepaid the agreements in full at commencement of the agreements. During the fiscal year, the District recorded \$617,158 in amortization expense.

**Compensated Absences**

Compensated absences (unpaid employee vacation) for the District at June 30, 2023, amounted to \$3,323,226.

**Note 10 - Net 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:

**District Plan**

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 95,327,184	\$ 2,730,773	\$ 11,779,536	\$ (17,082,066)
Medicare Premium Payment (MPP) Program	827,641	-	-	(124,098)
Total	<u>\$ 96,154,825</u>	<u>\$ 2,730,773</u>	<u>\$ 11,779,536</u>	<u>\$ (17,206,164)</u>

The details of each plan are as follows:

**District Plan**

**Plan Administration**

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

Management of the Plan is vested in the governing board, which consists of five locally elected Plan members.

**Plan Membership**

At June 30, 2023, the valuation date, Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	706
Active employees	380
Total	1,086

**Benefits Provided**

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

**Contributions**

The contribution requirements of Plan members and the District are established and may be amended by the District and the Oxnard Federation of Teachers (OFT), the local California Service Employees Association (CSEA), and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits with the District, OFT, CSEA, and the unrepresented groups are based on availability of funds. For the measurement period of June 30, 2023, the District contributed \$9,082,187 to the Plan, of which all was used for current premiums (approximately 100% of total premiums). The remainder of the premiums were funded from beginning net position and interest earnings.

**Investments**

**Investment Policy**

The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Governing Board by a majority vote of its members. It is the policy of the Oxnard Union High School District Retiree Benefits Trust Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the governing board’s adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Fixed Income	50%
Equities	50%

**Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the District**

The District’s net OPEB liability of \$95,327,184 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The components of the net OPEB liability of the District at June 30, 2023, were as follows:

Total OPEB liability	\$ 177,278,860
Plan fiduciary net position	<u>(81,951,676)</u>
Net OPEB liability	<u>\$ 95,327,184</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>46.23%</u>

**Actuarial Assumptions**

The net OPEB liability as of June 30, 2023 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the net OPEB liability to June 30, 2023. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75%, average, including inflation
Investment rate of return	6.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00% for 2023

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023, (see the discussion of the Plan’s investment policy) are summarized in the following table:

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

### Investment Rate of Return

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

### Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
Balance, June 30, 2022	\$ 174,659,124	\$ 74,288,238	\$ 100,370,886
Service cost	1,451,302	-	1,451,302
Interest	10,250,621	7,699,173	2,551,448
Employer Contributions	-	9,093,498	(9,093,498)
Benefit payments	(9,082,187)	(9,082,187)	-
Administrative expense	-	(47,046)	47,046
Net change in total OPEB liability	<u>2,619,736</u>	<u>7,663,438</u>	<u>(5,043,702)</u>
Balance, June 30, 2023	<u>\$ 177,278,860</u>	<u>\$ 81,951,676</u>	<u>\$ 95,327,184</u>

No changes to benefits noted from the prior evaluation.

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

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

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

Discount Rate	Net OPEB Liability
1% decrease (5.00%)	\$ 114,913,352
Current discount rate (6.00%)	95,327,184
1% increase (7.00%)	78,791,888

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.0%)	\$ 75,658,323
Current healthcare cost trend rate (4.0%)	95,327,184
1% increase (5.0%)	118,796,973

**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 \$(17,082,066). At June 30, 2023, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 11,779,536
Difference between projected and actual earnings on OPEB plan investments	2,730,773	-
Total	\$ 2,730,773	\$ 11,779,536

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (11,663,783)
2025	(28,713)
2026	3,292,320
2027	(648,587)
Total	\$ (9,048,763)

**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 \$827,641 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, 2022. 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, was 0.2512% and 0.2386%, respectively, resulting in a net increase in the proportionate share of 0.0126%.

For the year ended June 30, 2023, the District recognized OPEB expense of \$(124,098).

**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%)	\$ 902,288
Current discount rate (3.54%)	827,641
1% increase (4.54%)	763,006

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

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

<u>Medicare Costs Trend Rate</u>	<u>Net OPEB Liability</u>
1% decrease (3.50% Part A and 4.40% Part B)	\$ 759,391
Current Medicare costs trend rate (4.50% Part A and 5.40% Part B)	827,641
1% increase (5.50% Part A and 6.40% Part B)	905,006



