

Financial Statements
June 30, 2025

Oxnard Union High School District



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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, 2025, 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, 2025, 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.

Substantial Doubt About the District's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the District will continue as a going concern. As discussed in Note 18 to the financial statements, the District has experienced ongoing financial challenges. These conditions raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 18. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 17 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 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 Information

Management is responsible for the other information included in the financial statements. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Ontario, California
January 13, 2026



FINANCIAL HIGHLIGHTS OF THE PAST YEAR

Total General Fund revenues decreased by \$6,898,112 from the previous fiscal year. The following table shows major revenue sources for fiscal year 2024-2025 compared with fiscal year 2023-2024.

	2025	2024	Change
Local Control Funding Formula	\$ 240,899,304	\$ 241,844,862	\$ (945,558)
Federal sources	8,686,493	12,665,832	(3,979,339)
Other State sources	26,710,595	27,587,850	(877,255)
Other local sources	27,534,792	28,630,752	(1,095,960)
Total	<u>\$ 303,831,184</u>	<u>\$ 310,729,296</u>	<u>\$ (6,898,112)</u>

Total General Fund expenditures decreased by \$11,511,003 from the previous fiscal year. The following table shows expenditures for fiscal year 2024-2025 compared with fiscal year 2023-2024.

	2025		2024		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Certificated salaries	\$ 125,126,022	38%	\$ 123,618,963	36%	1,507,059	1%
Classified salaries	48,888,449	15%	45,299,614	14%	3,588,835	8%
Employee benefits	90,364,490	28%	92,213,657	27%	(1,849,167)	-2%
Books and supplies	8,275,576	3%	9,179,587	3%	(904,011)	-10%
Services and other	41,229,689	13%	39,377,032	12%	1,852,657	5%
Other outgo	4,935,163	2%	5,291,766	2%	(356,603)	-7%
Capital outlay and debt service	3,347,823	1%	18,697,596	6%	(15,349,773)	-82%
Total	<u>\$ 322,167,212</u>	<u>100%</u>	<u>\$ 333,678,215</u>	<u>100%</u>	<u>\$ (11,511,003)</u>	<u>-3%</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 net position. 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, 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 financial 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 Fiduciary Fund Financial Statements. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position (deficit) was \$(41,345,442) for the fiscal year ended June 30, 2025. Of this amount, \$(260,245,409) 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	
	2025	2024*
Assets		
Current and other assets	\$ 136,931,845	\$ 93,292,923
Capital assets	697,988,342	699,204,510
Total assets	834,920,187	792,497,433
Deferred outflows of resources	90,381,935	85,397,056
Liabilities		
Current liabilities	30,443,095	30,642,693
Long-term liabilities	916,298,322	808,911,715
Total liabilities	946,741,417	839,554,408
Deferred inflows of resources	19,906,147	16,805,914
Net Position		
Net investment in capital assets	155,324,182	196,127,184
Restricted	63,575,785	49,706,377
Unrestricted (deficit)	(260,245,409)	(224,299,394)
Total net position	\$ (41,345,442)	\$ 21,534,167

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 17 for further information.

The \$(260,245,409) in unrestricted (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	
	2025	2024*
Revenues		
Program revenues		
Charges for services	\$ 3,513,036	\$ 2,556,460
Operating grants and contributions	63,686,578	68,556,934
General revenues		
Federal and State aid not restricted	169,042,463	172,044,737
Property taxes	106,277,168	98,891,432
Other general revenues	24,391,136	23,477,857
Total revenues	<u>366,910,381</u>	<u>365,527,420</u>
Expenses		
Instruction-related	226,779,385	218,641,073
Pupil services	56,773,145	49,289,950
Administration	31,164,870	28,274,779
Plant services	32,069,779	31,483,994
All other services	46,054,888	31,272,799
Total expenses	<u>392,842,067</u>	<u>358,962,595</u>
Change in net position	<u>\$ (25,931,686)</u>	<u>\$ 6,564,825</u>

* The expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 17 for further information.

Governmental Activities

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was \$392,842,067. However, the amount that our taxpayers ultimately financed for these activities through local taxes was \$106,277,168 because the cost was paid by those who benefited from the programs (\$3,513,036) or by other governments and organizations who subsidized certain programs with grants and contributions (\$63,686,578). We paid for the remaining "public benefit" portion of our governmental activities with \$169,042,463 in State and Federal funds, and \$24,391,136 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	
	2025	2024*	2025	2024*
Instruction-related	\$ 226,779,385	\$ 218,641,073	\$ (194,836,123)	\$ (184,236,923)
Pupil services	56,773,145	49,289,950	(33,443,314)	(25,853,591)
Administration	31,164,870	28,274,779	(29,707,101)	(26,434,480)
Plant services	32,069,779	31,483,994	(30,836,213)	(31,194,513)
All other services	46,054,888	31,272,799	(36,819,702)	(20,129,694)
Total	<u>\$ 392,842,067</u>	<u>\$ 358,962,595</u>	<u>\$ (325,642,453)</u>	<u>\$ (287,849,201)</u>

* The expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 17 for further information.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$114,260,469, which is an increase of \$45,061,111 from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			
	June 30, 2024	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2025
General Fund	\$ 22,228,657	\$ 317,304,650	\$ 322,167,212	\$ 17,366,095
Cafeteria Fund	15,579,582	14,732,093	14,876,846	15,434,829
Capital Facilities Fund	3,959,431	9,402,178	4,929,799	8,431,810
Building Fund	4	87,619,515	55,215,912	32,403,607
Bond Interest and Redemption Fund	24,183,097	38,707,079	25,315,310	37,574,866
Student Activity Fund	2,109,928	5,094,767	5,098,384	2,106,311
Adult Education Fund	559,626	5,023,409	5,041,478	541,557
Special Reserve Fund for Capital Outlay Projects	567,205	40,200	212,348	395,057
Debt Service Fund	11,828	2,343,559	2,349,050	6,337
Total	<u>\$ 69,199,358</u>	<u>\$ 480,267,450</u>	<u>\$ 435,206,339</u>	<u>\$ 114,260,469</u>

General Fund Budgetary Highlights

The District is required to adopt its budget by June 30 each year. This was prior to adoption of the State budget. Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. After the year-end closing process is complete, the unaudited actuals are presented to the governing board. Budget adjustments are brought to the governing board on a regular basis to reflect changes in both revenues and expenditures that become known during the year. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 71.)

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2025, the District had \$697,988,342 in a broad range of capital assets (net of depreciation and amortization), including land and construction in progress, buildings and improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net decrease (including additions, deductions, depreciation, and amortization) of \$1,216,168, or 0.17%, from last year (Table 5).

Table 5

	Governmental Activities	
	2025	2024
Land and construction in progress	\$ 62,750,543	\$ 67,488,465
Buildings and improvements	607,620,266	604,102,080
Furniture and equipment	26,218,426	26,118,911
Right-to-use leased assets	796,622	1,067,852
Right-to-use subscription IT assets	602,485	427,202
Total	<u>\$ 697,988,342</u>	<u>\$ 699,204,510</u>

Long-Term Liabilities

At the end of this year, the District had \$916,298,322 in outstanding long-term liabilities versus \$808,911,715 last year, an increase of \$107,386,607. Long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2025	2024*
Long-Term Liabilities		
General obligation bonds	\$ 419,372,511	\$ 429,579,313
Premium on issuance	27,479,537	29,212,268
Qualified energy conservation bonds	3,668,068	4,992,221
Certificates of participation	44,705,000	45,450,000
Premium on issuance	4,682,141	4,916,248
Bond anticipation notes	75,000,000	-
Premium on issuance	9,528,750	-
Leases	881,283	1,098,619
Subscription-based IT arrangements	210,592	-
Supplemental employee retirement plan	13,253,415	-
Compensated absences	34,460,954	3,586,344
Net OPEB liability	76,776,593	79,029,917
Aggregate net pension liability	206,279,478	211,046,785
 Total	 \$ 916,298,322	 \$ 808,911,715

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 17 for further information.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2024-2025 ARE NOTED BELOW:

- Major construction of new comprehensive high school, Del Sol High School, was complete with the construction of auxiliary areas including fields progressing.
- Provided free meals to all students including breakfast, lunch, and supper.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2025-2026 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 \$286 per Average Daily Attendance (ADA).

- LCFF entitlement per ADA \$12,746.
- Cost of Living Allowance (COLA) for LCFF is projected at 2.30%.
- LCFF is calculated based on 15,748 District Enrollment and an estimated ADA percentage of 89% to 90%.
- Unduplicated pupil three-year rolling percentage at 74.06%.
- Federal revenues are projected to decrease due program reductions at the Federal level as well as the expiration of grants during the 2024-25 fiscal year.
- State revenues were projected to maintain between 2024-25 and 2025-26 due to new one-time funding allocations which are projected to be fully expended in the current year.

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.
- Increase staff costs for step/column and longevity movement of approximately \$2.08 million.
- CalSTRS employer rate of 19.10% which is the same as the 2024-25 rate.
- CalPERS employer rate 26.81% an increase of over the 2024-25 rate of 27.05%.
- 2026 employee health and welfare increased by approximately 10% over 2025 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, 2025

	Governmental Activities
Assets	
Deposits and investments	\$ 116,693,535
Receivables	19,909,778
Prepaid expense	51,671
Stores inventories	276,861
Capital assets not depreciated or amortized	62,750,543
Capital assets, net of accumulated depreciation and amortization	<u>635,237,799</u>
Total assets	<u>834,920,187</u>
Deferred Outflows of Resources	
Deferred charge on refunding	9,503,904
Deferred outflows of resources related to OPEB	18,327
Deferred outflows of resources related to pensions	<u>80,859,704</u>
Total deferred outflows of resources	<u>90,381,935</u>
Liabilities	
Accounts payable	20,314,852
Interest payable	7,771,719
Unearned revenue	2,356,524
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	27,752,327
Long-term liabilities other than OPEB and pensions due in more than one year	605,489,924
Net other postemployment benefits (OPEB) liability due in more than one year	76,776,593
Aggregate net pension liability	<u>206,279,478</u>
Total liabilities	<u>946,741,417</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	5,161,307
Deferred inflows of resources related to pensions	<u>14,744,840</u>
Total deferred inflows of resources	<u>19,906,147</u>
Net Position	
Net investment in capital assets	155,324,182
Restricted for	
Debt service	29,809,484
Capital projects	8,431,810
Educational programs	7,274,031
Other restrictions	18,060,460
Unrestricted (deficit)	<u>(260,245,409)</u>
Total net position (deficit)	<u><u>\$ (41,345,442)</u></u>

