

WOODLAND JOINT UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2023

WOODLAND JOINT UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

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WOODLAND JOINT UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Woodland Joint Unified School District
Woodland, 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 Woodland Joint Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Woodland Joint Unified School 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 Woodland Joint Unified School District, as of June 30, 2023, and the respective changes in financial position 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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 Woodland Joint Unified School 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.

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 Woodland Joint Unified School 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.

(Continued)

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 Woodland Joint Unified School 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 Woodland Joint Unified School 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 on pages 4 to 14 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 51 to 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodland Joint Unified School District's basic financial statements. The accompanying 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* and other supplementary information 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, except for that portion marked "unaudited", was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023 on our consideration of the Woodland Joint Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Woodland Joint Unified School 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 Woodland Joint Unified School District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2023

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section of Woodland Joint Unified School District's (the "District") annual financial report presents District management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the Independent Auditors' Report presented on pages 1 through 3, and the District's financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, presented on pages 15 and 16, provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 17 through 20, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements on pages 21 through 22 provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- The District's financial condition has changed during the 2022-23 fiscal year. Over the course of the year, net position increased by 50%.
- Total current year revenues exceeded the total current year expenses by \$29.4 million in the General Fund.
- Total Governmental Fund balances increased by \$53.3 million.
- Total long-term liabilities increased \$57.9 million during the 2022-23 fiscal year due to the changes associated with the G.O Bonds, the COPs, and other long-term liabilities. During the 2022-23 fiscal year, the District made payments of \$2.6 million of general obligation bonds, and payments of \$425,000 on certificates of participation. The Schedule of Changes in Long-Term Liabilities on page 34 provides additions and deductions to the District's liabilities.
- The District maintains sufficient reserves for a district of its size. It meets the state required minimum reserve for economic uncertainty of 3% of general fund expenditures, transfers out, and other uses (total outgo). During fiscal year, 2022-23 General Fund expenditures and other financing uses totaled \$148 million. At June 30, 2023, the District has available reserves of \$30.1 million in the General Fund, which represents a reserve of approximately 20.4%.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THE FINANCIAL REPORT

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives, government-wide and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements comprise the remaining statements.
 - ❖ Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
 - ❖ Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's fiscal year ending June 30, 2022 is included.

Reporting the District as a Whole

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health or position (net position) can be measured by the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THE FINANCIAL REPORT (CONCLUDED)

Reporting the District as a Whole (Concluded)

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

Governmental Activities:

The basic services provided by the District, such as regular and special education, adult education, administration, and transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition and child development are also included here but are financed by a combination of state and federal contracts and grants, and local revenues.

Business-type Activities:

The District does not provide any services that should be included in this category.

Reporting the District's Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

Governmental Funds

The major governmental funds of the Woodland Joint Unified School District are the General Fund and Capital Facilities Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business-type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore no reconciling entries are required. Internal service funds are reported with the Governmental Funds. The District has no funds of this type.

Fiduciary Funds

The District is the trustee, or fiduciary, for its foundation trust funds. All of the District's fiduciary activities are reported in separate fiduciary statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

GOVERNMENTAL ACTIVITIES

The District's net position increased from \$46,464,424 at June 30, 2022 to \$102,718,438 at June 30, 2023, which equates to 55%.

	Governmental Activities	
	<u>2022</u>	<u>2023</u>
<u>Assets</u>		
Cash and Investments	\$69,786,503	\$130,798,319
Receivables	17,875,633	14,600,702
Stores Inventories	210,277	167,980
Prepaid Expenses and Other Assets		(17,629)
Non-Depreciable Assets	13,265,981	14,456,064
Capital Assets, net of depreciation	100,212,037	98,925,564
Total Assets	<u>188,082,563</u>	<u>244,374,935</u>
<u>Deferred Outflows of Resources</u>	<u>42,257,795</u>	<u>52,582,861</u>
<u>Liabilities</u>		
Current	16,864,148	16,375,187
Long-Term	158,175,655	95,453,191
Total Liabilities	<u>175,039,803</u>	<u>172,996,393</u>
<u>Deferred Inflows of Resources</u>	<u>8,836,131</u>	<u>21,242,965</u>
<u>Net Position</u>		
Net investment in capital assets	82,667,944	82,693,024
Restricted	39,712,111	78,646,968
Unrestricted	(75,915,631)	(58,621,553)
Total Net Position	<u>\$46,464,424</u>	<u>\$102,718,438</u>

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Comparative Statement of Activities

	<u>2022</u>	<u>2023</u>
<u>Program Revenues</u>		
Charges for Services	\$7,142,747	\$4,969,279
Operating Grants and Contributions	48,011,582	68,631,296
<u>General Revenues</u>		
Taxes Levied	38,540,924	42,144,013
Federal and State Aid	69,177,050	82,344,496
Interest and Investment Earnings	(972,311)	214,088
Miscellaneous	(2,815,177)	1,329,296
Total Revenues	<u>159,084,815</u>	<u>126,031,893</u>
<u>Expenses</u>		
Instruction	71,388,833	79,082,287
Instruction Related Services	12,842,678	13,559,888
Pupil Services	17,274,097	19,907,636
General Administration	8,016,363	8,500,046
Plant Services	16,991,520	19,663,903
Ancillary Services	857,619	884,668
Community Services	272,594	518,319
Interest on Long Term Debt	291,647	653,363
Other Outgo	1,835,644	2,532,683
Total Expenses	<u>129,770,995</u>	<u>139,302,793</u>
Change in Net Position	<u>\$29,313,820</u>	<u>\$60,329,675</u>