**Note 11 - Fund Balances**

Fund balances are composed of the following elements:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>						
Revolving cash	\$ 10,000	\$ -	\$ -	\$ -	\$ 2,100	\$ 12,100
Stores inventories	597,051	-	-	-	-	597,051
Total nonspendable	<u>607,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,100</u>	<u>609,151</u>
<b>Restricted</b>						
Legally restricted programs	33,567,516	-	-	-	488,811	34,056,327
Food service	-	-	-	-	12,096,398	12,096,398
Capital projects	-	21,657,376	-	-	4,532,789	26,190,165
Student activity	-	-	-	-	2,245,294	2,245,294
Debt services	-	-	-	26,270,156	8,341	26,278,497
Total restricted	<u>33,567,516</u>	<u>21,657,376</u>	<u>-</u>	<u>26,270,156</u>	<u>19,371,633</u>	<u>100,866,681</u>
<b>Assigned</b>						
Del Sol start up fund	6,000,000	-	-	-	-	6,000,000
Unallocated unit share	358,107	-	-	-	-	358,107
Capital projects	-	-	22,701,240	-	-	22,701,240
Total assigned	<u>6,358,107</u>	<u>-</u>	<u>22,701,240</u>	<u>-</u>	<u>-</u>	<u>29,059,347</u>
<b>Unassigned</b>						
Reserve for economic uncertainties	9,469,700	-	-	-	-	9,469,700
Remaining unassigned	248,077	-	-	-	-	248,077
Total unassigned	<u>9,717,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,717,777</u>
Total	<u>\$ 50,250,451</u>	<u>\$ 21,657,376</u>	<u>\$ 22,701,240</u>	<u>\$ 26,270,156</u>	<u>\$ 19,373,733</u>	<u>\$ 140,252,956</u>

**Note 12 - Risk Management**

**Description**

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

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

**Employee Medical Benefits**

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

**Note 13 - Employee Retirement Systems**

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

For the fiscal year ended June 30, 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	\$ 116,326,666	\$ 34,888,527	\$ 15,350,487	\$ 11,481,121
CalPERS	74,324,409	26,270,612	2,454,479	9,533,126
Total	<u>\$ 190,651,075</u>	<u>\$ 61,159,139</u>	<u>\$ 17,804,966</u>	<u>\$ 21,014,247</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 \$21,032,572.

**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	\$ 116,326,666
State’s proportionate share of the net pension liability	<u>58,255,940</u>
Total	<u><u>\$ 174,582,606</u></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, was 0.1674% and 0.1587%, respectively, resulting in a net increase in the proportionate share of 0.0087%.

Oxnard Union High School District

Notes to Financial Statements

June 30, 2023

For the year ended June 30, 2023, the District recognized pension expense of \$11,481,121. In addition, the District recognized pension expense and revenue of \$4,698,303 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	\$ 21,032,572	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	7,991,575	939,815
Differences between projected and actual earnings on pension plan investments	-	5,688,599
Differences between expected and actual experience in the measurement of the total pension liability	95,424	8,722,073
Changes of assumptions	<u>5,768,956</u>	<u>-</u>
Total	<u>\$ 34,888,527</u>	<u>\$ 15,350,487</u>

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

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (4,178,699)
2025	(4,526,912)
2026	(6,800,342)
2027	<u>9,817,354</u>
Total	<u>\$ (5,688,599)</u>

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ 5,377,063
2025	(385,624)
2026	(172,805)
2027	(380,147)
2028	(581,441)
Thereafter	<u>337,021</u>
Total	<u>\$ 4,194,067</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, 201 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 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%
Fixed income	12%	1.3%
Real estate	15%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	(0.4%)

**Discount Rate**

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

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.10%)	\$ 197,565,824
Current discount rate (7.10%)	116,326,666
1% increase (8.10%)	48,873,740

**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	2% at 55	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	55	62
Retirement age	1.1% - 2.5%	1.0% - 2.5%
Monthly benefits as a percentage of eligible compensation	7.00%	8.00%
Required employee contribution rate	25.37%	25.37%
Required employer contribution rate		



**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 \$9,717,013.

**Pension Liabilities, Pension Expense, and 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 \$74,324,409. 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, was 0.2160% and 0.2067%, respectively, resulting in a net increase in the proportionate share of 0.0093%.

For the year ended June 30, 2023, the District recognized pension expense of \$9,533,126. 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	\$ 9,717,013	\$ -
Change in proportion and differences between contributions made and District’s proportionate share of contributions	1,943,909	605,193
Differences between projected and actual earnings on pension plan investments	8,775,691	-
Differences between expected and actual experience in the measurement of the total pension liability	335,902	1,849,286
Changes of assumptions	5,498,097	-
Total	\$ 26,270,612	\$ 2,454,479

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 1,463,506
2025	1,298,029
2026	663,048
2027	5,351,108
Total	<u>\$ 8,775,691</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 1,738,175
2025	1,830,819
2026	1,749,156
2027	5,279
Total	<u>\$ 5,323,429</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:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.90%)	\$ 107,365,373
Current discount rate (6.90%)	74,324,409
1% increase (7.90%)	47,017,268

**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 \$9,345,479 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

**Note 14 - Commitments and Contingencies**

**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

**Construction Commitments**

As of June 30, 2023, the District has the following commitments with respect to the unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
New Del Sol HS Design and Construction	\$ 35,126,306	2023-24
CIHS HVAC Modernization	2,861,952	2023-24
CIHS Welding Program Modernization	<u>28,260</u>	2023-24
Total	<u><u>\$ 38,016,518</u></u>	

**Note 15 - Participation in Public Entity Risk Pools and Joint Powers Authority**

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

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

During the year ended June 30, 2023, the District made payments of \$2,604,563, \$40,974,653, and \$11,492, to VCSSFA, CSEBO, and VCFAST, respectively.