Oxnard Union High School District

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services and Sales	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
Governmental Activities				
Instruction	\$ 182,795,584	\$ 1,044,929	\$ 24,162,814	\$ (157,587,841)
Instruction-related activities				
Supervision of instruction	10,179,197	237,046	3,626,499	(6,315,652)
Instructional library, media, and technology	2,205,740	3	1,445	(2,204,292)
School site administration	31,598,864	82,879	2,787,647	(28,728,338)
Pupil services				
Home-to-school transportation	4,081,375	18	248,185	(3,833,172)
Food services	16,132,980	128,116	13,321,355	(2,683,509)
All other pupil services	36,558,790	297,565	9,334,592	(26,926,633)
Administration				
Data processing	6,605,080	14	23,093	(6,581,973)
All other administration	24,559,790	38,280	1,396,382	(23,125,128)
Plant services	32,069,779	949,399	284,167	(30,836,213)
Ancillary services	12,772,303	113	6,023,166	(6,749,024)
Community services	363,479	199	671	(362,609)
Interest on long-term liabilities	27,169,807	-	-	(27,169,807)
Other outgo	5,749,299	734,475	2,476,562	(2,538,262)
Total governmental activities	<u>\$ 392,842,067</u>	<u>\$ 3,513,036</u>	<u>\$ 63,686,578</u>	<u>(325,642,453)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				77,199,020
Property taxes, levied for debt service				26,301,532
Taxes levied for other specific purposes				2,776,616
Federal and State aid not restricted to specific purposes				169,042,463
Interest and investment earnings				1,630,771
Interagency revenues				1,540,095
Miscellaneous				21,220,270
Total general revenues and subventions				<u>299,710,767</u>
Change in Net Position				(25,931,686)
Net Position - Beginning, as previously reported				21,534,167
Adjustments (Note 17)				(36,947,923)
Net Position - Beginning, as restated				<u>(15,413,756)</u>
Net Position - Ending				<u>\$ (41,345,442)</u>

Oxnard Union High School District

Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets							
Deposits and investments	\$ 23,398,518	\$ 4,218,223	\$ 34,056,275	\$ 13,248,608	\$ 37,007,094	\$ 4,764,817	\$ 116,693,535
Receivables	16,321,849	1,784,297	808,352	126,714	567,772	300,794	19,909,778
Due from other funds	7,469,271	10,000,400	-	-	-	89,394	17,559,065
Prepaid expenditures	51,671	-	-	-	-	-	51,671
Stores inventories	276,861	-	-	-	-	-	276,861
Total assets	\$ 47,518,170	\$ 16,002,920	\$ 34,864,627	\$ 13,375,322	\$ 37,574,866	\$ 5,155,005	\$ 154,490,910
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 17,795,151	\$ 10,549	\$ 2,438,090	\$ 2,443	\$ -	\$ 68,619	\$ 20,314,852
Due to other funds	10,000,400	557,542	22,930	4,941,069	-	2,037,124	17,559,065
Unearned revenue	2,356,524	-	-	-	-	-	2,356,524
Total liabilities	30,152,075	568,091	2,461,020	4,943,512	-	2,105,743	40,230,441
Fund Balances							
Nonspendable	338,532	2,100	-	-	-	20,137	360,769
Restricted	7,274,031	15,432,729	32,403,607	8,431,810	37,574,866	2,634,068	103,751,111
Assigned	-	-	-	-	-	395,057	395,057
Unassigned	9,753,532	-	-	-	-	-	9,753,532
Total fund balances	17,366,095	15,434,829	32,403,607	8,431,810	37,574,866	3,049,262	114,260,469
Total liabilities and fund balances	\$ 47,518,170	\$ 16,002,920	\$ 34,864,627	\$ 13,375,322	\$ 37,574,866	\$ 5,155,005	\$ 154,490,910

Oxnard Union High School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balance - Governmental Funds	\$ 114,260,469
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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	\$ 982,718,821
Accumulated depreciation and amortization is	<u>(284,730,479)</u>

Net capital assets	697,988,342
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In governmental funds, unmatured interest on long-term
liabilities is recognized in the period when it is due. On the
government-wide financial statements, unmatured interest on
long-term liabilities is recognized when it is incurred.

(7,771,719)

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

Deferred charge on refunding	9,503,904
Other postemployment benefits (OPEB)	18,327
Net pension liability	<u>80,859,704</u>

Total deferred outflows of resources	90,381,935
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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)	(5,161,307)
Net pension liability	<u>(14,744,840)</u>

Total deferred inflows of resources	(19,906,147)
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Net pension liability is not due and payable in the current period,
and is not reported as a liability in the funds.

(206,279,478)

The District's OPEB liability is not due and payable in the current period,
and is not reported as a liability in the funds.

(76,776,593)

Oxnard Union High School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

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	\$ (418,205,708)
Premium on issuance of general obligation bonds	(27,479,537)
Bond anticipation notes	(75,000,000)
Premium on issuance of bond anticipation notes	(9,528,750)
Qualified energy conservation bonds	(3,668,068)
Certificates of participation	(44,705,000)
Premium on issuance of certificates of participation	(4,682,141)
Leases	(881,283)
Subscription-based IT arrangements	(210,592)
Supplemental employee retirement plan	(13,253,415)
Compensated absences	(34,460,954)

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

(1,166,803)

Total long-term liabilities		<u>\$ (633,242,251)</u>
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Total net position - governmental activities		<u><u>\$ (41,345,442)</u></u>
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Oxnard Union High School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2025

	General Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues							
Local Control Funding Formula (LCFF)	\$ 240,899,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,899,304
Federal sources	8,686,493	8,822,009	-	-	-	827,264	18,335,766
Other State sources	26,710,595	5,401,123	-	-	119,657	4,040,122	36,271,497
Other local sources	27,534,792	508,961	1,185,015	4,326,538	27,312,515	5,298,504	66,166,325
Total revenues	303,831,184	14,732,093	1,185,015	4,326,538	27,432,172	10,165,890	361,672,892
Expenditures							
Current							
Instruction	167,826,713	-	-	-	-	2,417,988	170,244,701
Instruction-related activities							
Supervision of instruction	11,013,861	-	-	-	-	10,282	11,024,143
Instructional library, media, and technology	2,314,747	-	-	-	-	-	2,314,747
School site administration	20,259,065	-	-	-	-	1,396,166	21,655,231
Pupil services							
Home-to-school transportation	3,745,212	-	-	-	-	-	3,745,212
Food services	1,824,684	14,312,189	-	-	-	-	16,136,873
All other pupil services	38,393,148	-	-	-	-	817,590	39,210,738
Administration							
Data processing	6,792,249	-	-	-	-	-	6,792,249
All other administration	21,144,201	564,657	-	-	-	181,202	21,890,060
Plant services	32,354,699	-	-	-	-	218,250	32,572,949
Ancillary services	8,171,985	-	-	-	-	5,098,384	13,270,369
Community services	377,718	-	-	-	-	-	377,718
Other outgo	5,749,299	-	-	-	-	-	5,749,299
Facility acquisition and construction	1,805,090	-	25,308,568	1,093,528	-	212,348	28,419,534
Debt service							
Principal	333,006	-	-	1,324,153	10,320,000	745,000	12,722,159
Interest and other	61,535	-	11,684,500	176,073	14,995,310	1,604,050	28,521,468
Total expenditures	322,167,212	14,876,846	36,993,068	2,593,754	25,315,310	12,701,260	414,647,450

Oxnard Union High School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2025

	General Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)							
Transfers in	\$ 13,147,204	\$ -	\$ -	\$ 5,075,640	\$ -	\$ 2,336,045	\$ 20,558,889
Other sources - proceeds from issuance of bond anticipation notes	-	-	75,000,000	-	-	-	75,000,000
Other sources - premiums from issuance of bond anticipation notes	-	-	11,434,500	-	11,274,907	-	22,709,407
Other sources - subscription-based IT arrangements	326,262	-	-	-	-	-	326,262
Transfers out	-	-	(18,222,844)	(2,336,045)	-	-	(20,558,889)
Net Financing Sources (Uses)	13,473,466	-	68,211,656	2,739,595	11,274,907	2,336,045	98,035,669
Net Change in Fund Balances	(4,862,562)	(144,753)	32,403,603	4,472,379	13,391,769	(199,325)	45,061,111
Fund Balance - Beginning, as previously reported	22,228,657	15,579,582	4	-	24,183,097	7,208,018	69,199,358
Adjustments (Note 17)	-	-	-	3,959,431	-	(3,959,431)	-
Fund Balance - Beginning, as restated	22,228,657	15,579,582	4	3,959,431	24,183,097	3,248,587	69,199,358
Fund Balance - Ending	\$ 17,366,095	\$ 15,434,829	\$ 32,403,607	\$ 8,431,810	\$ 37,574,866	\$ 3,049,262	\$ 114,260,469

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, 2025

Total Net Change in Fund Balances - Governmental Funds \$ 45,061,111

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

Capital outlay 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 expense in the Statement of Activities.

This is the amount by which depreciation and amortization expense exceeds capital outlay in the period.

Capital outlay	\$	30,237,354
Depreciation and amortization expense		<u>(31,453,522)</u>

Net expense adjustment		(1,216,168)
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The District issued capital appreciation general obligation bonds. The accretion of interest on the general obligation bonds during the current fiscal year was		(113,198)
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Right-to-use subscription IT assets acquired this year were financed with Subscription-Based IT Arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(326,262)
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In the Statement of Activities, certain operating expenses, such as compensated absences 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 compensated absences earned and used.		(7,180,102)
--	--	-------------

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/inflows of resources and net pension liability during the year.		5,366,820
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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, 2025

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/inflows of resources and net OPEB liability during the year.	\$ 4,723,595
Proceeds received from bond anticipation notes are a revenue in governmental funds, but increase long-term liabilities in Statement of Net Position and do not affect the Statement of Activities.	(75,000,000)
Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Premium on issuance recognized	(11,434,500)
Premium amortization	3,872,588
Deferred charge on refunding amortization	(1,185,138)
Payments of principal on long-term liabilities is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	10,320,000
Qualified energy conservation bonds	1,324,153
Certificates of participation	745,000
Leases	217,336
Subscription-based IT arrangements	115,670
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	(1,222,591)
Change in net position of governmental activities	<u>\$ (25,931,686)</u>

Oxnard Union High School District
Statement of Net Position – Fiduciary Funds
June 30, 2025

	Retiree Benefits Trust	Scholarship Trust
	<u> </u>	<u> </u>
Assets		
Deposits and investments	\$ 94,057,736	\$ 72,291
Receivables	112,989	9,064
Prepaid expenses	11,752	-
	<u> </u>	<u> </u>
Total assets	<u>\$ 94,182,477</u>	<u>\$ 81,355</u>
Liabilities		
Accounts payable	<u>\$ 50,337</u>	<u>\$ -</u>
Net Position		
Restricted for individuals, organizations, and other governments	<u>94,132,140</u>	<u>81,355</u>
Total net position	<u>\$ 94,132,140</u>	<u>\$ 81,355</u>

Oxnard Union High School District
Statement of Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2025

	Retiree Benefits Trust	Scholarship Trust
	<u> </u>	<u> </u>
Additions		
Contributions		
Private donations	\$ -	\$ 20,573
	<u> </u>	<u> </u>
Investment earnings		
Interest and dividends	9,211,051	2,982
Net increase in fair value of investments	1,224,556	-
	<u> </u>	<u> </u>
Total investment earnings	10,435,607	2,982
	<u> </u>	<u> </u>
Less investment costs		
Investment activity costs	177,888	-
	<u> </u>	<u> </u>
Net investment earnings	10,257,719	2,982
	<u> </u>	<u> </u>
Total additions	10,257,719	23,555
	<u> </u>	<u> </u>
Deductions		
Benefit payments	6,037,792	-
Administrative expense	32,816	-
Other expenditures	148	8,000
	<u> </u>	<u> </u>
Net Increase in Fiduciary Net Position	4,186,963	15,555
Net Position - Beginning	89,945,177	65,800
	<u> </u>	<u> </u>
Net Position - Ending	<u>\$ 94,132,140</u>	<u>\$ 81,355</u>

Note 1 - Summary of Significant Accounting Policies**Financial Reporting Entity**

The Oxnard Union High School District (the District) was organized under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades 9 - 12 as mandated by the State and/or Federal agencies. The District operates 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 out 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.