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

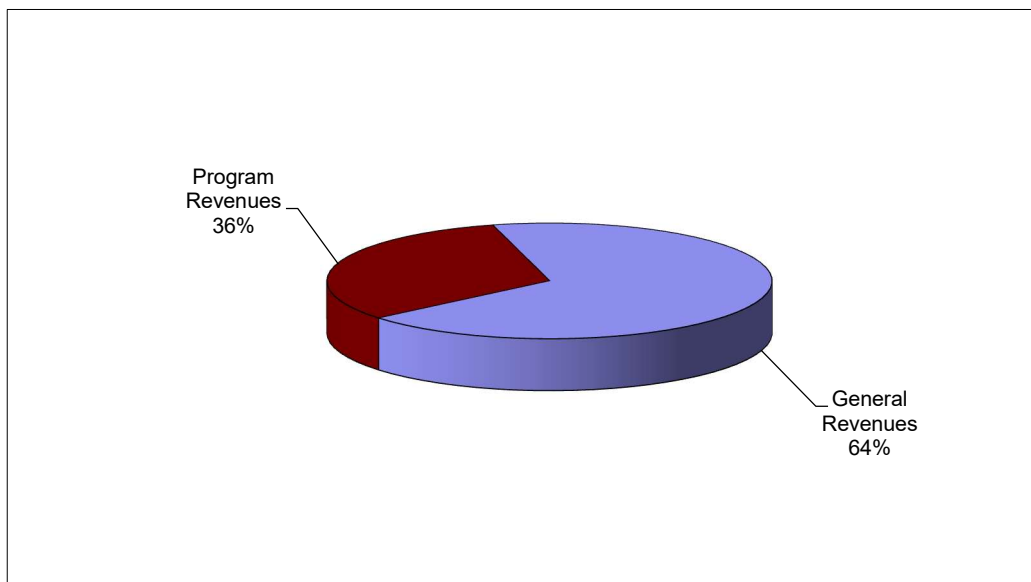
FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

The table below presents the cost of major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The \$65,702,218 net cost represents the financial burden that was placed on the District's general revenues for providing the services listed. Further detail is available on page 16 of the audit report.

	<u>Comparative Schedule of Costs of Services</u>			
	Total Cost Of Services		Net Cost of Services	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Instruction	\$71,388,833	\$73,082,287	\$41,494,477	\$25,917,857
Instruction Related Services	12,842,678	13,559,888	7,477,000	9,140,820
Pupil Services	17,274,097	19,907,636	5,899,345	5,468,250
General Administration	8,016,363	8,500,046	6,189,189	5,507,585
Plant Services	16,991,520	19,663,903	11,928,192	16,822,624
Ancillary Services	857,619	884,668	817,518	726,299
Community Services	272,594	518,319	648,970	169,660
Interest on Long Term Debt	291,647	653,363	291,647	653,363
Other Outgo	1,835,644	2,532,683	1,168,268	1,295,760
Totals	<u>\$129,770,995</u>	<u>\$139,302,793</u>	<u>\$74,616,666</u>	<u>\$65,702,218</u>

As of June 30, 2023 program revenues financed 36% of the total cost of providing the services listed above while the remaining 64% was financed by the general revenues of the District.



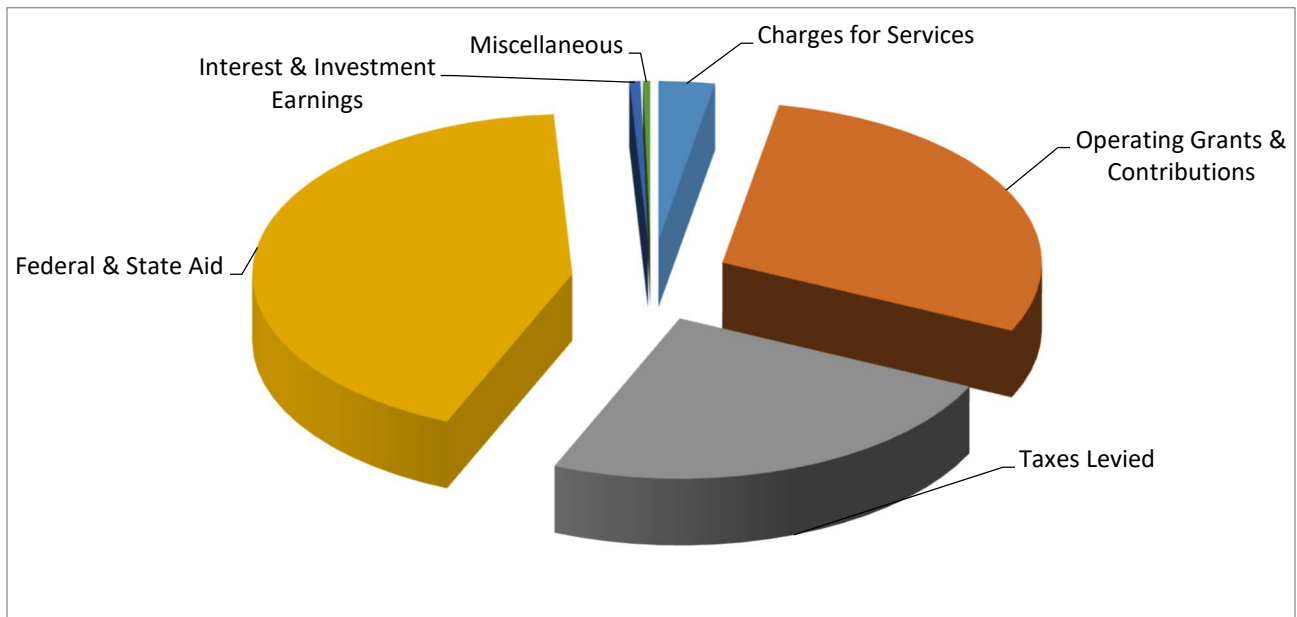
**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Summary of Revenues For Governmental Functions

	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>2023 Amount</u>	<u>Percent of Total</u>
<u>Program Revenues</u>				
Charges for Services	\$7,142,747	4%	4,969,279	2%
Operating Grants & Contributions	48,011,582	30%	68,631,296	34%
<u>General Revenues</u>				
Taxes Levied	38,540,924	24%	42,144,013	21%
Federal and State Aid	69,177,050	42%	82,344,496	41%
Interest and Investment Earnings	(972,311)	%		%
Miscellaneous	(281,577)	(2,815,177)	1,329,296	1%
Total Revenues	<u>\$159,084,815</u>	<u>100%</u>	<u>\$199,632,468</u>	<u>100%</u>