**Note 16 - Adoption of New Accounting Standard**

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. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

Governmental Activities	
Net Position - Beginning, as previously reported on June 30, 2022	\$ (66,311,976)
Right-to-use subscription IT assets, net of amortization	<u>1,487,302</u>
Net Position - Beginning as Restated on July 1, 2022	<u><u>\$ (64,824,674)</u></u>



Required Supplementary Information  
June 30, 2023

# Oxnard Union High School District

Oxnard Union High 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	\$ 215,019,076	\$ 228,655,687	\$ 228,780,471	\$ 124,784
Federal sources	33,709,417	31,301,963	27,187,936	(4,114,027)
Other State sources	27,337,059	65,476,545	57,571,803	(7,904,742)
Other local sources	19,261,249	23,349,132	22,528,538	(820,594)
Total revenues	<u>295,326,801</u>	<u>348,783,327</u>	<u>336,068,748</u>	<u>(12,714,579)</u>
<b>Expenditures</b>				
Current				
Certificated salaries	102,603,976	115,015,677	116,191,134	(1,175,457)
Classified salaries	33,370,795	35,607,930	37,241,394	(1,633,464)
Employee benefits	87,321,926	87,330,820	84,664,853	2,665,967
Books and supplies	22,853,373	25,854,358	12,414,253	13,440,105
Services and operating expenditures	37,296,191	34,301,243	35,703,153	(1,401,910)
Other outgo	2,984,975	3,369,320	4,303,958	(934,638)
Capital outlay	10,882,482	22,559,580	23,680,449	(1,120,869)
Debt service				
Debt service - principal	1,887,006	1,177,006	1,548,248	(371,242)
Debt service - interest and other	248,533	159,347	178,443	(19,096)
Total expenditures	<u>299,449,257</u>	<u>325,375,281</u>	<u>315,925,885</u>	<u>9,449,396</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,122,456)</u>	<u>23,408,046</u>	<u>20,142,863</u>	<u>(3,265,183)</u>
Other Financing Sources (Uses)				
Other sources	-	-	270,078	270,078
Transfers out	-	(8,000,000)	(8,000,000)	-
Net Change in Fund Balances	<u>(4,122,456)</u>	<u>15,408,046</u>	<u>12,412,941</u>	<u>(2,995,105)</u>
Fund Balance - Beginning	<u>37,837,510</u>	<u>37,837,510</u>	<u>37,837,510</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 33,715,054</u>	<u>\$ 53,245,556</u>	<u>\$ 50,250,451</u>	<u>\$ (2,995,105)</u>

Oxnard Union High School District  
Schedule of Changes in the District's Net OPEB Liability and Related Ratios  
Year Ended June 30, 2023

	2023	2022	2021	2020
Total OPEB Liability				
Service cost	\$ 1,451,302	\$ 1,687,186	\$ 1,642,030	\$ 3,316,803
Interest	10,250,621	12,305,846	12,132,371	14,486,278
Difference between expected and actual experience	-	(37,956,284)	-	(8,081,263)
Changes of assumptions	-	-	-	(28,728,017)
Benefit payments	(9,082,187)	(11,262,920)	(10,548,562)	(9,409,273)
Net change in total OPEB liability	2,619,736	(35,226,172)	3,225,839	(28,415,472)
Total OPEB Liability - Beginning	174,659,124	209,885,296	206,659,457	235,074,929
Total OPEB Liability - Ending (a)	<u>\$ 177,278,860</u>	<u>\$ 174,659,124</u>	<u>\$ 209,885,296</u>	<u>\$ 206,659,457</u>
Plan Fiduciary Net Position				
Employer Contributions	\$ 9,093,498	\$ 11,262,920	\$ 10,567,190	\$ 9,441,363
Interest	7,699,173	(14,382,742)	20,688,094	3,171,431
Benefit payments	(9,082,187)	(11,262,920)	(10,548,562)	(9,409,273)
Administrative expense	(47,046)	(51,798)	(46,894)	(41,624)
Other expense	-	-	-	-
Net change in plan fiduciary net position	7,663,438	(14,434,540)	20,659,828	3,161,897
Plan Fiduciary Net Position - Beginning	74,288,238	88,722,778	68,062,950	64,901,053
Plan Fiduciary Net Position - Ending (b)	<u>\$ 81,951,676</u>	<u>\$ 74,288,238</u>	<u>\$ 88,722,778</u>	<u>\$ 68,062,950</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 95,327,184</u>	<u>\$ 100,370,886</u>	<u>\$ 121,162,518</u>	<u>\$ 138,596,507</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.23%	42.53%	42.27%	32.93%
Covered Payroll	27,369,359	27,369,359	36,543,795	36,543,795
Net OPEB Liability as a Percentage of Covered Payroll	348.30%	366.73%	331.55%	379.26%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

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



Oxnard Union High School District  
Schedule of Changes in the District's Net OPEB Liability and Related Ratios  
Year Ended June 30, 2023