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).

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

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

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.

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).

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

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

- **COP Debt Service Fund** The COP 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 to account for private scholarship activity.

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 statement of activities presents a comparison between expenses, both direct and indirect, of the District and for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities, except for depreciation and amortization of capital 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 and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Net position restricted for other activities results 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 financial statements 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 financial 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.

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

Prepaid Expenditures (Expenses)

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

Stores Inventories

Stores 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

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.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. 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 is computed using 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. Land is not depreciated.

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, 2025.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right-to-use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right-to-use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 4 years.

Interfund Balances

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

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, a liability for 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, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 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. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

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, Premiums, and Discounts

Debt premiums, discounts, and debt issuance costs related to prepaid insurance are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Debt premiums and discounts, 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, discounts, and 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 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, 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.

Lease Liabilities

Lease liabilities represent the District's obligation to make lease payments arising from the lease. The District recognizes a lease liability in the government-wide financial statements. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

Subscription Liabilities

Subscription liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of the subscription payments is discounted based on a borrowing rate determined by the District.

Fund Balances - Governmental Funds

As of June 30, 2025, 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 one-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 related to net of investment in capital assets, consists of capital assets, net of accumulated depreciation and amortization, 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 \$63,575,785 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.

Adoption of New Accounting Standard**Implementation of GASB Statement No. 101**

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 17.

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

Deposits and investments as of June 30, 2025, were classified in the accompanying financial statements as follows:

Governmental funds	\$ 116,693,535
Fiduciary funds	<u>94,130,027</u>
Total deposits and investments	<u><u>\$ 210,823,562</u></u>

Deposits and investments as of June 30, 2025, consisted of the following:

Cash on hand and in banks	\$ 11,376,353
Cash with fiscal agent	6,337
Cash in revolving	32,237
Investments	<u>199,408,635</u>
Total deposits and investments	<u><u>\$ 210,823,562</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 \$114,629,378 with the Ventura County Investment Pool that has a weighted average maturity of 297 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	12 Months or Less
Foreign Stocks	\$ 1,541,536	\$ 1,541,536
Mutual Fund - Fixed Income	46,505,461	46,505,461
Mutual Fund - Equity	26,832,323	26,832,323
Domestic Common Stocks	9,899,937	9,899,937
Total	<u>\$ 84,779,257</u>	<u>\$ 84,779,257</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, 2025, the District's bank balance of \$11,135,680 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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, 2025:

Investment Type	Reported Amount	Fair Value Measurements Using
		Level 1 Inputs
Foreign Stocks	\$ 1,541,536	\$ 1,541,536
Mutual Fund - Fixed Income	46,505,461	46,505,461
Mutual Fund - Equity	26,832,323	26,832,323
Domestic Common Stocks	9,899,937	9,899,937
Total	<u>\$ 84,779,257</u>	<u>\$ 84,779,257</u>

Note 4 - Receivables

Receivables at June 30, 2025, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund
Federal Government				
Categorical aid	\$ 8,696,621	\$ 884,959	\$ -	\$ -
State Government				
Categorical aid	3,685,198	784,519	-	-
Lottery	1,081,146	-	-	-
Local Government				
Interest	1,018,025	89,312	808,352	125,230
Other local sources	1,840,859	25,507	-	1,484
Total	<u>\$ 16,321,849</u>	<u>\$ 1,784,297</u>	<u>\$ 808,352</u>	<u>\$ 126,714</u>
	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total	Fiduciary Funds
Federal Government				
Categorical aid	\$ -	\$ 255,249	\$ 9,836,829	\$ -
State Government				
Categorical aid	-	-	4,469,717	-
Lottery	-	-	1,081,146	-
Local Government				
Interest	567,772	45,545	2,654,236	114,480
Other local sources	-	-	1,867,850	7,573
Total	<u>\$ 567,772</u>	<u>\$ 300,794</u>	<u>\$ 19,909,778</u>	<u>\$ 122,053</u>

Oxnard Union High School District

Notes to Financial Statements

June 30, 2025

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	\$ 56,200,660	\$ -	\$ -	\$ 56,200,660
Construction in progress	11,287,805	26,833,617	(31,571,539)	6,549,883
Total capital assets not being depreciated or amortized	67,488,465	26,833,617	(31,571,539)	62,750,543
Capital assets being depreciated or amortized				
Land improvements	107,058,358	-	-	107,058,358
Buildings and improvements	733,852,465	31,571,539	-	765,424,004
Furniture and equipment	42,063,240	2,802,677	-	44,865,917
Right-to-use leased buildings and improvements	119,692	-	(119,692)	-
Right-to-use leased furniture and equipment	1,197,203	-	-	1,197,203
Right-to-use subscription IT assets	821,736	601,060	(76,926)	1,345,870
Total capital assets being depreciated or amortized	885,112,694	34,975,276	(196,618)	919,891,352
Total capital assets	952,601,159	61,808,893	(31,768,157)	982,641,895
Accumulated depreciation and amortization				
Land improvements	(45,002,772)	(3,638,761)	-	(48,641,533)
Buildings and improvements	(191,805,971)	(24,414,592)	-	(216,220,563)
Furniture and equipment	(15,944,329)	(2,703,162)	-	(18,647,491)
Right-to-use leased buildings and improvements	(101,407)	(18,285)	119,692	-
Right-to-use leased furniture and equipment	(147,636)	(252,945)	-	(400,581)
Right-to-use subscription IT assets	(394,534)	(425,777)	76,926	(743,385)
Total accumulated depreciation and amortization	(253,396,649)	(31,453,522)	196,618	(284,653,553)
Net depreciable and amortizable capital assets	631,716,045	3,521,754	-	635,237,799
Governmental activities capital assets, net	\$ 699,204,510	\$ 30,355,371	\$ (31,571,539)	\$ 697,988,342

Depreciation and amortization expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	\$ 17,730,080
School site administration	10,566,678
Home-to-school transportation	904,002
Food services	1,205,332
All other administration	426,476
Plant services	620,954
Total depreciation and amortization expense - governmental activities	<u>\$ 31,453,522</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, 2025, between major and non-major governmental funds are as follows:

Due To	Due From					Total
	General Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 557,542	\$ -	\$ 4,874,605	\$ 2,037,124	\$ 7,469,271
Cafeteria Fund	10,000,400	-	-	-	-	10,000,400
Non-Major Governmental Funds	-	-	22,930	66,464	-	89,394
Total	<u>\$ 10,000,400</u>	<u>\$ 557,542</u>	<u>\$ 22,930</u>	<u>\$ 4,941,069</u>	<u>\$ 2,037,124</u>	<u>\$ 17,559,065</u>

A balance of \$500,000 is due to the General Fund from the Adult Education Non-Major Governmental Fund for a temporary loan.

A balance of \$10,000,000 is due to the Cafeteria Fund from the General Fund for a temporary loan.

A balance of \$557,542 is due to the General Fund from the Cafeteria Fund for reimbursement of costs.

A balance of \$2,780,459 is due to the General Fund from the Capital Facilities Fund for qualified energy conservation bonds debt service payments.

A balance of \$1,030,316 is due to the General Fund from the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for qualified energy conservation bonds debt service payments.

A balance of \$768,805 is due to the General Fund from the Capital Facilities Fund for reimbursement of costs.

A balance of \$1,365,975 is due to the General Fund from the Capital Facilities Fund for community redevelopment funds.

A balance of \$287,814 is due to the General Fund from the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for reimbursement of 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, 2025, consisted of the following:

The Capital Facilities Fund transferred to the COP Debt Service Non-Major Governmental Fund for debt service payments.	\$ 2,336,045
The Building Fund transferred to the General Fund for reimbursement of construction costs.	13,147,204
The Building Fund transferred to the Capital Facilities Fund for reimbursement of construction costs.	<u>5,075,640</u>
Total	<u><u>\$ 20,558,889</u></u>

Note 7 - Accounts Payable

Accounts payable at June 30, 2025, consisted of the following:

	General Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total	Fiduciary Funds
Vendor payables	\$ 4,911,165	\$ 1,666	\$ -	\$ 2,443	\$ 1,592	\$ 4,916,866	\$ 50,337
LCFF apportionment	5,692,944	-	-	-	-	5,692,944	-
Salaries and benefits	6,332,364	8,883	-	-	67,027	6,408,274	-
Capital outlay	-	-	2,438,090	-	-	2,438,090	-
Due to other LEAs	635,578	-	-	-	-	635,578	-
Due to CDE	223,100	-	-	-	-	223,100	-
Total	<u>\$ 17,795,151</u>	<u>\$ 10,549</u>	<u>\$ 2,438,090</u>	<u>\$ 2,443</u>	<u>\$ 68,619</u>	<u>\$ 20,314,852</u>	<u>\$ 50,337</u>

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2025, consisted of the following:

	General Fund
Federal financial assistance	\$ 432,049
State categorical aid	1,923,557
Other local	918
Total	<u>\$ 2,356,524</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, 2024, as Restated	Additions	Deductions	Balance June 30, 2025	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 429,579,313	\$ 113,198	\$ (10,320,000)	\$ 419,372,511	\$ 11,857,103
Premium on issuance	29,212,268	-	(1,732,731)	27,479,537	-
Bond anticipation notes	-	75,000,000	-	75,000,000	-
Premium on issuance	-	11,434,500	(1,905,750)	9,528,750	-
Qualified energy conservation bonds	4,992,221	-	(1,324,153)	3,668,068	1,402,605
Certificates of participation	45,450,000	-	(745,000)	44,705,000	970,000
Premium on issuance	4,916,248	-	(234,107)	4,682,141	-
Leases	1,098,619	-	(217,336)	881,283	230,769
Supplemental employee retirement plan	-	13,253,415	-	13,253,415	2,705,164
Subscription-based IT arrangements	-	326,262	(115,670)	210,592	101,982
Compensated absences	40,534,267	-	(6,073,313)	34,460,954	10,484,704
Total	<u>\$ 555,782,936</u>	<u>\$ 100,127,375</u>	<u>\$ (22,668,060)</u>	<u>\$ 633,242,251</u>	<u>\$ 27,752,327</u>

The change in compensated absences is presented as a net change. Payments for general obligation bonds are made in the Bond Interest and Redemption Fund. Principal payments on the bond anticipation notes are made in the Building Fund and interest payments are made in the Bond Interest and Redemption Fund. Payments for qualified energy conservation bonds are made in the Capital Facilities Fund. Payments on certificates of participation are made in the COP Debt Service Fund. Payments for leases, subscriptions, and supplemental early retirement plan are made in the General Fund.