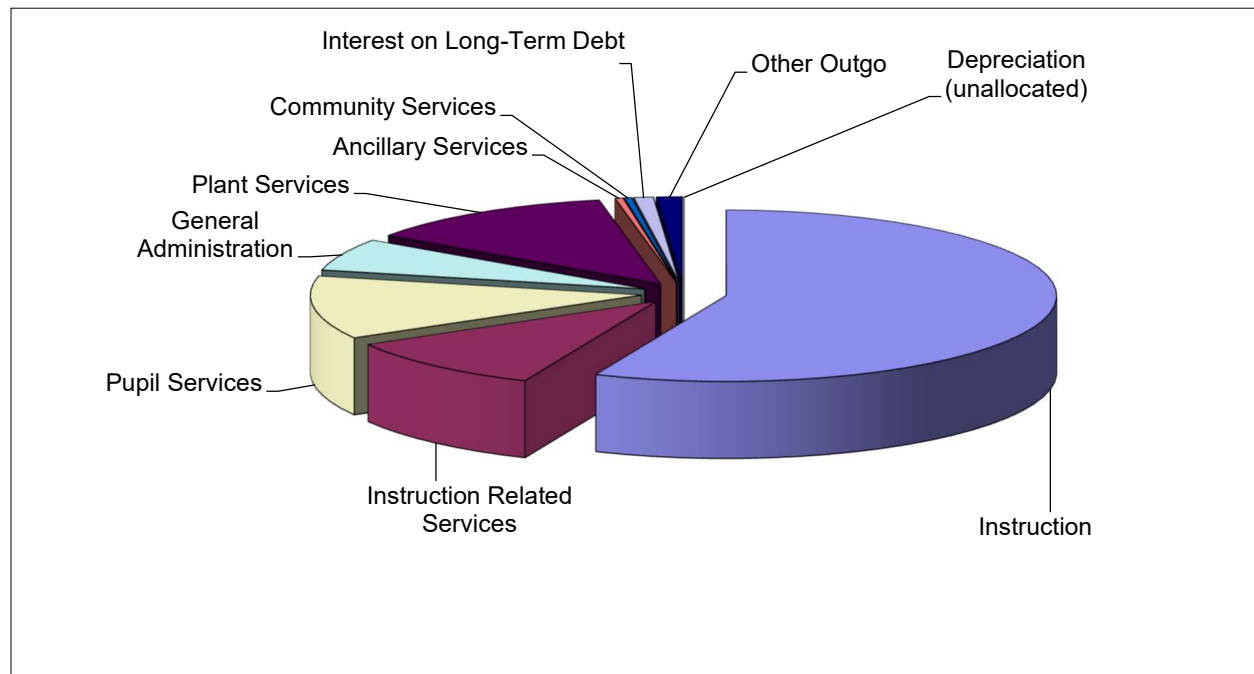
**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Summary of Expenses For Governmental Functions

	2022 <u>Amount</u>	Percent of <u>Total</u>	2023 <u>Amount</u>	Percent of <u>Total</u>
Instruction	\$71,388,833	55%	\$73,082,287	52%
Instruction Related Services	12,842,678	10%	13,559,888	10%
Pupil Services	17,274,097	13%	19,907,636	14%
General Administration	8,016,363	6%	8,500,046	6%
Plant Services	16,991,520	13%	19,663,903	14%
Ancillary Services	857,619	1%	884,668	1%
Community Services	272,594	0%	518,319	0%
Interest on Long Term Debt	291,647	0%	653,363	0%
Other Outgo	1,835,644	1%	2,532,683	2%
Totals	<u>\$129,770,995</u>	<u>100%</u>	<u>\$139,302,793</u>	<u>100%</u>



**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Comparative Schedule of Capital Assets

	Governmental Activities	
	<u>2022</u>	<u>2023</u>
Land	\$7,272,874	\$7,222,874
Sites and Improvements	6,043,107	7,233,190
Buildings and Improvements	158,824,270	160,367,776
Furniture and Equipment	16,475,648	17,517,848
Subtotals	\$181,343,025	\$185,118,814
Less: Accumulated Depreciation	<u>88,353,862</u>	<u>93,516,124</u>
Capital Assets, net	\$100,212,037	\$98,825,564

Capital assets decreased due to the change in the Accumulated Depreciation.

Comparative Schedule of Long-Term Liabilities

	Governmental Activities	
	<u>2022</u>	<u>2023</u>
Compensated Absences	\$709,649	\$936,681
General Obligation Bonds	8,440,000	5,889,000
Unamortized premiums/discounts, net		
Certificates of Participation	8,650,000	8,225,000
Capital Leases	546,984	2,110,936
Other Post-Employment Benefits	16,681,894	17,915,547
Net Pension Liability	<u>123,398,000</u>	<u>60,376,000</u>
Totals	\$158,426,527	\$95,453,191

The general obligation bonds are financed by the local taxpayers and represent 6% of the District's total long-term liabilities. The certificates of participation are financed by developer fees, General Fund and represent 9% of the District's total long-term liabilities. The remaining components of the District's total long-term liabilities account for 85% of the District's total long-term liabilities and are financed by various District funds.

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONCLUDED)

GOVERNMENTAL ACTIVITIES (CONCLUDED)

The District has continued to meet the debt service requirements for their long-term liabilities, and they have no plans to fully retire any specific debt instrument prior to the current payment schedules.

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

FINANCIAL ANALYSIS OF DISTRICT'S FUNDS

The combined fund balances of all the District's governmental funds increased by \$53,226,599 due primarily to an increase in revenue and decrease in expenditures.

	<u>Comparative Schedule of Fund Balances</u>		
	<u>FY 21/22</u>	<u>FY 22/23</u>	<u>Change</u>
General	\$41,276,397	\$71,052,834	\$29,776,437
Student Activity – Special Revenue	0	543,298	543,298
Charter School Fund	896,878	1,344,411	447,553
Adult Education	2,367,877	2,243,717	(124,160)
Child Development	351,659	771,775	420,116
Cafeteria	1,334,073	3,845,094	2,511,021
Deferred Maintenance	528,594	84,930	(443,664)
Special Reserve – Other	3,803,763	3,875,038	71,275
Building	256,670	17,510,952	17,254,282
Capital Projects - Special Reserve	298,061	303,646	5,585
Capital Facilities	11,938,110	13,550,828	1,612,818
County School Facilities Fund	5,418,313	5,336,786	(51,527)
Bond Interest & Redemption	<u>2,537,868</u>	<u>3,741,453</u>	<u>1,203,585</u>
Totals	\$61,786,187	\$124,234,862	\$53,226,599

**WOODLAND JOINT UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May revised figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget throughout the year. The original budget is presented on page 51 of the audit report.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

The District currently provides health benefits to all employees who retire after attaining the age of 55 until age 65 provided the employee has met certain service requirements. The District's cost for health benefits is currently capped; however, concern for future costs to the District has resulted in a continued search for solutions to this issue.