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 3,220,197	\$ 3,037,922	\$ 5,143,257
Interest	13,572,428	13,139,429	11,086,979
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments	<u>(9,409,273)</u>	<u>(8,876,673)</u>	<u>(8,403,086)</u>
Net change in total OPEB liability	7,383,352	7,300,678	7,827,150
Total OPEB Liability - Beginning	<u>227,691,577</u>	<u>220,390,899</u>	<u>212,563,749</u>
Total OPEB Liability - Ending (a)	<u>\$ 235,074,929</u>	<u>\$ 227,691,577</u>	<u>\$ 220,390,899</u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 9,409,273	\$ 8,876,673	\$ 8,403,086
Interest	3,713,087	5,411,667	6,502,209
Benefit payments	(9,409,273)	(8,876,673)	(8,403,086)
Administrative expense	(40,120)	(8,197)	(8,230)
Other expense	<u>(17,315)</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	3,655,652	5,403,470	6,493,979
Plan Fiduciary Net Position - Beginning	<u>61,245,401</u>	<u>55,841,931</u>	<u>49,347,952</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 64,901,053</u>	<u>\$ 61,245,401</u>	<u>\$ 55,841,931</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 170,173,876</u>	<u>\$ 166,446,176</u>	<u>\$ 164,548,968</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>27.61%</u>	<u>26.90%</u>	<u>25.34%</u>
Covered Payroll	<u>42,005,000</u>	<u>42,005,000</u>	<u>54,534,000</u>
Net OPEB Liability as a Percentage of Covered Payroll	<u>405.13%</u>	<u>396.25%</u>	<u>301.74%</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

**Oxnard Union High School District**  
 Schedule of OPEB Investment Returns  
 Year Ended June 30, 2023

---

	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	6.00%	6.00%	6.00%	6.00%
		2019	2018	2017
Annual money-weighted rate of return, net of investment expense		6.00%	6.00%	6.00%

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

Oxnard Union High School District  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2023

Year ended June 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>
Proportion of the net OPEB liability	<u>0.2512%</u>	<u>0.2386%</u>	<u>0.2739%</u>
Proportionate share of the net OPEB liability	<u>\$ 827,641</u>	<u>\$ 951,739</u>	<u>\$ 1,160,648</u>
Covered payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>(0.94%)</u>	<u>(0.80%)</u>	<u>(0.71%)</u>
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020
Year ended June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability	<u>0.2745%</u>	<u>0.2692%</u>	<u>0.2746%</u>
Proportionate share of the net OPEB liability	<u>\$ 1,022,086</u>	<u>\$ 1,030,599</u>	<u>\$ 1,155,262</u>
Covered payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>(0.81%)</u>	<u>(0.40%)</u>	<u>0.01%</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Oxnard Union High School District  
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS  
Year Ended June 30, 2023

CalSTRS	2023	2022	2021	2020	2019
Proportion of the net pension liability	0.1674%	0.1587%	0.1572%	0.1551%	0.1500%
Proportionate share of the net pension liability	\$ 116,326,666	\$ 72,239,553	\$ 152,320,108	\$ 140,124,868	\$ 137,867,679
State's proportionate share of the net pension liability	58,255,940	36,348,141	78,521,034	76,447,470	78,935,694
Total	\$ 174,582,606	\$ 108,587,694	\$ 230,841,142	\$ 216,572,338	\$ 216,803,373
Covered payroll	\$ 99,212,335	\$ 87,471,375	\$ 87,503,503	\$ 85,321,585	\$ 82,009,127
Proportionate share of the net pension liability as a percentage of its covered payroll	117.25%	82.59%	174.07%	164.23%	168.11%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
		2018	2017	2016	2015
Proportion of the net pension liability		0.1517%	0.1436%	0.1485%	0.1239%
Proportionate share of the net pension liability		\$ 140,270,672	\$ 116,138,746	\$ 99,966,960	\$ 72,419,094
State's proportionate share of the net pension liability		82,982,945	66,115,716	52,871,502	43,729,775
Total		\$ 223,253,617	\$ 182,254,462	\$ 152,838,462	\$ 116,148,869
Covered payroll		\$ 86,142,798	\$ 74,247,894	\$ 66,868,840	71,975,188
Proportionate share of the net pension liability as a percentage of its covered payroll		162.84%	156.42%	149.50%	100.62%
Plan fiduciary net position as a percentage of the total pension liability		69%	70%	74%	77%
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.

Oxnard Union High School District  
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS  
Year Ended June 30, 2023

CalPERS	2023	2022	2021	2020	2019
Proportion of the net pension liability	0.2160%	0.2067%	0.2077%	0.2069%	0.2100%
Proportionate share of the net pension liability	\$ 74,324,409	\$ 42,030,350	\$ 63,720,105	\$ 60,307,163	\$ 56,001,050
Covered payroll	\$ 33,124,452	\$ 29,676,855	\$ 29,656,382	\$ 28,706,987	\$ 27,710,096
Proportionate share of the net pension liability as a percentage of its covered payroll	224.38%	141.63%	214.86%	210.08%	202.10%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
		2018	2017	2016	2015
Proportion of the net pension liability		0.2132%	0.2034%	0.1941%	0.1854%
Proportionate share of the net pension liability		\$ 50,895,389	\$ 40,178,268	\$ 28,611,809	\$ 21,046,174
Covered payroll		\$ 28,972,645	\$ 24,527,518	\$ 21,031,951	21,636,698
Proportionate share of the net pension liability as a percentage of its covered payroll		175.67%	163.81%	136.04%	97.27%
Plan fiduciary net position as a percentage of the total pension liability		72%	74%	79%	83%
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.