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, 2024	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2025
04/20/99	08/01/27	4.60%-5.95%	\$ 10,199,913	\$ 2,122,210	\$ 113,198	\$ (735,000)	\$ 1,500,408
04/28/11	08/01/25	5.31%	4,052,103	777,103	-	(375,000)	402,103
01/23/14	08/01/37	3.00%-5.00%	50,000,000	1,855,000	-	(1,855,000)	-
01/27/16	08/01/35	3.00%-5.00%	30,945,000	14,870,000	-	(470,000)	14,400,000
07/07/16	08/01/27	2.00%-5.00%	18,350,000	6,655,000	-	(2,025,000)	4,630,000
12/21/17	08/01/40	3.00%-5.00%	42,275,000	39,730,000	-	(875,000)	38,855,000
10/18/18	08/01/42	3.75%-5.00%	130,000,000	23,355,000	-	-	23,355,000
04/02/20	08/01/37	0.873%-2.477%	55,450,000	52,570,000	-	(745,000)	51,825,000
08/05/20	08/01/45	0.35%-5.00%	120,000,000	96,585,000	-	-	96,585,000
11/23/21	08/01/43	0.37%-3.18%	97,355,000	93,170,000	-	(1,945,000)	91,225,000
07/07/22	08/01/47	1.60%-5.00%	100,000,000	97,890,000	-	(1,295,000)	96,595,000
				<u>\$429,579,313</u>	<u>\$ 113,198</u>	<u>\$ (10,320,000)</u>	<u>\$419,372,511</u>

Debt Service Requirements to Maturity

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
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	12,170,000	13,468,307	25,638,307
2030	13,375,000	13,062,406	26,437,406
2031-2035	86,000,000	58,261,674	144,261,674
2036-2040	94,920,000	52,771,030	147,691,030
2041-2045	100,540,000	26,299,548	126,839,548
2046-2048	74,890,000	4,655,125	79,545,125
Total	<u>\$ 417,872,103</u>	<u>\$ 211,394,677</u>	<u>\$ 629,266,780</u>

Oxnard Union High School District

Notes to Financial Statements

June 30, 2025

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Total Accreted Obligation	Unaccreted Interest	Maturity Value
2026	\$ 155,034	\$ 549,741	\$ 704,775	\$ 35,225	\$ 740,000
2027	149,202	516,187	665,389	74,611	740,000
2028	29,369	100,875	130,244	19,756	150,000
Total	<u>\$ 333,605</u>	<u>\$ 1,166,803</u>	<u>\$ 1,500,408</u>	<u>\$ 129,592</u>	<u>\$ 1,630,000</u>

Bond Anticipation Notes

On March 13, 2025, the District issued \$75,000,000 of bond anticipation notes (the Notes). The Notes were issued to finance the acquisition and educational facilities and projects. The Notes were issued in anticipation of receipt of proceeds from future general obligation bonds to be issued by the District. At June 30, 2025, the principal outstanding was \$75,000,000.

The bond anticipation notes mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2026	\$ -	\$ 3,975,000	\$ 3,975,000
2027	-	4,500,000	4,500,000
2028	-	4,500,000	4,500,000
2029	-	4,500,000	4,500,000
2030	75,000,000	4,500,000	79,500,000
Total	<u>\$ 75,000,000</u>	<u>\$ 21,975,000</u>	<u>\$ 96,975,000</u>

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, 2025, the principal balance outstanding was \$3,668,068.

The qualified energy conservation bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
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	<u>\$ 3,668,068</u>	<u>\$ 311,127</u>	<u>\$ 3,979,195</u>

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 June 1, 2045 with interest ranges ranging from 2.32% to 4.00%. As of June 30, 2025, the principal balance outstanding was \$44,705,000.

The certificates of participation mature as follows:

Year Ending June 30,	Principal	Interest	Total
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	2,155,000	1,390,850	3,545,850
2030	2,240,000	1,304,650	3,544,650
2031-2035	12,830,000	5,094,050	17,924,050
2036-2040	13,155,000	2,441,325	15,596,325
2041-2045	9,740,000	790,600	10,530,600
Total	<u>\$ 44,705,000</u>	<u>\$ 15,618,025</u>	<u>\$ 60,323,025</u>

Leases

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

Leases	Leases Outstanding July 1, 2024	Addition	Payments	Leases Outstanding June 30, 2025
Copiers	\$ 197,802	\$ -	\$ (53,379)	\$ 144,423
Printers	900,817	-	(163,957)	736,860
Total	<u>\$ 1,098,619</u>	<u>\$ -</u>	<u>\$ (217,336)</u>	<u>\$ 881,283</u>

Copiers

The District entered an agreement to lease copiers for five years, beginning January 2023. Under the terms of the lease, the District paid monthly payments of \$5,099, which amounted to total principal and interest costs of \$61,188 as of June 30, 2025. At June 30, 2025, the District has recognized a net right-to-use leased asset of \$101,279 and a lease liability of \$144,424 related to this agreement. During the fiscal year, the District recorded \$67,520 in amortization expense and \$7,809 in interest expense for the right-to-use of the copiers. The District used an interest rate of 4.50% based on the rates available to finance machinery and equipment over the same time periods.

Printers

The District entered an agreement to lease printers for five years, beginning April 2024. Under the terms of the lease, the District paid monthly payments of \$18,140, which amounted to total principal and interest costs of \$217,683 as of June 30, 2025. At June 30, 2025, the District has recognized a net right-to-use leased asset of \$695,343 and a lease liability of \$736,859 related to this agreement. During the fiscal year, the District recorded \$185,425 in amortization expense and \$42,745 in interest expense for the right-to-use of the printers. The District used an interest rate of 6.50% based on the rates available to finance machinery and equipment over the same time periods.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 230,769	\$ 48,102	\$ 278,871
2027	245,050	33,821	278,871
2028	229,350	18,927	248,277
2029	176,114	5,289	181,403
Total	<u>\$ 881,283</u>	<u>\$ 106,139</u>	<u>\$ 987,422</u>

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, 2025, the District has recognized a right-to-use subscriptions IT asset, net of accumulated amortization, of \$602,485 and a SBITA liability of \$210,592 related to these agreement. During the fiscal year, the District recorded \$425,777 in amortization expense. The District is required to make annual principal and interest payments through June 2027. The subscription agreements have an interest rate of 6.50%.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 101,982	\$ 13,688	\$ 115,670
2027	108,610	7,060	115,670
Total	<u>\$ 210,592</u>	<u>\$ 20,748</u>	<u>\$ 231,340</u>

Supplemental Employee Retirement Plan

The District offered a retirement incentive to qualified employees to be administered through Public Agency Retirement Services. The District purchased qualified 403(b) annuity contracts from Pacific Life Insurance Company payable in annual installments as shown below. 135 employees qualified and accepted the incentive. At June 30, 2025, the remaining balance of payments is \$13,253,415.

Year Ending June 30,	Payments
2026	\$ 2,705,164
2027	2,596,202
2028	2,650,683
2029	2,650,683
2030	2,650,683
Total	<u>\$ 13,253,415</u>

Note 10 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2025, 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	\$ 76,089,519	\$ 18,327	\$ 5,161,307	\$ (4,638,943)
Medicare Premium Payment (MPP) Program	687,074	-	-	(84,652)
Total	<u>\$ 76,776,593</u>	<u>\$ 18,327</u>	<u>\$ 5,161,307</u>	<u>\$ (4,723,595)</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 dependents. Individually prepared financial statements are not prepared for the Plan.

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

Plan Membership

At June 30, 2024, the valuation date, Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	873
Active employees	333
Total	1,206

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their dependents. 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, 2025, the District contributed \$2,960,592 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, 2025:

Asset Class	Target Allocation
Fixed Income	50%
Equities	50%

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 6.00%. 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 \$76,089,519 was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The components of the net OPEB liability of the District at June 30, 2025, were as follows:

Total OPEB liability	\$ 170,221,659
Plan fiduciary net position	<u>(94,132,140)</u>
Net OPEB liability	<u>\$ 76,089,519</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>55.30%</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2025 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2024 and rolling forward the total OPEB liability to June 30, 2025. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75%
Investment rate of return	6.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00% for 2025

The discount rate was based on historic 19-year real rates of return for each asset class along with assumed long-term inflation assumptions.

Mortality rates were based on the 2020 CalSTRS mortality table for certificated employees and 2021 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, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2023 to June 30, 2024.

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, 2024, (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>
Fixed Income	4.25%
Equities	7.25%

Investment Rate of Return

The investment rate of return used to measure the net OPEB liability was 6.00%. 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, 2024	<u>\$ 168,203,368</u>	<u>\$ 89,945,177</u>	<u>\$ 78,258,191</u>
Service cost	1,159,635	-	1,159,635
Interest	9,857,040	10,257,719	(400,679)
Employer contributions	-	2,960,592	(2,960,592)
Benefit payments	(8,998,384)	(8,998,384)	-
Administrative expense	-	(32,964)	32,964
Net change in total OPEB liability	<u>2,018,291</u>	<u>4,186,963</u>	<u>(2,168,672)</u>
Balance, June 30, 2025	<u><u>\$ 170,221,659</u></u>	<u><u>\$ 94,132,140</u></u>	<u><u>\$ 76,089,519</u></u>

No changes to benefit terms or changes of assumptions and other inputs were 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%)	\$ 94,335,139
Current discount rate (6.00%)	76,089,519
1% increase (7.00%)	60,653,269

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 (3.00%)	\$ 57,831,592
Current healthcare cost trend rate (4.00%)	76,089,519
1% increase (5.00%)	97,756,494

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$(4,638,943). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 558,878
Changes of assumptions	18,327	-
Difference between projected and actual earnings on OPEB plan investments	-	4,602,429
Total	<u>\$ 18,327</u>	<u>\$ 5,161,307</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 672,589
2027	(2,727,767)
2028	(2,079,179)
2029	(1,008,623)
Total	<u>\$ (5,142,980)</u>

Medicare Premium Payment (MPP) Program Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 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: <https://www.calstrs.com/forms-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, 2025, the District reported a liability of \$687,074 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. 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, 2024 and June 30, 2023, was 0.2578% and 0.2543%, respectively, resulting in a net increase in the proportionate share of 0.0035%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(84,652).

Actuarial Methods and Assumptions

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Measurement Date	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2023	June 30, 2022
Experience Study	July 1, 2007 through June 30, 2022	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.93%	3.65%
Medicare Part A Premium Cost Trend Rate	5.00%	4.50%
Medicare Part B Premium Cost Trend Rate	6.50%	5.40%

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP-2021 Ultimate Projection Scale.

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 154 or an average of 0.12% of the potentially eligible population (132,333).

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, 2024, 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

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.93%)	\$ 741,335
Current discount rate (3.93%)	687,074
1% increase (4.93%)	639,359

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (4.00% Part A and 5.50% Part B)	\$ 636,500
Current Medicare costs trend rate (5.00% Part A and 6.50% Part B)	687,074
1% increase (6.00% Part A and 7.50% Part B)	743,536

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable							
Revolving cash	\$ 10,000	\$ 2,100	\$ -	\$ -	\$ -	\$ 20,137	\$ 32,237
Stores inventories	276,861	-	-	-	-	-	276,861
Prepaid expenditures	51,671	-	-	-	-	-	51,671
Total nonspendable	338,532	2,100	-	-	-	20,137	360,769
Restricted							
Legally restricted programs	7,274,031	-	-	-	-	541,557	7,815,588
Food service	-	15,432,729	-	-	-	-	15,432,729
Capital projects	-	-	32,403,607	8,431,810	-	-	40,835,417
Student activity	-	-	-	-	-	2,086,174	2,086,174
Debt services	-	-	-	-	37,574,866	6,337	37,581,203
Total restricted	7,274,031	15,432,729	32,403,607	8,431,810	37,574,866	2,634,068	103,751,111
Assigned							
Capital projects	-	-	-	-	-	395,057	395,057
Unassigned							
Reserve for economic uncertainties	9,600,000	-	-	-	-	-	9,600,000
Remaining unassigned	153,532	-	-	-	-	-	153,532
Total unassigned	9,753,532	-	-	-	-	-	9,753,532
Total	\$ 17,366,095	\$ 15,434,829	\$ 32,403,607	\$ 8,431,810	\$ 37,574,866	\$ 3,049,262	\$ 114,260,469

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 15 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 medical 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, 2025, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 118,675,377	\$ 47,910,007	\$ 14,111,208	\$ 13,371,866
CalPERS	87,604,101	32,949,697	633,632	17,942,533
Total	<u>\$ 206,279,478</u>	<u>\$ 80,859,704</u>	<u>\$ 14,744,840</u>	<u>\$ 31,314,399</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, 2023, 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: <https://www.calstrs.com/forms-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, 2025, are summarized as follows:

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

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the District's total contributions were \$23,038,569.