Based on the most recent student enrollment information available, the District anticipates flat enrollment for fiscal year 2023-24. Since student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California, no change indicates that the District's LCFF funding should also change as a result of any COLA provided by the state.

The financial well-being of the District is tied in large measure to the State's K-12 funding as prescribed by Proposition 98. Although Proposition 98 funding is generally referred to as a "guarantee", when the state applies a deficit factor to a district's funding or reduces the required payment, as happened in both the 2013-14 and the 2014-15 fiscal years respectively, the funding can no longer be considered a "guarantee".

The future predictions require management to plan carefully and prudently to provide the resources to meet student needs over the next several years. The District has an excellent track record in meeting this challenge in what has proven to be a cycle of lean years and prosperous years for education finances.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 regarding this report or need additional financial information, contact the Business Office, Woodland Joint Unified School District, 435 Sixth Street, Woodland, California 95695.

BASIC FINANCIAL STATEMENTS

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 130,798,321
Receivables	14,896,937
Prepaid expenses	44,643
Stores inventory	167,980
Non-depreciable capital assets (Note 4)	7,222,874
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>91,602,690</u>
Total assets	<u>244,733,445</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Note 7 and 8)	32,701,362
Deferred outflows of resources - OPEB (Note 9)	2,744,141
Deferred loss on refunding of debt	<u>72,124</u>
Total deferred outflows of resources	<u>35,517,627</u>
LIABILITIES	
Accounts payable	16,527,924
Unearned revenue	5,297,934
Long-term liabilities (Note 5):	
Due within one year	4,272,923
Due after one year	<u>149,446,522</u>
Total liabilities	<u>175,545,303</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	17,545,000
Deferred inflows of resources - OPEB (Notes 9)	3,207,022
Deferred gain on refunding of debt	<u>247,664</u>
Total deferred inflows of resources	<u>20,999,686</u>
NET POSITION	
Net investment in capital assets	81,742,667
Restricted:	
Legally restricted programs	35,230,222
Capital projects	19,221,260
Debt service	3,741,453
Unrestricted	<u>(56,229,519)</u>
Total net position	<u>\$ 83,706,083</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenues and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	<u>Expenses</u>				
Governmental activities:					
Instruction	\$ 84,371,125	\$ 2,530,119	\$ 44,634,311	\$ -	\$(37,206,695)
Instruction-related services:					
Supervision of instruction	6,875,840	86,922	2,851,355	-	(3,937,563)
Instructional library, media and technology	852,712	-	200,167	-	(652,545)
School site administration	8,310,729	-	1,280,624	-	(7,030,105)
Pupil services:					
Home-to-school transportation	4,405,128	150,054	1,014,000	-	(3,241,074)
Food services	5,775,630	240,079	6,982,423	-	1,446,872
All other pupil services	12,065,961	386,616	5,666,214	-	(6,013,131)
General administration:					
Data processing	3,104,206	-	187,834	-	(2,916,372)
All other general administration	6,314,810	267,069	2,537,558	-	(3,510,183)
Plant services	20,748,173	847,637	1,993,642	-	(17,906,894)
Ancillary services	937,641	-	158,369	-	(779,272)
Community services	523,293	-	348,659	-	(174,634)
Interest on long-term liabilities	895,990	-	-	-	(895,990)
Other outgo	2,236,447	460,783	776,140	-	(999,524)
Total governmental activities	<u>\$ 157,417,685</u>	<u>\$ 4,969,279</u>	<u>\$ 68,631,296</u>	<u>\$ -</u>	<u>\$(83,817,110)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					39,450,524
Taxes levied for debt service					2,261,168
Taxes levied for other specific purposes					432,321
Federal and state aid not restricted to specific purposes					82,344,496
Interest and investment earnings (loss)					214,088
Miscellaneous					1,029,855
Total general revenues					<u>125,732,452</u>
Change in net position					41,915,342
Net position, July 1, 2022					<u>41,790,741</u>
Net position, June 30, 2023					<u>\$ 83,706,083</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<u>General Fund</u>	<u>Building Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments:				
Cash in County Treasury	\$ 83,890,208	\$ 17,453,860	\$ 28,753,732	\$ 130,097,800
Cash on hand and in banks	-	-	543,598	543,598
Cash in revolving fund	64,000	-	500	64,500
Cash with Fiscal Agent	-	92,423	-	92,423
Receivables	11,409,465	-	3,487,472	14,896,937
Prepaid expenditures	44,643	-	-	44,643
Due from other funds	735,193	-	75,701	810,894
Stores inventory	35,379	-	132,601	167,980
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 96,178,888</u>	<u>\$ 17,546,283</u>	<u>\$ 32,993,604</u>	<u>\$ 146,718,775</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 16,063,110	\$ -	\$ 312,075	\$ 16,375,185
Due to other funds	73,318	35,331	702,245	810,894
Unearned revenue	5,114,588	-	183,346	5,297,934
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>21,251,016</u>	<u>35,331</u>	<u>1,197,666</u>	<u>22,484,013</u>
Fund balances:				
Nonspendable	144,022	-	133,101	277,123
Restricted	26,396,997	17,510,952	31,662,837	75,570,786
Assigned	18,204,599	-	-	18,204,599
Unassigned	30,182,254	-	-	30,182,254
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>74,927,872</u>	<u>17,510,952</u>	<u>31,795,938</u>	<u>124,234,762</u>
Total liabilities and fund balances	<u>\$ 96,178,888</u>	<u>\$ 17,546,283</u>	<u>\$ 32,993,604</u>	<u>\$ 146,718,775</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances - Governmental Funds \$ 124,234,762

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in funds. The of the assets is \$192,341,688 and the accumulated depreciation is \$93,516,124 (Note 4). 98,825,564

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 June 30, 2023 consisted of (Note 5):

General Obligation Bonds	\$ (23,889,000)	
Unamortized discounts	19,246	
Unamortized premiums	(1,999,113)	
Certificates of Participation	(8,225,000)	
Lease liabilities	(267,350)	
Compensated absences	(936,681)	
Net pension liability (Notes 7 and 8)	(100,506,000)	
Total OPEB liability (Note 9)	<u>(17,915,547)</u>	(153,719,445)

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. (152,739)

In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported (Notes 7 and 8).