Oxnard Union High School District  
Schedule of the District's Contributions - CalSTRS  
Year Ended June 30, 2023

CalSTRS	2023	2022	2021	2020	2019
Contractually required contribution	\$ 21,032,572	\$ 16,786,727	\$ 14,126,627	\$ 14,963,099	\$ 13,890,354
Less contributions in relation to the contractually required contribution	<u>21,032,572</u>	<u>16,786,727</u>	<u>14,126,627</u>	<u>14,963,099</u>	<u>13,890,354</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 110,118,178</u>	<u>\$ 99,212,335</u>	<u>\$ 87,471,375</u>	<u>\$ 87,503,503</u>	<u>\$ 85,321,585</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>
		2018	2017	2016	2015
Contractually required contribution		\$ 11,833,917	\$ 10,836,764	\$ 7,966,799	\$ 5,937,953
Less contributions in relation to the contractually required contribution		<u>11,833,917</u>	<u>10,836,764</u>	<u>7,966,799</u>	<u>5,937,953</u>
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll		<u>\$ 82,009,127</u>	<u>\$ 86,142,798</u>	<u>\$ 74,247,894</u>	<u>\$ 66,868,840</u>
Contributions as a percentage of covered payroll		<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>

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

Oxnard Union High School District  
Schedule of the District's Contributions - CalPERS  
Year Ended June 30, 2023

CalPERS	2023	2022	2021	2020	2019
Contractually required contribution	\$ 9,717,013	\$ 7,588,812	\$ 6,143,109	\$ 5,848,535	\$ 5,185,056
Less contributions in relation to the contractually required contribution	<u>9,717,013</u>	<u>7,588,812</u>	<u>6,143,109</u>	<u>5,848,535</u>	<u>5,185,056</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 38,301,194</u>	<u>\$ 33,124,452</u>	<u>\$ 29,676,855</u>	<u>\$ 29,656,382</u>	<u>\$ 28,706,987</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>
		2018	2017	2016	2015
Contractually required contribution		\$ 4,303,655	\$ 4,023,721	\$ 2,905,775	\$ 2,475,671
Less contributions in relation to the contractually required contribution		<u>4,303,655</u>	<u>4,023,721</u>	<u>2,905,775</u>	<u>2,475,671</u>
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll		<u>\$ 27,710,096</u>	<u>\$ 28,972,645</u>	<u>\$ 24,527,518</u>	<u>\$ 21,031,951</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 Net OPEB Liability and Related Ratios**

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

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

### **Schedule of OPEB Investment Returns**

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

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 2.16% 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.



Supplementary Information  
June 30, 2023

# Oxnard Union High School District

Oxnard Union High 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 Ventura County Special Education Local Plan Area			
Special Education (IDEA) Cluster			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	\$ 3,583,628
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	<u>198,217</u>
Total Special Education (IDEA) Cluster			<u>3,781,845</u>
Passed Through California Department of Rehabilitation			
Workability II, Transition Partnership	84.126	10006	218,352
Passed Through California Department of Education (CDE)			
Adult Basic Education	84.002A	14508	417,160
Adult Secondary Education	84.002	13978	198,395
Integrated English Literacy and Civics Education	84.002A	14109	<u>147,770</u>
Subtotal			<u>763,325</u>
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	3,437,380
School Improvement Funding for LEAs	84.010	15438	<u>12,740</u>
Subtotal			<u>3,450,120</u>
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	3,796,673
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	7,003,247
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	3,960,611
COVID-19: Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	2,076,396
COVID-19: Expanded Learning Opportunities (ELO) Grant: GEER II	84.425C	15619	476,551
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs	84.425U	15620	646,657
COVID-19: American Rescue Plan-Homeless Children and Youth Program	84.425W	15564	<u>58,106</u>
Subtotal			<u>18,018,241</u>
Title II, Part A, Supporting Effective Instruction	84.367	14341	477,891
Title III, English Learner Student Program	84.365	14346	357,724
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	161,918
Title IX, Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332	75,855
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Section 131	84.048	14894	<u>480,903</u>
Total U.S. Department of Education			<u>27,786,174</u>

Oxnard Union High 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 Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
School Lunch - Section 4	10.555	13523	1,231,259
School Lunch - Section 11	10.555	13524	3,488,399
Commodities	10.555	13524	651,605
Supply Chain Assistance (SCA) Funds	10.555	15655	<u>420,314</u>
Subtotal			<u>5,791,577</u>
School Breakfast Program	10.553	13525	157,412
School Breakfast Program - Severe Need	10.553	13526	<u>2,159,638</u>
Subtotal			<u>2,317,050</u>
Total Child Nutrition Cluster			<u>8,108,627</u>
Passed Through California Department of Social Services			
Child and Adult Care Food Program	10.558	13529	1,509,550
CCFP Cash in Lieu of Commodities	10.558	13534	<u>86,846</u>
Subtotal			<u>1,596,396</u>
Total U.S. Department of Agriculture			<u>9,705,023</u>
U.S. Department of Defense			
Junior Reserve Officer Training Corps - Air Force	12.000	[1]	156,852
U.S. Department of Interior			
National Park Services	15.954	[1]	<u>8,235</u>
Total Federal Financial Assistance			<u>\$ 37,656,284</u>