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

At June 30, 2025, 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	\$ 118,675,377
State's proportionate share of the net pension liability	54,448,671
Total	<u>\$ 173,124,048</u>

The net pension liability was measured as of June 30, 2024. 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 member districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, was 0.1767% and 0.1719%, respectively, resulting in a net increase in the proportionate share of 0.0048%.

Oxnard Union High School District

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$13,371,866. In addition, the District recognized pension expense and revenue of \$4,956,915 for support provided by the State. At June 30, 2025, 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	\$ 23,038,569	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	10,928,234	337,633
Differences between projected and actual earnings on pension plan investments	-	478,850
Differences between expected and actual experience in the measurement of the total pension liability	13,423,713	5,189,608
Changes of assumptions	519,491	8,105,117
Total	<u>\$ 47,910,007</u>	<u>\$ 14,111,208</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:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (7,955,659)
2027	9,581,572
2028	(781,740)
2029	(1,323,023)
Total	<u>\$ (478,850)</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 2,190,247
2027	2,006,211
2028	1,802,690
2029	2,766,327
2030	2,451,506
Thereafter	22,099
Total	<u>\$ 11,239,080</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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007 through June 30, 2022
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 is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP-2021 Ultimate Projection Scale.

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 2024 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. The assumed asset allocation and best estimates of the expected rates of return for each major asset class for the year ended June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Fixed income	15%	4.05%
Real estate	14%	6.75%
Private equity	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 211,084,663
Current discount rate (7.10%)	118,675,377
1% increase (8.10%)	41,509,789

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, 2023 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, 2025, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	27.05%	27.05%

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, 2025, are presented above and the total District contributions were \$13,642,650.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$87,604,101. The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, was 0.2451% and 0.2213%, respectively, resulting in a net increase in the proportionate share of 0.0238%.

For the year ended June 30, 2025, the District recognized pension expense of \$17,942,533. At June 30, 2025, 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	\$ 13,642,650	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	6,623,465	6,652
Differences between projected and actual earnings on pension plan investments	3,402,913	-
Differences between expected and actual experience in the measurement of the total pension liability	7,344,323	626,980
Changes of assumptions	1,936,346	-
Total	<u>\$ 32,949,697</u>	<u>\$ 633,632</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:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (29,335)
2027	5,290,756
2028	(781,775)
2029	(1,076,733)
Total	<u>\$ 3,402,913</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
2026	\$ 7,098,864
2027	4,884,720
2028	3,286,918
Total	<u>\$ 15,270,502</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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.54%
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 SEP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	\$ 130,136,623
Current discount rate (6.90%)	87,604,101
1% increase (7.90%)	52,468,852

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$10,994,333 (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, 2025.

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, 2025.

Construction Commitments

As of June 30, 2025, the District has the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Bus Barn - Adolfo Camarillo High	\$ 81,512	October 2025
Aquatic Center - Pacifica High	396,767	February 2027
HVAC Modernization - Channel Islands High	3,773,140	May 2026
Stadium & Playfields - Del Sol High	59,892,897	August 2027
Total	<u>\$ 64,144,316</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, 2025, the District made payments of \$3,157,931, \$40,082,165, and \$306,978, to VCSSFA, CSEBO, and VCFAST, respectively.

Note 16 - Subsequent Events

The District issued \$24,590,000 of Tax and Revenue Anticipation Notes dated July 15, 2025. The notes mature on June 30, 2026, and yield 5.00% interest. The notes were sold to supplement cash flow.

Note 17 - Restatement*Change in Accounting Principle*

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences current portion and compensated absences noncurrent portion were increased by \$9,318,624 and \$27,629,299, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the table below:

	<u>Governmental Activities</u>
Beginning, as previously reported on June 30, 2024	\$ 21,534,167
Change in accounting principle	<u>(36,947,923)</u>
Beginning, as Restated on July 1, 2024	<u><u>\$ (15,413,756)</u></u>

Change within the Reporting Entity

During year ended June 30, 2025, there was a change within the financial reporting entity which resulted in the Capital Facilities Fund being reported as a major fund instead of as a nonmajor fund which resulted in adjustments to and restatements of beginning fund balance in the table below:

	Governmental Funds	
	Capital Facilities Fund	Non-Major Governmental Funds
Beginning, as previously reported on June 30, 2024	\$ -	\$ 7,208,018
Change within the financial reporting entity	3,959,431	(3,959,431)
Beginning, as Restated on July 1, 2024	<u>\$ 3,959,431</u>	<u>\$ 3,248,587</u>

Note 18 - Going Concern/District Financial Condition

The District's current trend of deficit spending in conjunction without new dedicated revenue sources resulted in concerns regarding the District's ability to generate sufficient cash flow to meet obligations as they become due, raising concerns about the District's financial condition.

The significant factors contributing to the District's financial condition include: 1) unsustainable increases in expenditures that create significant and structural deficit spending, 2) declining local enrollment of students, and 3) inadequate cash flow to meet obligations throughout the upcoming year without temporary borrowing. The District began a trend of deficit spending in the 2023-2024 fiscal year when the General Fund recorded deficit spending of \$28,021,794 which represented a decrease of approximately 56%. As noted in the current year's financial statements, the General Fund recorded additional deficit spending of \$4,862,562 which represents an additional decrease of 22% ending the year with \$17,366,095 in fund balance, of which the unassigned reserve was \$9,753,532.

Revenues from the State are dependent on enrollment/average daily attendance (ADA) of students. Any significant increases in revenues beyond the current year LCFF formula are dependent on the District's growth in ADA since the District is funded on a per ADA basis. Likewise, decreases in funding occur with a decline in ADA. The District has experienced a decline in student ADA over the past few years. In the current year, the District reported ADA of 14,563 at the Second Period Report of Attendance, which was a decrease of 154 ADA from the previous year.

The District has become reliant on short-term borrowing to meet cash flow requirements. In October 2024, the District issued \$27,000,000 in short-term borrowing through the issuance of Tax Revenue Anticipation Notes (TRANS) to meet the District's immediate operational needs. In addition, the District issued additional TRANS in July 2025 in the amount of \$24,590,000 to assist with cash flow.

The District is working on a fiscal stabilization plan to ensure a fiscally sound budget and improve cash flow. The District is actively coordinating with an external evaluator to validate key assumptions, strengthen cash flow and multiyear forecasting, review staffing levels, and formalize stabilization planning processes for the current fiscal year and future periods. The District has identified targeted program adjustments and reductions in areas of low enrollment to better align staffing and operating costs with projected ADA and available funding in the current year, and management anticipates additional actions may be necessary in future years due to continued enrollment declines. Management expects initial actions to be implemented during Spring 2026 and anticipates these actions will improve cash flow and reduce reliance on short-term borrowing. Estimated savings and cash flow impacts are being quantified with the external evaluator and will be reflected in updated multiyear projections and cash flow schedules. The District is actively communicating with its oversight agency, the Ventura County Office of Education (VCOE), and will continue to work with the external evaluator as the plan is implemented. The District will continue to monitor enrollment and revenue assumptions, update multiyear projections and cash flow forecasts, and report progress to the Board and oversight parties to support the District's ability to meet obligations as they become due.

Required Supplementary Information
June 30, 2025

Oxnard Union High School District

Oxnard Union High School District
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Local Control Funding Formula	\$ 239,413,255	\$ 242,107,892	\$ 240,899,304	\$ (1,208,588)
Federal sources	10,252,278	9,332,723	8,686,493	(646,230)
Other State sources	24,695,209	30,929,488	26,710,595	(4,218,893)
Other local sources	20,643,730	26,720,584	27,534,792	814,208
Total revenues	295,004,472	309,090,687	303,831,184	(5,259,503)
Expenditures				
Current				
Certificated salaries	113,113,544	124,744,368	125,126,022	(381,654)
Classified salaries	43,875,931	47,911,433	48,888,449	(977,016)
Employee benefits	90,569,788	91,165,576	90,364,490	801,086
Books and supplies	12,572,512	9,496,807	8,275,576	1,221,231
Services and operating expenditures	27,592,664	41,254,879	41,229,689	25,190
Other outgo	4,052,205	3,591,828	4,935,163	(1,343,335)
Capital outlay	3,063,955	3,045,648	2,953,282	92,366
Debt service				
Debt service - principal	-	-	333,006	(333,006)
Debt service - interest and other	-	-	61,535	(61,535)
Total expenditures	294,840,599	321,210,539	322,167,212	(956,673)
Excess (Deficiency) of Revenues Over Expenditures	163,873	(12,119,852)	(18,336,028)	(6,216,176)
Other Financing Sources				
Transfers in	-	-	13,147,204	13,147,204
Other sources - subscription-based IT arrangements	-	-	326,262	326,262
Net Financing Sources	-	-	13,473,466	13,473,466
Net Change in Fund Balances	163,873	(12,119,852)	(4,862,562)	7,257,290
Fund Balance - Beginning	22,228,657	22,228,657	22,228,657	-
Fund Balance - Ending	\$ 22,392,530	\$ 10,108,805	\$ 17,366,095	\$ 7,257,290

Oxnard Union High School District
Budgetary Comparison Schedule – Cafeteria Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal sources	\$ 7,290,769	\$ 8,338,775	\$ 8,822,009	\$ 483,234
Other State sources	4,729,809	5,585,773	5,401,123	(184,650)
Other local sources	-	-	508,961	508,961
Total revenues	<u>12,020,578</u>	<u>13,924,548</u>	<u>14,732,093</u>	<u>807,545</u>
Expenditures				
Current				
Classified salaries	4,276,473	4,882,723	4,911,084	(28,361)
Employee benefits	1,945,284	2,169,528	2,108,316	61,212
Books and supplies	3,321,774	5,973,306	5,926,330	46,976
Services and operating expenditures	89,000	876,196	734,351	141,845
Other outgo	455,875	591,764	564,657	27,107
Capital outlay	<u>2,100,000</u>	<u>800,000</u>	<u>632,108</u>	<u>167,892</u>
Total expenditures	<u>12,188,406</u>	<u>15,293,517</u>	<u>14,876,846</u>	<u>416,671</u>
Net Change in Fund Balances	(167,828)	(1,368,969)	(144,753)	1,224,216
Fund Balance - Beginning	<u>15,579,582</u>	<u>15,579,582</u>	<u>15,579,582</u>	-
Fund Balance - Ending	<u>\$ 15,411,754</u>	<u>\$ 14,210,613</u>	<u>\$ 15,434,829</u>	<u>\$ 1,224,216</u>

Oxnard Union High School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2025