Deferred outflows of resources relating to pensions	\$ 32,701,362	
Deferred outflows of resources relating to OPEB	2,744,141	
Deferred inflows of resources relating to pensions	(17,545,000)	
Deferred inflows of resources relating to OPEB	<u>(3,207,022)</u>	14,693,481

Gains and losses on refunding of debt are categorized as deferred inflows and outflows and are amortized over the life of the related debt. (175,540)

Total net position - governmental activities \$ 83,706,083

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Building Fund	All Non-Major Funds	Total Governmental Funds
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 78,611,404	\$ -	\$ 1,301,917	\$ 79,913,321
Local sources	38,210,206	-	1,268,737	39,478,943
Total local control funding formula	116,821,610	-	2,570,654	119,392,264
Federal sources	14,681,611	-	5,164,646	19,846,257
Other state sources	37,553,422	-	8,696,702	46,250,124
Other local sources	8,646,980	142,530	7,246,994	16,036,504
Total revenues	177,703,623	142,530	23,678,996	201,525,149
Expenditures:				
Current:				
Certificated salaries	57,643,204	-	2,766,795	60,409,999
Classified salaries	26,148,922	-	3,143,938	29,292,860
Employee benefits	31,251,414	-	2,378,415	33,629,829
Books and supplies	8,510,697	-	2,869,669	11,380,366
Contract services and operating expenditures	21,038,383	888,248	1,954,154	23,880,785
Other outgo	1,954,727	-	281,720	2,236,447
Capital outlay	972,786	-	2,309,903	3,282,689
Debt service:				
Principal retirement	509,634	-	2,746,000	3,255,634
Interest	244,720	-	193,632	438,352
Total expenditures	148,274,487	888,248	18,644,226	167,806,961
Excess (deficiency) of revenues over (under) expenditures	29,429,136	(745,718)	5,034,770	33,718,188
Other financing sources (uses):				
Transfers in	418,576	-	-	418,576
Transfers out	-	-	(418,576)	(418,576)
Proceeds from sale of bonds	-	18,000,000	-	18,000,000
Premium on issuance of debt	-	-	1,561,236	1,561,236
Total other financing sources (uses)	418,576	18,000,000	1,142,660	19,561,236
Net change in fund balances	29,847,712	17,254,282	6,177,430	53,279,424
Fund balances, July 1, 2022	45,080,160	256,670	25,618,508	70,955,338
Fund balances, June 30, 2023	\$ 74,927,872	\$ 17,510,952	\$ 31,795,938	\$ 124,234,762

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Net change in fund balances - Total Governmental Funds	\$ 53,279,424
Amounts reported for governmental activities in the statement of activities different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	3,775,789
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(5,162,262)
Proceeds from debt are recognized as Other Financing Sources in governmental funds. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:	(18,000,000)
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).	3,255,634
Amortization of debt premiums and discounts are an expense that is not recorded in the governmental funds (Note 5).	(1,533,648)
Gains and losses on refunding of debt are categorized as deferred inflows and outflows and are amortized over the life of the related debt.	112,893
In the statement of activities, expenses related to OPEB and compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Notes 5 and 9).	(1,577,620)
In governmental funds, pension costs are recognized when employer are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was.	7,766,067
Interest on long-term liabilities is recognized in the period it is incurred. In governmental funds, it is only recognized when it is due.	(935)
Change in net position of governmental activities	<u>\$ 41,915,342</u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST FUND
June 30, 2023

	<u>Foundation Trust Fund</u>
ASSETS	
Cash and investments (Note 2):	
Cash in County Treasury	\$ 49,120
Receivables	<u>10,894</u>
 Total assets	 <u>60,014</u>
 NET POSITION	
Restricted for scholarships	 <u><u>\$ 60,014</u></u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUND
For the Year Ended June 30, 2023

	<u>Foundation Trust Fund</u>
Additions:	
Local sources	\$ 20,739
Deductions:	
Contract services and operating expenditures	<u>9,336</u>
Change in net position	11,403
Net position, July 1, 2022	<u>48,611</u>
Net position, June 30, 2023	<u><u>\$ 60,014</u></u>

See accompanying notes to financial statements.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Woodland Joint Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

Reporting Entity: The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District and Woodland Public Facilities Corporation (the "Corporation") have a financial and operational relationship which meets the reporting entity definition criteria of Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District.

The following are those aspects of the relationship between the District and the Corporation which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 criteria:

A - Accountability:

1. The Corporation's Board of Directors was appointed by the District's Board of Trustees.
2. The Corporation has no employees. The District's Superintendent function as agents of the Corporation. Neither individual receives additional compensation for work performed in this capacity.
3. The District exercises significant influence over operations of the Corporation as the District is the sole lessee of all facilities owned by the Corporation.
4. All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
5. Any deficits incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period.
6. The District's lease payments are the sole revenue source of the Corporation.
7. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

B - Scope of Public Service:

The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California. The Corporation was formed to provide financing assistance to the District for construction and acquisition of major capital facilities through the issuance of Certificates of Participation. The source of repayment for the Certificates of Participation is developer fees collected. When the Corporation's Certificates of Participation have been completely paid off, title to all Corporation property will pass to the District for no additional consideration.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C - Financial Presentation:

For financial presentation purposes, the Corporation's financial activity has been blended with the financial data of the District. The financial statements present the Corporation's financial activity as the Capital Facilities Fund. Certificates of Participation issued by the Corporation are included as liabilities in the Statement of Net Position.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Trust funds are not included in the government-wide financial statements. Trust funds are reported only in the Statement of Fiduciary Net Position and the Statement of Change in Fiduciary Net Position at the fund financial statement level.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program revenues - Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of indirect expenses - The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is separately identified by function and is included in the direct expense of the respective function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Governmental Fund Types

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Building Fund - The Building Fund is a capital projects fund used to account for the accumulation and expenditure of resources used for the acquisition of capital facilities by the District.

B - Other Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This classification includes the Student Activity, Charter School, Adult Education, Child Development, Cafeteria and Deferred Maintenance Funds.

The Capital Projects Funds are used to account for resources used for the acquisition or construction of major capital facilities and equipment. This classification includes the Capital Facilities, County School Facilities and Capital Projects Funds.

The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for, and the repayment of, general long-term debt principal, interest, and related costs.

The Foundation Trust Fund is used to account for amounts held by the District as Trustee, to be used to provide scholarships to students of the District.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual: Governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting: By state law, the Board of Trustees must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The District's Governing Board complied with these requirements.