[1] Pass-Through Entity Identifying Number not available

**ORGANIZATION**

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

**GOVERNING BOARD**

MEMBER	OFFICE	TERM EXPIRES
Karen M. Sher	President	2026
Genevieve Flores-Haro	Vice President	2026
Linda Baker Torres	Clerk	2026
Elizabeth M. Botello	Member	2024
Dr. Steve Hall	Member	2024

**ADMINISTRATION**

NAME	TITLE
Thomas McCoy, Ed.D.	Superintendent
Richard Urias	Assistant Superintendent of Business Services
Deborah Salgado, Ed.D.	Assistant Superintendent of Human Resources
Roger Adams	Assistant Superintendent of Educational Services

Oxnard Union High School District  
 Schedule of Average Daily Attendance  
 Year Ended June 30, 2023

---

	Final Report	
	Second Period Report F15D5956	Annual Report 9D65A66C
Regular ADA Ninth through twelfth	15,247.97	15,144.59
Special Education, Nonpublic, Nonsectarian Schools Ninth through twelfth	20.00	19.40
Extended Year Special Education, Nonpublic, Nonsectarian Schools Ninth through twelfth	1.54	1.54
Total ADA	15,269.51	15,165.53

Oxnard Union High School District  
 Schedule of Instructional Time  
 Year Ended June 30, 2023

Grade Level	1986-1987 Minutes Requirement	2022-2023 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Grades 9 - 12	64,800										
Grade 9		64,848	-	64,848	180	-	180	-	-	-	Complied
Grade 10		64,848	-	64,848	180	-	180	-	-	-	Complied
Grade 11		64,848	-	64,848	180	-	180	-	-	-	Complied
Grade 12		64,848	-	64,848	180	-	180	-	-	-	Complied

Oxnard Union High School District  
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
Year Ended June 30, 2023

	<u>General Fund</u>	<u>Adult Education Fund</u>	<u>Cafeteria Fund</u>	<u>Building Fund</u>
Fund Balance				
Balance, June 30, 2023, Unaudited Actuals	\$ 55,715,752	\$ 492,859	\$ 12,189,246	\$ 21,893,270
Increase in				
Receivables	3,465,711	-	-	-
Accounts payable	(8,406,062)	-	-	-
Decrease in				
Cash in county (FMV)	<u>(524,950)</u>	<u>(4,048)</u>	<u>(90,748)</u>	<u>(235,894)</u>
Balance, June 30, 2023, Audited Financial Statements	<u>\$ 50,250,451</u>	<u>\$ 488,811</u>	<u>\$ 12,098,498</u>	<u>\$ 21,657,376</u>
	<u>Capital Facilities Fund</u>	<u>County School Facilities Fund</u>	<u>Special Reserve Fund for Capital Outlay Projects</u>	<u>Bond Interest and Redemption Fund</u>
Fund Balance				
Balance, June 30, 2023, Unaudited Actuals	\$ 4,338,351	\$ 238,912	\$ 23,055,677	\$ 26,512,637
Increase in				
Accounts payable	-	-	(120,289)	-
Decrease in				
Cash in county (FMV)	<u>(42,266)</u>	<u>(2,208)</u>	<u>(234,148)</u>	<u>(242,481)</u>
Balance, June 30, 2023, Audited Financial Statements	<u>\$ 4,296,085</u>	<u>\$ 236,704</u>	<u>\$ 22,701,240</u>	<u>\$ 26,270,156</u>



Oxnard Union High 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				
Revenues	\$ 298,427,205	\$ 336,068,748	\$ 281,594,600	\$ 252,641,567
Other sources	-	270,078	-	144,936
Total Revenues and Other Sources	<u>298,427,205</u>	<u>336,338,826</u>	<u>281,594,600</u>	<u>252,786,503</u>
Expenditures	309,903,054	315,925,885	277,515,973	238,940,902
Other uses and transfers out	-	8,000,000	2,000,000	226,753
Total Expenditures and Other Uses	<u>309,903,054</u>	<u>323,925,885</u>	<u>279,515,973</u>	<u>239,167,655</u>
Increase/(Decrease) in Fund Balance	<u>(11,475,849)</u>	<u>12,412,941</u>	<u>2,078,627</u>	<u>13,618,848</u>
Ending Fund Balance	<u>\$ 38,774,602</u>	<u>\$ 50,250,451</u>	<u>\$ 37,837,510</u>	<u>\$ 35,758,883</u>
Available Reserves <sup>2</sup>	<u>\$ 10,977,392</u>	<u>\$ 9,717,777</u>	<u>\$ 9,258,722</u>	<u>\$ 17,910,830</u>
Available Reserves as a Percentage of Total Outgo	<u>3.54%</u>	<u>3.00%</u>	<u>3.31%</u>	<u>7.49%</u>
Long-Term Liabilities	<u>N/A</u>	<u>\$ 816,760,805</u>	<u>\$ 665,416,713</u>	<u>\$ 787,027,803</u>
K-12 Average Daily Attendance at P-2	<u>14,895</u>	<u>15,270</u>	<u>15,523</u>	<u>15,688</u>

The General Fund balance has increased by \$14,491,568 over the past two years. The fiscal year 2023-2024 budget projects a decrease of \$11,475,849 (22.8%). For a district this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in the past three years and anticipates incurring an operating deficit during the 2023-2024 fiscal year. Total long-term liabilities have increased by \$29,733,002 over the past two years.