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service cost	\$ 1,159,635	\$ 1,491,213	\$ 1,451,302	\$ 1,687,186	\$ 1,642,030
Interest	9,857,040	10,393,217	10,250,621	12,305,846	12,132,371
Difference between expected and actual experience	-	(11,736,468)	-	(37,956,284)	-
Changes of assumptions	-	384,899	-	-	-
Benefit payments	(8,998,384)	(9,608,353)	(9,082,187)	(11,262,920)	(10,548,562)
Net change in total OPEB liability	2,018,291	(9,075,492)	2,619,736	(35,226,172)	3,225,839
Total OPEB Liability - Beginning	168,203,368	177,278,860	174,659,124	209,885,296	206,659,457
Total OPEB Liability - Ending (a)	<u>\$ 170,221,659</u>	<u>\$ 168,203,368</u>	<u>\$ 177,278,860</u>	<u>\$ 174,659,124</u>	<u>\$ 209,885,296</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 2,960,592	\$ 7,439,507	\$ 9,093,498	\$ 11,262,920	\$ 10,567,190
Interest	10,257,719	10,203,563	7,699,173	(14,382,742)	20,688,094
Benefit payments	(8,998,384)	(9,608,353)	(9,082,187)	(11,262,920)	(10,548,562)
Administrative expense	(32,964)	(41,216)	(47,046)	(51,798)	(46,894)
Other expense	-	-	-	-	-
Net change in plan fiduciary net position	4,186,963	7,993,501	7,663,438	(14,434,540)	20,659,828
Plan Fiduciary Net Position - Beginning	89,945,177	81,951,676	74,288,238	88,722,778	68,062,950
Plan Fiduciary Net Position - Ending (b)	<u>\$ 94,132,140</u>	<u>\$ 89,945,177</u>	<u>\$ 81,951,676</u>	<u>\$ 74,288,238</u>	<u>\$ 88,722,778</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 76,089,519</u>	<u>\$ 78,258,191</u>	<u>\$ 95,327,184</u>	<u>\$ 100,370,886</u>	<u>\$ 121,162,518</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	55.30%	53.47%	46.23%	42.53%	42.27%
Covered Payroll	21,587,924	21,587,924	27,369,359	27,369,359	36,543,795
Net OPEB Liability as a Percentage of Covered Payroll	352.46%	362.51%	348.30%	366.73%	331.55%
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

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, 2025

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

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

Oxnard Union High School District
Schedule of OPEB Investment Returns
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>
		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense		<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</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 Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2025

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.2578%	0.2543%	0.2512%	0.2386%
Proportionate share of the net OPEB liability	\$ 687,074	\$ 771,726	\$ 827,641	\$ 951,739
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.2739%	0.2745%	0.2692%	0.2746%
Proportionate share of the net OPEB liability	\$ 1,160,648	\$ 1,022,086	\$ 1,030,599	\$ 1,155,262
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Oxnard Union High School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS
Year Ended June 30, 2025

CalSTRS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.1767%	0.1719%	0.1674%	0.1587%	0.1572%
Proportionate share of the net pension liability	\$ 118,675,377	\$ 130,954,756	\$ 116,326,666	\$ 72,239,553	\$ 152,320,108
State's proportionate share of the net pension liability	54,448,671	62,744,106	58,255,940	36,348,141	78,521,034
Total	\$ 173,124,048	\$ 193,698,862	\$ 174,582,606	\$ 108,587,694	\$ 230,841,142
Covered payroll	\$ 119,932,000	\$ 110,118,178	\$ 99,212,335	\$ 87,471,375	\$ 87,503,503
Proportionate share of the net pension liability as a percentage of its covered payroll	98.95%	118.92%	117.25%	82.59%	174.07%
Plan fiduciary net position as a percentage of the net pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.1551%	0.1500%	0.1517%	0.1436%	0.1485%
Proportionate share of the net pension liability	\$ 140,124,868	\$ 137,867,679	\$ 140,270,672	\$ 116,138,746	\$ 99,966,960
State's proportionate share of the net pension liability	76,447,470	78,935,694	82,982,945	66,115,716	52,871,502
Total	\$ 216,572,338	\$ 216,803,373	\$ 223,253,617	\$ 182,254,462	\$ 152,838,462
Covered payroll	\$ 85,321,585	\$ 82,009,127	\$ 86,142,798	\$ 74,247,894	\$ 66,868,840
Proportionate share of the net pension liability as a percentage of its covered payroll	164.23%	168.11%	162.84%	156.42%	149.50%
Plan fiduciary net position as a percentage of the net pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Oxnard Union High School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS
Year Ended June 30, 2025

CalPERS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.2451%	0.2213%	0.2160%	0.2067%	0.2077%
Proportionate share of the net pension liability	\$ 87,604,101	\$ 80,092,029	\$ 74,324,409	\$ 42,030,350	\$ 63,720,105
Covered payroll	\$ 48,370,502	\$ 38,301,194	\$ 33,124,452	\$ 29,676,855	\$ 29,656,382
Proportionate share of the net pension liability as a percentage of its covered payroll	181.11%	209.11%	224.38%	141.63%	214.86%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.2069%	0.2100%	0.2132%	0.2034%	0.1941%
Proportionate share of the net pension liability	\$ 60,307,163	\$ 56,001,050	\$ 50,895,389	\$ 40,178,268	\$ 28,611,809
Covered payroll	\$ 28,706,987	\$ 27,710,096	\$ 28,972,645	\$ 24,527,518	\$ 21,031,951
Proportionate share of the net pension liability as a percentage of its covered payroll	210.08%	202.10%	175.67%	163.81%	136.04%
Plan fiduciary net position as a liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Oxnard Union High School District
Schedule of the District's Contributions - CalSTRS
Year Ended June 30, 2025

CalSTRS	2025	2024	2023	2022	2021
Contractually required contribution	\$ 23,038,569	\$ 22,907,012	\$ 21,032,572	\$ 16,786,727	\$ 14,126,627
Less contributions in relation to the contractually required contribution	<u>23,038,569</u>	<u>22,907,012</u>	<u>21,032,572</u>	<u>16,786,727</u>	<u>14,126,627</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 120,620,780</u>	<u>\$ 119,932,000</u>	<u>\$ 110,118,178</u>	<u>\$ 99,212,335</u>	<u>\$ 87,471,375</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 14,963,099	\$ 13,890,354	\$ 11,833,917	\$ 10,836,764	\$ 7,966,799
Less contributions in relation to the contractually required contribution	<u>14,963,099</u>	<u>13,890,354</u>	<u>11,833,917</u>	<u>10,836,764</u>	<u>7,966,799</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 87,503,503</u>	<u>\$ 85,321,585</u>	<u>\$ 82,009,127</u>	<u>\$ 86,142,798</u>	<u>\$ 74,247,894</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>

Oxnard Union High School District
Schedule of the District's Contributions - CalPERS
Year Ended June 30, 2025

CalPERS	2025	2024	2023	2022	2021
Contractually required contribution	\$ 13,642,650	\$ 12,905,250	\$ 9,717,013	\$ 7,588,812	\$ 6,143,109
Less contributions in relation to the contractually required contribution	<u>13,642,650</u>	<u>12,905,250</u>	<u>9,717,013</u>	<u>7,588,812</u>	<u>6,143,109</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 50,434,935</u>	<u>\$ 48,370,502</u>	<u>\$ 38,301,194</u>	<u>\$ 33,124,452</u>	<u>\$ 29,676,855</u>
Contributions as a percentage of covered payroll	<u>27.050%</u>	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 5,848,535	\$ 5,185,056	\$ 4,303,655	\$ 4,023,721	\$ 2,905,775
Less contributions in relation to the contractually required contribution	<u>5,848,535</u>	<u>5,185,056</u>	<u>4,303,655</u>	<u>4,023,721</u>	<u>2,905,775</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 29,656,382</u>	<u>\$ 28,706,987</u>	<u>\$ 27,710,096</u>	<u>\$ 28,972,645</u>	<u>\$ 24,527,518</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>

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.

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

At June 30, 2025, the District major funds exceeded the budgeted amount in total as follows:

Funds	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund	<u>\$ 321,210,539</u>	<u>\$ 322,167,212</u>	<u>\$ 956,673</u>

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 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 plan fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% 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 plan fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

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

Schedule of the District's Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

Supplementary Information
June 30, 2025

Oxnard Union High School District

Oxnard Union High School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	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	\$ 3,817,356
Total Special Education (IDEA) Cluster			<u>3,817,356</u>
Passed Through California Department of Rehabilitation			
Workability II, Transition Partnership	84.126	10006	389,214
Passed Through California Department of Education (CDE)			
Adult Secondary Education	84.002	13978	299,569
Integrated English Literacy and Civics Education	84.002A	14109	134,026
Adult Basic Education & English Language Acquisition	84.002A	14508	<u>393,671</u>
Subtotal			<u>827,266</u>
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	2,683,099
Title I, Part A, Schoolwide Programs	84.010	10003	310,399
School Improvement Funding for LEAs	84.010	15438	<u>348,765</u>
Subtotal			<u>3,342,263</u>
Title III, English Learner Student Program	84.365	14346	105,486
Title III, Immigrant Education Program	84.365	15146	<u>417</u>
Subtotal			<u>105,903</u>
Title II, Part A, Supporting Effective Instruction	84.367	14341	293,826
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	11,113
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Section 131	84.048	14894	<u>523,741</u>
Total U.S. Department of Education			<u>9,310,682</u>
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
School Lunch - Section 4	10.555	13523	741,039
School Lunch - Section 11	10.555	13524	3,836,910
Commodities	10.555	13524	914,839
Supply Chain Assistance (SCA) Funds	10.555	15655	<u>219,606</u>
Subtotal			<u>5,712,394</u>

Oxnard Union High School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
School Breakfast Basic	10.553	13525	\$ 123,635
School Breakfast Needy	10.553	13526	<u>2,351,021</u>
Subtotal			<u>2,474,656</u>
Total Child Nutrition Cluster			<u>8,187,050</u>
Passed Through California Department of Social Services			
CACFP Claims - Centers and Family Day Care Homes	10.558	13529	800,364
Cash in Lieu of Commodities	10.558	13534	<u>54,200</u>
Subtotal			<u>854,564</u>
Total U.S. Department of Agriculture			<u>9,041,614</u>
U.S. Department of Defense			
Junior Reserve Officer Training Corps - Air Force	12.000	[1]	<u>171,990</u>
U.S. Department of Interior			
National Park Service Conservation, Protection, Outreach, and Education	15.954	[1]	<u>31,086</u>
Total Federal Financial Assistance			<u><u>\$18,555,372</u></u>

[1] Pass-Through Entity Identifying Number not available

Oxnard Union High School District
Schedule of Average Daily Attendance
Year Ended June 30, 2025

	Final Report	
	Second Period Report	Annual Report
Regular ADA Ninth through twelfth	<u>14,563.06</u>	<u>14,476.22</u>
Special Education, Nonpublic, Nonsectarian Schools Ninth through twelfth	<u>19.02</u>	<u>17.59</u>
Total ADA	<u><u>14,582.08</u></u>	<u><u>14,493.81</u></u>

Oxnard Union High School District

Schedule of Instructional Time

Year Ended June 30, 2025

Grade Level	1986-1987 Minutes Requirement	2024-2025 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		64,114	714	64,828	178	2	180	-	-	-	Complied
Grade 10		64,114	714	64,828	178	2	180	-	-	-	Complied
Grade 11		64,114	714	64,828	178	2	180	-	-	-	Complied
Grade 12		64,114	714	64,828	178	2	180	-	-	-	Complied

* The District received an approved J-13A for 714 minutes and 2 days.