Receivables: Receivables are made up principally of amounts due from the State of California and categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2023.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stores Inventory: Inventory in the General and Cafeteria Funds consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$10,000 or more, are recorded at acquisition value for the contributed asset. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 3 - 30 years depending on asset types:

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Land	N/A
Land improvements	20
Buildings	15-30
Equipment, vehicles, equipment	3-20

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding of debt, in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension liability and total OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability, total OPEB liability and gain on refunding of debt reported in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value.

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 16,109,765	\$ 16,591,597	\$ 32,701,362
Deferred inflows of resources	\$ 16,084,000	\$ 1,461,000	\$ 17,545,000
Net pension liability	\$ 53,520,000	\$ 46,986,000	\$ 100,506,000
Pension expense	\$ 6,679,101	\$ 6,023,651	\$ 12,702,752

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: Compensated absences benefits in the amount of \$936,681 are recorded as a long-term liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave: Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Unearned Revenue: Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Yolo bills and collects taxes for the District. Tax revenues are recognized by the District when received.

Net Position: Net position is displayed in three components:

- 1 - Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2 - Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted program revenues represents the portion of net position restricted to specific program expenditures. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for scholarships is represents the portion of net position restricted for scholarships. It is the District's policy to use restricted net position first when allowable expenditures are incurred.
- 3 - Unrestricted Net Position - All other net position that does not meet the definitions of "restricted" or "net investment in capital assets".

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - Nonspendable Fund Balance - The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - Restricted Fund Balance - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide statements.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C - Committed Fund Balance - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Trustees. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Trustees is required to remove any commitment from any fund balance. At June 30, 2023, the District had no committed fund balances.

D - Assigned Fund Balance - The assigned fund balance classification reflects amounts that the District's Board of Trustees has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances, however, as of June 30, 2023, no such designation has occurred.

E - Unassigned Fund Balance - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements if they have been adopted by the Board of Trustees. At June 30, 2023, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements: In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. GASB Statement No. 96 defines a subscription-based information technology arrangement and requires the recognition of a right to use subscription asset and corresponding subscription liability. This statement was effective for fiscal years beginning after June 15, 2022. There was no impact to the District's July 1, 2022 net position as a result of the implementation of GASB Statement No. 96.

NOTE 2 - CASH AND INVESTMENTS

Cash at June 30, 2023 consisted of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Pooled funds:		
Cash in County Treasury	\$ 130,097,800	\$ 49,120
Deposits:		
Cash on hand and in banks	543,598	-
Cash in revolving fund	64,500	-
Cash with Fiscal Agent	<u>92,423</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 130,798,321</u>	<u>\$ 49,120</u>

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Yolo County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's prorate 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.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2023, the carrying amount of the District's accounts was \$608,098 and the bank balances were \$592,535 of which \$452,347 was covered by FDIC insurance.

Cash with Fiscal Agent: Cash with Fiscal Agent represents funds held by Fiscal Agents restricted for capital projects and repayment of General Obligation Bonds. The District holds their funds with the Yolo County Treasurer. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND INVESTMENTS (Continued)

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2023, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances as of June 30, 2023 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Activities</u>		
Major Funds:		
General	\$ 735,193	\$ 73,318
Building	-	35,331
Non-Major Funds:		
Charter School	74,931	301,727
Adult Education	-	72,981
Child Development	-	144,218
Cafeteria	770	183,319
	<u>770</u>	<u>183,319</u>
Totals	<u>\$ 810,894</u>	<u>\$ 810,894</u>

Transfers: Transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Transfers for the 2022-2023 fiscal year were as follows:

Transfer from the Charter School Fund to the General Fund for indirect costs.	\$ 19,065
Transfer from the Adult Education Fund to the General Fund for indirect costs.	72,854
Transfer from the Child Development Fund to the General Fund for indirect costs.	143,540
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	183,117
Totals	<u>\$ 418,576</u>

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2023 is shown below:

	Balance July 1, <u>2022</u>	Additions and <u>Transfers</u>	Deductions and <u>Transfers</u>	Balance June 30, <u>2023</u>
Non-depreciable:				
Land	\$ 7,222,874	\$ -	\$ -	\$ 7,222,874
Depreciable:				
Improvement of sites	6,043,107	1,190,083	-	7,233,190
Buildings	158,824,270	1,543,506	-	160,367,776
Equipment	<u>16,475,648</u>	<u>1,042,200</u>	-	<u>17,517,848</u>
Totals, at cost	<u>188,565,899</u>	<u>3,775,789</u>	-	<u>192,341,688</u>
Less accumulated depreciation:				
Improvement of sites	(4,222,157)	(208,665)	-	(4,430,822)
Buildings	(73,138,885)	(4,250,318)	-	(77,389,203)
Equipment	<u>(10,992,820)</u>	<u>(703,279)</u>	-	<u>(11,696,099)</u>
Total accumulated depreciation	<u>(88,353,862)</u>	<u>(5,162,262)</u>	-	<u>(93,516,124)</u>
Capital assets, net	<u>\$ 100,212,037</u>	<u>\$ (1,386,473)</u>	<u>\$ -</u>	<u>\$ 98,825,564</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 298,712
School site administration	3,406
Home-to-school transportation	110,845
Food services	60,677
Ancillary services	1,124
Community services	6,283
All other general administration	3,134
Centralized data processing	3,408
Plant services	<u>4,674,673</u>
	<u>\$ 5,162,262</u>

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 - LONG-TERM LIABILITIES

General Obligation Bonds: In August 2020, the District issued the 2020 General Obligation Refunding Bonds in the amount of \$12,053,000 with original interest rate of 1.22%, maturing in August 2037. The bond proceeds were used to refund a portion of the outstanding principal balance of 2010 and 2013 General Obligation Refunding Bonds.

In March 2023, the District issued 2020 Election, Series A in the amount of \$18,000,000 with original interest rates ranging from 2.23% to 3.00%, maturing in August 2037. Bond proceeds are being spent to modernize, repair and expand local schools. Repayment of the bonds will be made from property taxes levied by the County of Yolo.

The General Obligation Refunding Bonds are scheduled to mature as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,678,000	\$ 273,880	\$ 2,951,880
2025	3,203,000	688,353	3,891,353
2026	1,893,000	635,511	2,528,511
2027	1,015,000	600,900	1,615,900
2028	1,065,000	570,450	1,635,450
2029-2033	6,165,000	2,302,950	8,467,950
2034-2038	7,870,000	975,000	8,845,000
	<u>\$ 23,889,000</u>	<u>\$ 6,047,044</u>	<u>\$ 29,936,044</u>

Certificates of Participation: In September 2015, the District issued Certificates of Participation, 2015 Refinancing Project, (COPs) in the amount of \$4,400,000 to refund the remaining 2005 Certificates of Participation. \$4,450,000 of the 2005 Certificates of Participation were refunded. The COPs mature during succeeding years through September 2036. The COPS accrue interest at rates ranging from 2.0% to 3.5%.