Average daily attendance has decreased by 418 over the past two years. Additional decline of 375 ADA is anticipated during fiscal year 2023-2024.

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

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

Oxnard Union High School District  
Schedule of Charter Schools  
Year Ended June 30, 2023

---

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

Oxnard Union High School District  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2023

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	COP Debt Service Fund	Total Non-Major Governmental Funds
<b>Assets</b>							
Deposits and investments	\$ 2,245,294	\$ 434,016	\$ 9,738,750	\$ 4,532,005	\$ 236,704	\$ 8,341	\$ 17,195,110
Receivables	-	320,736	2,644,717	69,754	-	-	3,035,207
Due from other funds	-	-	9,101	-	-	-	9,101
<b>Total assets</b>	<b>\$ 2,245,294</b>	<b>\$ 754,752</b>	<b>\$ 12,392,568</b>	<b>\$ 4,601,759</b>	<b>\$ 236,704</b>	<b>\$ 8,341</b>	<b>\$ 20,239,418</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ 91,612	\$ 2,538	\$ 301,569	\$ -	\$ -	\$ 395,719
Due to other funds	-	174,329	291,532	4,105	-	-	469,966
<b>Total liabilities</b>	<b>-</b>	<b>265,941</b>	<b>294,070</b>	<b>305,674</b>	<b>-</b>	<b>-</b>	<b>865,685</b>
<b>Fund Balances</b>							
Nonspendable	-	-	2,100	-	-	-	2,100
Restricted	2,245,294	488,811	12,096,398	4,296,085	236,704	8,341	19,371,633
<b>Total fund balances</b>	<b>2,245,294</b>	<b>488,811</b>	<b>12,098,498</b>	<b>4,296,085</b>	<b>236,704</b>	<b>8,341</b>	<b>19,373,733</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,245,294</b>	<b>\$ 754,752</b>	<b>\$ 12,392,568</b>	<b>\$ 4,601,759</b>	<b>\$ 236,704</b>	<b>\$ 8,341</b>	<b>\$ 20,239,418</b>

Oxnard Union High School District

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

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	COP Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues</b>							
Federal sources	\$ -	\$ 763,325	\$ 10,253,435	\$ -	\$ -	\$ -	\$ 11,016,760
Other State sources	-	3,422,346	4,670,072	-	-	-	8,092,418
Other local sources	4,907,042	243,682	437,863	3,380,647	4,520	24,741	8,998,495
<b>Total revenues</b>	<b>4,907,042</b>	<b>4,429,353</b>	<b>15,361,370</b>	<b>3,380,647</b>	<b>4,520</b>	<b>24,741</b>	<b>28,107,673</b>
<b>Expenditures</b>							
<b>Current</b>							
Instruction	-	2,349,283	-	-	-	-	2,349,283
Instruction-related activities							
Supervision of instruction	-	2,586	-	-	-	-	2,586
School site administration	-	1,204,239	-	-	-	-	1,204,239
Pupil services							
Food services	-	-	9,537,157	-	-	-	9,537,157
All other pupil services	-	627,423	-	-	-	-	627,423
Administration							
All other administration	-	174,049	291,811	24,952	-	-	490,812
Plant services	-	198,842	-	-	-	-	198,842
Ancillary services	4,748,738	-	-	-	-	-	4,748,738
Enterprise services	-	-	4,629	-	-	-	4,629
Facility acquisition and construction	-	-	-	4,771,634	-	-	4,771,634
Debt service							
Principal	-	-	-	-	-	685,000	685,000
Interest and other	-	-	-	-	-	1,660,050	1,660,050
<b>Total expenditures</b>	<b>4,748,738</b>	<b>4,556,422</b>	<b>9,833,597</b>	<b>4,796,586</b>	<b>-</b>	<b>2,345,050</b>	<b>26,280,393</b>

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

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	COP Debt Service Fund	Total Non-Major Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 158,304</u>	<u>\$ (127,069)</u>	<u>\$ 5,527,773</u>	<u>\$ (1,415,939)</u>	<u>\$ 4,520</u>	<u>\$ (2,320,309)</u>	<u>\$ 1,827,280</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	2,345,050	2,345,050
Transfers out	-	-	-	<u>(2,345,050)</u>	-	<u>(603,609)</u>	<u>(2,948,659)</u>
Net Financing Sources (Uses)	-	-	-	<u>(2,345,050)</u>	-	<u>1,741,441</u>	<u>(603,609)</u>
Net Change in Fund Balances	158,304	(127,069)	5,527,773	(3,760,989)	4,520	(578,868)	1,223,671
Fund Balance - Beginning	<u>2,086,990</u>	<u>615,880</u>	<u>6,570,725</u>	<u>8,057,074</u>	<u>232,184</u>	<u>587,209</u>	<u>18,150,062</u>
Fund Balance - Ending	<u><u>\$ 2,245,294</u></u>	<u><u>\$ 488,811</u></u>	<u><u>\$ 12,098,498</u></u>	<u><u>\$ 4,296,085</u></u>	<u><u>\$ 236,704</u></u>	<u><u>\$ 8,341</u></u>	<u><u>\$ 19,373,733</u></u>

**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 Oxnard Union High 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 District, it is not intended to and does not present the financial position, changes in net position or fund balance of the District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

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

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2023, the District had no food commodities in inventory.