Oxnard Union High School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2025

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2025.

Oxnard Union High School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2025

	(Budget) 2026 ¹	2025	2024 ¹	2023 ¹
General Fund				
Revenues	\$ 296,933,970	\$303,831,184	\$ 310,729,296	\$ 336,068,748
Other sources	-	13,473,466	927,125	270,078
Total Revenues and Other Sources	<u>296,933,970</u>	<u>317,304,650</u>	<u>311,656,421</u>	<u>336,338,826</u>
Expenditures	297,647,444	322,167,212	333,678,215	315,925,885
Other uses and transfers out	-	-	6,000,000	8,000,000
Total Expenditures and Other Uses	<u>297,647,444</u>	<u>322,167,212</u>	<u>339,678,215</u>	<u>323,925,885</u>
Increase/(Decrease) in Fund Balance	<u>(713,474)</u>	<u>(4,862,562)</u>	<u>(28,021,794)</u>	<u>12,412,941</u>
Ending Fund Balance	<u>\$ 16,652,621</u>	<u>\$ 17,366,095</u>	<u>\$ 22,228,657</u>	<u>\$ 50,250,451</u>
Available Reserves ²	<u>\$ 8,939,804</u>	<u>\$ 9,753,532</u>	<u>\$ 11,937,314</u>	<u>\$ 9,717,777</u>
Available Reserves as a Percentage of Total Outgo	<u>3.00%</u>	<u>3.03%</u>	<u>3.51%</u>	<u>3.00%</u>
Long-Term Liabilities ³	<u>N/A</u>	<u>\$ 916,298,322</u>	<u>\$ 808,911,715</u>	<u>\$ 816,760,805</u>
K-12 Average Daily Attendance at P-2	<u>13,930</u>	<u>14,563</u>	<u>14,717</u>	<u>15,270</u>

The General Fund balance has decreased by \$32,884,356 over the past two years. The fiscal year 2025-2026 budget projects a further decrease of \$713,474 (4.11%). 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 deficits in two of the past three years and anticipates incurring an operating deficit during the 2025-2026 fiscal year. Total long-term liabilities have increased by \$99,537,517 over the past two years.

Average daily attendance has decreased by 707 over the past two years. Additional decline of 633 ADA is anticipated during fiscal year 2025-2026.

¹ Financial information for 2026, 2024, and 2023 are included for analytical purposes only and has not been subjected to audit.

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

³ Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 17 for further information.

Oxnard Union High School District
Schedule of Charter Schools
Year Ended June 30, 2025

Name of Charter School	Charter Number	Included in Audit Report
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, 2025

	Student Activity Fund	Adult Education Fund	Special Reserve Fund for Capital Outlay Projects	COP Debt Service Fund	Total Non-Major Governmental Funds
Assets					
Deposits and investments	\$ 2,106,311	\$ 1,018,565	\$ 1,633,604	\$ 6,337	\$ 4,764,817
Receivables	-	274,189	26,605	-	300,794
Due from other funds	-	-	89,394	-	89,394
Total assets	<u>\$ 2,106,311</u>	<u>\$ 1,292,754</u>	<u>\$ 1,749,603</u>	<u>\$ 6,337</u>	<u>\$ 5,155,005</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 67,839	\$ 780	\$ -	\$ 68,619
Due to other funds	-	683,358	1,353,766	-	2,037,124
Total liabilities	-	751,197	1,354,546	-	2,105,743
Fund Balances					
Nonspendable	20,137	-	-	-	20,137
Restricted	2,086,174	541,557	-	6,337	2,634,068
Assigned	-	-	395,057	-	395,057
Total fund balances	<u>2,106,311</u>	<u>541,557</u>	<u>395,057</u>	<u>6,337</u>	<u>3,049,262</u>
Total liabilities and fund balances	<u>\$ 2,106,311</u>	<u>\$ 1,292,754</u>	<u>\$ 1,749,603</u>	<u>\$ 6,337</u>	<u>\$ 5,155,005</u>

Oxnard Union High School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Non-Major Governmental Funds
Year Ended June 30, 2025

	Student Activity Fund	Adult Education Fund	Capital Facilities Fund
Revenues			
Federal sources	\$ -	\$ 827,264	
Other State sources	-	4,040,122	
Other local sources	5,094,767	156,023	
Total revenues	5,094,767	5,023,409	
Expenditures			
Current			
Instruction	-	2,417,988	
Instruction-related activities			
Supervision of instruction	-	10,282	
School site administration	-	1,396,166	
Pupil services			
All other pupil services	-	817,590	
Administration			
All other administration	-	181,202	
Plant services	-	218,250	
Ancillary services	5,098,384	-	
Facility acquisition and construction	-	-	
Debt service			
Principal	-	-	
Interest and other	-	-	
Total expenditures	5,098,384	5,041,478	
Excess (Deficiency) of Revenues Over Expenditures	(3,617)	(18,069)	
Other Financing Sources (Uses)			
Transfers in	-	-	
Net Change in Fund Balances	(3,617)	(18,069)	
Fund Balance - Beginning, as previously reported	2,109,928	559,626	3,959,431
Adjustments (Note 17)	-	-	(3,959,431)
Fund Balance - Beginning, as restated	2,109,928	559,626	-
Fund Balance - Ending	\$ 2,106,311	\$ 541,557	

Oxnard Union High School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Non-Major Governmental Funds
Year Ended June 30, 2025

	Special Reserve Fund for Capital Outlay Projects	COP Debt Service Fund	Total Non-Major Governmental Funds
Revenues			
Federal sources	\$ -	\$ -	\$ 827,264
Other State sources	-	-	4,040,122
Other local sources	40,200	7,514	5,298,504
Total revenues	40,200	7,514	10,165,890
Expenditures			
Current			
Instruction	-	-	2,417,988
Instruction-related activities			
Supervision of instruction	-	-	10,282
School site administration	-	-	1,396,166
Pupil services			
All other pupil services	-	-	817,590
Administration			
All other administration	-	-	181,202
Plant services	-	-	218,250
Ancillary services	-	-	5,098,384
Facility acquisition and construction	212,348	-	212,348
Debt service			
Principal	-	745,000	745,000
Interest and other	-	1,604,050	1,604,050
Total expenditures	212,348	2,349,050	12,701,260
Excess (Deficiency) of Revenues Over Expenditures	(172,148)	(2,341,536)	(2,535,370)
Other Financing Sources (Uses)			
Transfers in	-	2,336,045	2,336,045
Net Change in Fund Balances	(172,148)	(5,491)	(199,325)
Fund Balance - Beginning, as previously reported	567,205	11,828	7,208,018
Adjustments (Note 17)	-	-	(3,959,431)
Fund Balance - Beginning, as restated	567,205	11,828	3,248,587
Fund Balance - Ending	\$ 395,057	\$ 6,337	\$ 3,049,262

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, 2025. 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, 2025, the District had no food commodities in inventory.

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. 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.

Other Information
June 30, 2025

Oxnard Union High School District

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
Genevieve Flores-Haro	President	2026
Linda Baker Torres	Vice President	2026
Mari Estrada	Clerk	2028
Karen M. Sher	Member	2026
Elizabeth M. Botello	Member	2028

ADMINISTRATION

NAME	TITLE
Thomas McCoy, Ed.D.	Superintendent
Richard Urias	Assistant Superintendent of Business Services
Matthew La Belle	Assistant Superintendent of Human Resources
Virginia Kelsen	Assistant Superintendent of Educational Services

Independent Auditor's Reports
June 30, 2025

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 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 13, 2026.

Substantial Doubt About the District's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the District will continue as a going concern. As discussed in Note 18 to the financial statements, the District has experienced ongoing financial challenges. These conditions raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 18. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 17 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 2025-001 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.



Ontario, California
January 13, 2026



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, 2025. 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, 2025.

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.

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

Ontario, California
January 13, 2026



Independent Auditor's Report on State Compliance and on Internal Control Over 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 *2024-2025 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, 2025.

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, 2025.

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 (*Government Auditing Standards*), and the *2024-2025 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 *2024-2025 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 *2024-2025 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 *2024-2025 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:

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Not Applicable
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	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Not Applicable
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
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	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Not Applicable
Transitional Kindergarten	Not Applicable
Kindergarten Continuance	Not Applicable
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

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

Ontario, California
January 13, 2026

Schedule of Findings and Questioned Costs
June 30, 2025

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</u>
Child Nutrition Cluster	10.553, 10.555
Dollar threshold used to distinguish between type A and type B programs	\$750,000
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
Other matters to be reported	No
Type of auditor's report issued on compliance for programs	Unmodified

The following finding represents 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

60000

Miscellaneous

2025-001 60000 – Going Concern (Material Weakness)

Criteria

Financial statement preparers are responsible for assessing whether substantial doubt exists regarding a government's ability to continue as a going concern for at least 12 months beyond the financial statement date.

Condition

As discussed in Note 18 to the financial statements, the General Fund's trend of deficit spending combined with expenditure growth, declining enrollment, decreased revenues, and insufficient cash flows have adversely affected the District's financial condition and its potential ability to meet future financial obligations.

Context

The condition was identified during the final year-end audit procedures of the unaudited actuals along with the assessment of known conditions impacting the District's immediate future operation given the District's ending reserve balance reported in its General Fund.

Cause

The significant factors contributing to the District's financial condition (as noted in Note 18) include:

- Structural deficit spending driven by unsustainable expenditure increases as the District began a trend of deficit spending in the 2023-2024 fiscal year when the General Fund recorded deficit spending of \$28,021,794 which represented a decrease of approximately 56%. As noted in the current year's financial statements, the General Fund recorded additional deficit spending of \$4,862,562 which represents an additional decrease of 22% ending the year with \$17,366,095 in fund balance, of which the unassigned reserve was \$9,753,532.
- P2 ADA was 14,563, a decline of 154 year-over-year, and initial right-sizing is not planned until Spring 2026. This timing leaves the District exposed to a continued mismatch between ADA-driven revenues and the current cost structure. Because declining ADA reduces LCFF revenues while many costs remain fixed or rising, the delay in implementing structural adjustments sustains the unresolved budget gap.