In October 2020, the District issued 2020 Refunding Certificates of Participation, (COPs) in the amount of \$5,630,000 to refund the remaining 2010 Certificates of Participation. \$5,780,000 of the 2010 Certificates of Participation were refunded. The COPs mature during succeeding years through August 2038. The COPs accrue interest at rates ranging from 2.0% to 4.0%.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future payments for the Certificates of Participation:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 440,000	\$ 261,857	\$ 701,857
2025	445,000	248,897	693,897
2026	460,000	234,038	694,038
2027	475,000	217,988	692,988
2028	495,000	200,763	695,763
2029-2033	2,770,000	716,148	3,486,148
2034-2038	2,715,000	213,485	2,928,485
2039	425,000	5,313	430,313
	<u>\$ 8,225,000</u>	<u>\$ 2,098,489</u>	<u>\$ 10,323,489</u>

Leases liabilities: Future minimum lease payments as of June 30, 2023, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 190,654	\$ 9,443	\$ 200,097
2025	<u>76,696</u>	<u>2,805</u>	<u>79,501</u>
	<u>\$ 267,350</u>	<u>\$ 12,248</u>	<u>\$ 279,598</u>

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2023 is shown below:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2023</u>	Amounts Due Within <u>One Year</u>
Debt:					
General Obligation Bonds	\$ 8,440,000	\$ 18,000,000	\$ 2,551,000	\$ 23,889,000	\$ 2,678,000
Unamortized discounts	(20,850)	-	(1,604)	(19,246)	(1,604)
Unamortized premiums	467,069	1,561,236	29,192	1,999,113	29,192
Certificates of participation	8,650,000	-	425,000	8,225,000	440,000
Lease liabilities	546,984	-	279,634	267,350	190,654
Other Long-Term Liabilities					
Compensated absences	709,650	227,031	-	936,681	936,681
Net pension liability (Notes 7 and 8)	60,376,000	40,130,000	-	100,506,000	-
Total OPEB liability (Note 9)	<u>16,681,894</u>	<u>1,233,653</u>	<u>-</u>	<u>17,915,547</u>	<u>-</u>
Totals	<u>\$ 95,850,747</u>	<u>\$ 61,151,920</u>	<u>\$ 3,283,222</u>	<u>\$ 153,719,445</u>	<u>\$ 4,272,923</u>

Payments on the General Obligation Bonds were made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation were made from the General Fund and Capital Facilities Fund. Payments on the lease liabilities were made from the General Fund. Payments on compensated absences, net pension liability and total OPEB liability are made from the fund for which the related employee worked.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2023 consisted of the following:

	<u>General Fund</u>	<u>Building Fund</u>	<u>All Non- Major Funds</u>	<u>Total</u>
Nonspendable:				
Revolving cash fund	\$ 64,000	\$ -	\$ 500	\$ 64,500
Stores inventory	35,379	-	132,601	167,980
Prepaid expenditures	44,643	-	-	44,643
Subtotal nonspendable	<u>144,022</u>	<u>-</u>	<u>133,101</u>	<u>277,123</u>
Restricted:				
Legally restricted programs	26,396,997	-	-	26,396,997
Student activities	-	-	543,298	543,298
Charter school	-	-	1,343,911	1,343,911
Adult education programs	-	-	2,243,717	2,243,717
Child development programs	-	-	771,775	771,775
Cafeteria	-	-	3,712,493	3,712,493
Deferred maintenance	-	-	84,930	84,930
Capital projects	-	17,510,952	19,221,260	36,732,212
Debt service	-	-	3,741,453	3,741,453
Subtotal restricted	<u>26,396,997</u>	<u>17,510,952</u>	<u>31,662,837</u>	<u>75,570,786</u>
Assigned:				
Supplemental concentration	8,807,212	-	-	8,807,212
Compensation settlement	2,676,210	-	-	2,676,210
Discretionary grant	1,990,069	-	-	1,990,069
Rainy day fund	3,875,038	-	-	3,875,038
Donations and gifts	856,070	-	-	856,070
Subtotal assigned	<u>18,204,599</u>	<u>-</u>	<u>-</u>	<u>18,204,599</u>
Unassigned:				
Designated for economic uncertainty	4,435,677	-	-	4,435,677
Unassigned	25,746,577	-	-	25,746,577
Subtotal unassigned	<u>30,182,254</u>	<u>-</u>	<u>-</u>	<u>30,182,254</u>
Total fund balances	<u>\$ 74,927,872</u>	<u>\$ 17,510,952</u>	<u>\$ 31,795,938</u>	<u>\$ 124,234,762</u>

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at <http://www.calstrs.com>.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60 - CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor up to the 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

CalSTRS 2% at 62 - CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by fiscal year 2046. California Senate Bill 90 and California Assembly Bill 84 (collectively the "Special Legislation"), were signed into law in June 2019 and June 2020, respectively, and provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and SB 84, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year June 30, 2022. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year June 30, 2022.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2021, valuation adopted by the CalSTRS board in May 2022, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2022.

Employers – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2022, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2022–23 for a total employer contribution rate of 19.10%.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS employer contribution rates effective for fiscal year 2022-23 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2022	8.250%	10.850%	19.100%
July 1, 2023 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed \$10,762,765 to the plan for the fiscal year ended June 30, 2023.

State – 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state's share of the CalSTRS unfunded actuarial obligation by 2046. In May 2022, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022–23 for a total contribution rate of 10.828%.