SEFA Reconciliation

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. Supply Chain Assistance (SCA) Funds have been recorded in the current period as revenues that have not been expended as of June 30, 2023. These unspent balances are reported as legally restricted ending balances within the Cafeteria Fund.

	Federal Financial Assistance Listing Number	Amount
Description		
Total Federal Revenues reported on the financial statements		\$ 38,204,696
Supply Chain Assistance (SCA) Funds	10.555	(548,412)
Total federal financial assistance		\$ 37,656,284

**Local Education Agency Organization Structure**

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

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

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

### **Schedule of Instructional Time**

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

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

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

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

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

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

### **Schedule of Charter Schools**

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

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

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



Independent Auditor's Reports  
June 30, 2023

# Oxnard Union High School District





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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 7, 2023.

***Adoption of New Accounting Standard***

As discussed in Notes 1 and 16 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

### **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*.

### **Oxnard Union High School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.



Rancho Cucamonga, California  
December 7, 2023



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

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

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

#### ***Opinion on Each Major Federal Program***

We have audited Oxnard Union High School District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

#### ***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.

*Eide Bailly LLP*

Rancho Cucamonga, California  
December 7, 2023



## Independent Auditor's Report on State Compliance

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

### Report on Compliance

#### Opinion on State Compliance

We have audited Oxnard Union High School District's (the District) compliance with the requirements specified in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

#### ***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### ***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 state 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 *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	No, see below
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below

2022-2023 K-12 Audit Guide Procedures	Procedures Performed
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	Yes
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	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	No, see below
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Transitional Kindergarten	No, see below
<b>Charter Schools</b>	
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

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

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

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

The District has only grades 9-12; therefore, we did not perform procedures related to K-3 Grade Span Adjustment.



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

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.

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

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

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

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

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

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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California  
December 7, 2023



Schedule of Findings and Questioned Costs  
June 30, 2023

# Oxnard Union High School District

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs**

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing Number</u>
Special Education Cluster	84.027, 84.027A
COVID-19: Education Stabilization Fund	84.425C, 84.425D, 84.425U, 84.425W
Dollar threshold used to distinguish between type A and type B programs	\$1,129,689
Auditee qualified as low-risk auditee?	No

**State Compliance**

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

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

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

**2023-001      30000 – Financial Statement Preparation and Audit Adjustments (Material Weakness)**

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all adjusting entries, reclassifying entries, and conversion entries used in the preparation of the District’s financial statements. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

An internal control system design must include elements to accurately prepare financial statements without adjustments by the auditor. During the course of our engagement, we noted the ending fund balances in the governmental funds were materially misstated. These misstatements have been detailed in the Supplementary Information in the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements schedule.

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The conditions were identified as result of our review of available District records and audit procedures performed.

Effect

The effect of the error resulted in material misstatements that were not detected or prevented by the District’s internal accounting and review process. As reported on the 2022-2023 unaudited financial statements, the District’s General Fund was overstated by \$5,465,301, Building Fund was overstated by \$235,894, Special Reserve Fund for Capital Outlay Projects was overstated by \$354,437, Bond Interest and Redemption Fund was overstated by \$242,481, and the Aggregate Remaining Funds was overstated by \$139,270.

Cause

The cause of the condition identified appears to be due to inadequate review processes related to the preparation of the District's year-end financial statements, which includes the related conversion entries in preparation of the government-wide financial statements.

Repeat Finding

No.

Recommendation

A thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries should take place before the financial statements are finalized by the District's business department.

Corrective Action Plan and Views of Responsible Officials

The District acknowledges the thorough review conducted on its financial statements, highlighting the importance of comprehensive assessments before finalization. Recognizing the need for a robust internal control system in monitoring financial reporting, the District has implemented enhanced processes to meticulously oversee and enforce these controls. The District's commitment to ongoing improvement is reflected in the strengthened financial statement review procedures, aimed at ensuring greater accuracy and completeness. By fortifying internal controls, the District seeks to enhance the overall reliability of its financial reporting. The District remains dedicated to transparency and accountability, underscoring a proactive stance in addressing audit findings and continuously refining financial management practices. The District welcomes any additional guidance or suggestions from the audit team to further refine financial statement review processes. The goal is to demonstrate the positive impact of these corrective actions on future financial reporting. The District expresses gratitude for the diligence and collaboration throughout this audit process and looks forward to continued cooperation, showcasing the effectiveness of corrective measures.

None reported.

None reported.



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