- P2 ADA was 14,563, reflecting a total decline of 707 ADA over the two-year period, and initial right-sizing is not planned until Spring 2026. This timing leaves the District exposed to a continued mismatch between ADA-driven revenues and the current cost structure. Because declining ADA reduces LCFF revenues while many costs remain fixed or rising, the delay in implementing structural adjustments sustains the unresolved budget gap.
- Inadequate cash flows to meet obligations throughout the upcoming year without reliance on temporary external borrowing. The District issued \$27,000,000 (October 2024) and \$24,590,000 (July 2025) Tax Revenue Anticipation Notes (TRANS) to bridge operating cash flow needs—indicators of sustained liquidity stress. The inability to generate sufficient cash to meet obligations as they come due as a core factor; reliance on increasing short term debt to meet routine operations is therefore relevant to a heightened fiscal risk.
- Concerns raised by the County Office of Education regarding the District's 2025–26 budget, together with the District's qualified first interim budget, are clear external indicators of elevated fiscal risk. A qualified certification explicitly signals uncertainty about the District's ability to meet its obligations in the current or subsequent two fiscal years.
- The \$(11,328,715) variance between the June 2025 Estimated Actuals (using data through May) and the September 2025 Unaudited Actuals (using data through June)—representing approximately a 39% decrease in ending fund balance—raises significant concerns regarding budgeting controls, forecasting accuracy, and the District's ability to reliably project year-end results and multi-year financial projections.
- The District is holding only a narrow margin above the minimum 3% reserve with virtually no additional assigned fund balance, providing no meaningful cushion against revenue fluctuations or cost increases and heightening overall fiscal vulnerability.
- The District relied on \$10,000,000 in interfund borrowing from the Cafeteria Fund at year-end to assist with cash needs, reflecting ongoing liquidity pressures and the absence of sufficient operating cash. Such dependence on temporary internal financing increases fiscal risk by signaling that regular revenues are insufficient to support baseline expenditures.
- The District relied on significant contributions in the form of retiree benefit payments from the OPEB trust in the current fiscal year, with planned continued reliance going forward, to support ongoing budget needs. This newly initiated reliance on trust withdrawals to maintain operational solvency indicates a growing structural imbalance in the District's budget and heightens fiscal risk.
- The District's plans to initiate right-sizing in Spring 2026 means structural actions continue to trail the decline in revenue and enrollment. This delay, combined with existing liquidity pressures and budgeting accuracy concerns, prolongs the structural imbalance and heightens fiscal risk in the look-forward period.

Effect

The District's deficit spending, lack of new revenue sources, and the inability to generate sufficient cash flows raises substantial doubt about the District's ability to continue as a going concern.

Repeat Finding

No.

Recommendation

The District should implement enhanced budget monitoring procedures to ensure fiscal solvency. In addition, the District must develop and adopt a comprehensive budget stabilization plan that includes specific, measurable strategies to correct structural imbalances and sustain long-term financial health. The plan should incorporate expenditure reduction measures and other mitigation strategies designed to build reserves in excess of the State's minimum requirement, providing a financial buffer against future operational uncertainties.

Until the stabilization plan is fully executed, the District should continue to perform rigorous cash flow analyses to confirm that sufficient liquidity is available to meet obligations as they become due.

Corrective Action Plan and Views of Responsible Officials

While the district does not agree that its financial condition rises to the occasion of *Substantial Doubt About the District's Ability to Continue as a Going Concern*, the district does agree with the recommendation and is implementing enhanced budget monitoring and a comprehensive fiscal stabilization plan to restore structural balance, improve liquidity, and rebuild reserves above the State minimum requirement. The stabilization plan is to be presented to the governing board for approval in the spring of 2026. Management is continuing to strengthen budget-to-actual monitoring through routine variance reviews, documented corrective actions, and regular reporting to executive leadership and the board, with updated enrollment/ADA and expenditure assumptions incorporated into multiyear projections. The District will finalize and execute measurable stabilization strategies—including a districtwide review of ongoing expenditures, staffing analysis, and targeted program adjustments and reductions in low enrollment areas—to align ongoing costs with projected revenues; estimated savings and cash flow impacts will be quantified and incorporated into updated multiyear projections and cash flow schedules. Until the stabilization plan is fully implemented and liquidity stabilizes, the district will continue rigorous cash flow forecasting (at least monthly and more frequently during peak cash need periods) to confirm sufficient liquidity to meet obligations as they become due and to reduce reliance on short-term borrowing over time. These actions are being completed in coordination with an external evaluator and in ongoing communication with the Ventura County Office of Education (VCOE) as the district's oversight agency, with initial implementation of stabilization actions expected during Spring 2026 and continued monitoring and updates thereafter.

None reported.

None reported.

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

Financial Statement Findings

2024-001 30000 - Financial Statement Preparation and Audit Adjustments (Material Weakness)

Criteria

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 material misstatements in the District’s Student Activity Fund resulting in an overstatement of cash in bank by \$386,455 and understatement of revolving cash by \$20,137. These material misstatements have been corrected by the District. In addition to the corrected material misstatements, the auditor’s noted uncorrected misstatements in the District’s aggregate remaining funds which resulted in an overstatement of interest receivables by \$98,402.

Context

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

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.

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 2024-2025 unaudited financial statements, the District’s aggregate remaining funds was overstated by \$464,720.

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.

Current Status

Implemented.

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Disagreement with the 2024-2025 Audit Finding of “Substantial Doubt About the District’s Ability to Continue as a Going Concern”

The purpose of this letter is to formally state a disagreement with the 2024-2025 audit finding of “Substantial Doubt About the District’s Ability to Continue as a Going Concern”, as provided by the district’s independent auditor, EideBailly, LLP.

During the district’s exit interview with EideBailly, administration shared the district was seeking ongoing savings during pending negotiations and has in fact successfully achieved such savings prior to the finalization of the audit report. Additionally, the Ventura County Office of Education concurred with the district’s qualified self-certification of its 2025-2026 First Interim Budget. Despite this, the audit included a finding of substantial doubt about the district’s ability to continue as a going concern.

The district has informed both the Ventura County Office of Education and EideBailly of our engagement with outside financial experts to assist in the district’s efforts towards our commitment to strengthen our financial condition. Following the review by the financial consultants, questions and concerns were brought to our attention regarding the basis and accuracy of the auditor’s lack of going concern finding. Following this, our staff and our financial consultants met with the senior and managing auditors from EideBailly. While the auditors were willing to make corrections to inconsistencies related to statements made about not meeting minimum reserve requirements, as well as corrections to errors included with the Schedule of Financial Trends and Analysis, they were not willing to reverse their opinion related to their substantial doubt about the district’s ability to continue as a going concern.

Auditors must comply with auditing standards listed in GASB 56 when finding substantial doubt about a district’s ability to continue as a going concern, including listing “*pertinent conditions and events giving rise to the assessment of substantial doubt about the district’s ability to continue as a going concern for a reasonable period of time; possible effects of such conditions and events; government officials’ evaluation of the significance of those conditions and events and any mitigating factors*”; among other pertinent factors included in GASB 56.

The district did not provide an evaluation of the significance of the conditions and events and mitigating factors that led to the auditor’s substantial doubt about the district’s ability to continue as a going concern because the district does not agree with the auditor’s doubt. The district stands by the integrity of its financial statements that supports the district’s ability to continue as a going concern.

The basis for the auditor's concern can be found on page 106 of the audit report and is listed here, and again in Note 18.

1. Structural deficit spending driven by unsustainable expenditure increases.
2. Continued annual declines in student enrollment.
3. Inadequate cash flows to meet obligations throughout the upcoming year without reliance on temporary external borrowing.

Note 18 - Going Concern/District Financial Condition

The audit report states the following: *The District's current trend of deficit spending in conjunction without new dedicated revenue sources resulted in concerns regarding the District's ability to generate sufficient cash flow to meet obligations as they become due, raising concerns about the District's financial condition.*

The audit report continues with a description of the significant factors contributing to the auditor's assessment of the district's financial condition leading to audit finding of substantial doubt about the district's ability to continue as a going concern.

The significant factors contributing to the District's financial condition include: 1) unsustainable increases in expenditures that create significant and structural deficit spending, 2) declining local enrollment of students, and 3) inadequate cash flow to meet obligations throughout the upcoming year without temporary borrowing. The District began a trend of deficit spending in the 2023-2024 fiscal year when the General Fund recorded deficit spending of \$28,021,794 which represented a decrease of approximately 56%. As noted in the current year's financial statements, the General Fund recorded additional deficit spending of \$4,862,562 which represents an additional decrease of 22% ending the year with \$17,366,095 in fund balance, of which the unassigned reserve was \$9,753,532.

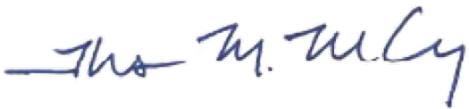
1. **Historical Deficit Spending** Note 18 states *the District has suffered recurring historical deficit spending and does not meet the minimum fund balance requirements.*
 - a. Note 18 on page 69 of the report describes the trend of deficit spending as beginning two years ago, and notes deficit spending of \$28,021,794, but does not disclose that the significant portion of the large sum of deficit spending was tied to spending related to one-time state and federal COVID funds. To further support this, 83% of the deficit spending in 2023-2024 was from restricted funding sources and supported by the restricted fund balance. Nevertheless, the district acknowledges unplanned deficit spending during the reporting period and its corrective action response is in accordance with this. The "trend" of deficit spending caused by a structural budget deficit is therefore limited to two years. The district however acknowledges, and has made corrections to, and continues to monitor, the causes of deficit spending in 2024-2025, which includes unanticipated increases to special education costs by outside agencies; excessive overtime and excess time sheets submitted during the summer payroll period; and internal controls related to management of accounts payable. The impact of these corrections has been addressed, and the district continues to monitor these areas, and where appropriate they have been incorporated into the district's multi-year budget.

As described in the district's corrective action response, the district also successfully negotiated an agreement with employee groups in December 2025 that yielded current year and ongoing savings of \$8.6 million across the next three years, thereby eliminating deficit spending in the district's 2025-2026 First Interim Financial Report and accompanying multi-year projection.

2. **Declining Enrollment** Note 18 states: *Revenues from the State are dependent on enrollment/average daily attendance (ADA) of students. Any significant increases in revenues beyond the current year LCFF formula are dependent on the District's growth in ADA since the District is funded on a per ADA basis. Likewise, decreases in funding occur with a decline in ADA. The District has experienced a decline in student ADA over the past few years. In the current year, the District reported ADA of 14,563 at the Second Period Report of Attendance, which was a decrease of 154 ADA from the previous year.*
- a. The district acknowledges the challenges associated with declining enrollment and recognizes there is more work to be done towards right-sizing its budget accordingly. The district has identified targeted program adjustments and reductions in areas of low enrollment to better align staffing and operating costs with projected ADA and available funding in the current year, and management anticipates additional actions may be necessary in future years due to continued enrollment declines. Management expects initial actions to be implemented during Spring 2026.
3. **Cash Flow** Note 18 states; *The District has become reliant on short-term borrowing to meet cash flow requirements. In October 2024, the District issued \$27,000,000 in short-term borrowing through the issuance of Tax Revenue Anticipation Notes (TRANs) to meet the District's immediate operational needs. In addition, the District issued additional TRANs in July 2025 in the amount of \$24,590,000 to assist with cash flow.*
- a. While the district is dependent on temporary borrowing to bridge the gap between cash outflows and the receipt of property taxes, this condition is not uncommon in California's public schools. Most importantly, the district's cash flow projections indicate that the district will be able to meet obligations as they come due for the current year; the current year is 12 months beyond the period of the financial statement.

Determination of Substantial Doubt About the District's Ability to Continue as a Going Concern is not adequately supported

The Oxnard Union High School District therefore disagrees with the independent auditor's evaluation and that it rises to the occasion that *"there is substantial doubt about a government's ability to continue as a going concern for 12 months beyond the financial statement date."*, as referenced in GASB 56.



Tom McCoy, Ed.D.
Superintendent
Oxnard Union High School District

CC:
EideBailly, LLP
Dr. Cesar Morales, Ventura County Superintendent of Schools
Misty Key, Deputy Superintendent, Ventura County Office of Education
Danielle Brook, Executive Director School Business & Advisory Services, Ventura County Office of Education
Jeff Burgh, Ventura County Auditor-Controller
Sue Horgan, Ventura County Treasurer-Tax Collector
Mike Fine, FCMAT CEO
Tony Thurman, California State Superintendent of Public Instruction
Malia M. Cohen, California State Controller