Special legislation appropriated supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2021-22. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, the "Rainy-Day Budget Stabilization Fund Act", which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2021–22, CalSTRS received \$410.0 million in supplemental state contributions from Proposition 2 funds. Additionally, CalSTRS received a one-time supplemental payment of \$173.7 million from the General Fund in fiscal year 2021–22 to offset forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS state contribution rates effective for fiscal year 2022-23 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2022	2.017%	6.311%	2.50%	10.828%
July 01, 2023 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

- (1) The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code section 22954.
- (2) The CalSTRS board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
- (3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 53,520,000
State's proportionate share of the net pension liability associated with the District	<u>30,251,000</u>
Total	<u><u>\$ 83,771,000</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2023 the District's proportion was 0.077 percent, which increased by 0.003 percent from its proportion measured as of June 30, 2022.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$6,679,101 and revenue of \$4,853,456 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 44,000	\$ 4,013,000
Changes of assumptions	2,654,000	-
Net differences between projected and actual earnings on investments	-	2,617,000
Changes in proportion and differences between District contributions and proportionate share of contributions	2,649,000	9,454,000
Contributions made subsequent to measurement date	<u>10,762,765</u>	<u>-</u>
Total	<u>\$ 16,109,765</u>	<u>\$ 16,084,000</u>

\$10,762,765 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	\$ (2,022,317)
2025	\$ (4,253,317)
2026	\$ (5,545,817)
2027	\$ 2,625,850
2028	\$ (1,711,900)
2029	\$ 170,501

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those 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 the total pension liability.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	42%	4.8%
Real Estate	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:
The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
District's proportionate share of the net pension liability	<u>\$ 90,896,000</u>	<u>\$ 53,520,000</u>	<u>\$ 22,486,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools' cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at: <https://www.calpers.ca.gov/docs/forms-publications/acfr-2022.pdf>.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join the PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2023, were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-2023.

Employers - The employer contribution rate was 25.37 percent of applicable member earnings.

The District contributed \$6,188,597 to the plan for the fiscal year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability of \$46,986,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2023 the District's proportion was 0.137 percent, which was an increase of 0.005 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$6,023,651. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 212,000	\$ 1,169,000
Changes of assumptions	3,476,000	-
Net differences between projected and actual earnings on investments	5,548,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,167,000	292,000
Contributions made subsequent to measurement date	6,188,597	-
Total	<u>\$ 16,591,597</u>	<u>\$ 1,461,000</u>

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

\$6,188,597 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	\$ 2,016,166
2025	\$ 1,993,167
2026	\$ 1,549,667
2027	\$ 3,383,000 \

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 3.9 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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

Valuation Date	June 30, 2021
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

During the 2021-22 measurement period, the financial reporting discount rate for PERF B was lowered from 7.15 percent to 6.90 percent. In addition, the inflation assumption was reduced from 2.50 percent to 2.30 percent. Lastly, demographic assumptions for mortality rates were updated.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

The table below reflects long-term expected real rates of return by assumed asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Expected Real Rates of Return Years 1-10 (1, 2)</u>
Global Equity – cap-weighted	30.00%	4.45%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation rate of 2.30% used for this period

(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS’ website.

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.

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.

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District’s proportionate share of the net pension liability	<u>\$ 67,874,000</u>	<u>\$ 46,986,000</u>	<u>\$ 29,723,000</u>

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

General Information Other Postemployment Benefits Plan (OPEB)

Plan Description: In addition to the pension benefits described in Notes 7 and 8, the District provides post-employment health care benefits under a single employer defined benefit OPEB plan to eligible retirees at age 65 and for certain groups of employees who retire from the District after attaining age 55 with at least 15 years of service. The plan does not issue separate financial statements.

The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under one of the District’s retirement plan to continue health coverage as a participant in the District’s plan. The District’s Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District’s Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2023 the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District’s Total OPEB Liability.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2023:

	<u>Number of Participants</u>
Inactive Plan members	62
Active employees	965
	<u>1,027</u>

Benefits Provided: The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage.

Contributions: California Government Code specifies that the District’s contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District’s premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were \$525,000 for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

Total OPEB Liability

The District’s total OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation of June 30, 2022.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Valuation Date</u>	June 30, 2022
<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	Certified: 2020 CalSTRS Mortality Classified: 2017 CalPERS active Mortality for Miscellaneous Employees
<u>Discount Rate</u>	3.65% Based on the Bond Buyer 20-Bond Index
<u>Retirement Rate</u>	Certificated – Hired before 2013: 2020 CalSTRS 2.0%@60 rates. Hired after 2012: 2020 CalSTRS 2.0%@62 rates Classified, Confidential and Management - Hired before 2013: 2017 CalPERS 2.0%@55 rates for school employees. Hired after 2012: 2017 CalPERS 2%@62 rates for school Employees.
<u>Inflation Rate</u>	2.50% per year
<u>Salary Increase</u>	2.75% per year
<u>Medical Coverage</u>	All current and future participating retirees will qualify for Medicare coverage and enroll in Parts A and B upon age 65.
<u>Health Care Inflation</u>	4.0%
<u>Termination Rate</u>	Termination rates match rates developed in the most recent experience studies for California PERS (2017) and California STRS (2020).
<u>Funding Method</u>	Entry Age Cost Method (Level Percentage of Pay).

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2022	\$ 16,681,894
Changes for the year:	
Service cost	1,308,999
Interest	604,416
Employer Contributions	-
Differences between actual and expected experience	-
Changes in assumptions	(154,762)
Benefit payments	(525,000)
Administrative expenses	-
Net change	1,233,653
Balance at June 30, 2023	\$ 17,915,547

The changes in assumptions include a change in the discount rate from 3.54% to 3.65% in the June 30, 2022 and June 30, 2023 actuarial reports, respectively.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 19,245,227	\$ 17,915,547	\$ 16,685,669

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.0%)	Healthcare Cost Trend Rates Rate (4.0%)	1% Increase (5.0%)
Total OPEB liability	\$ 15,790,753	\$ 17,915,547	\$ 20,428,486

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the District recognized OPEB expense of \$1,875,589. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 1,406,059	\$ 1,609,611
Changes of assumptions	<u>1,338,082</u>	<u>1,597,411</u>
Total	<u>\$ 2,744,141</u>	<u>\$ 3,207,022</u>

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

<u>Year Ending June 30,</u>	
2024	\$ (37,826)
2025	\$ (37,826)
2026	\$ (37,826)
2027	\$ (37,826)
2028	\$ (37,826)
Thereafter	\$ (273,751)

The effect of changes in assumptions are amortized over a closed period of 15.6 years as of the June 30, 2023 measurement date.

NOTE 10 - JOINT POWERS AGREEMENT

Woodland Joint Unified School District participates in one joint venture under joint powers agreement (JPA) with Schools Insurance Authority (SIA). The relationship between Woodland Joint Unified School District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

SIA arranges for and provides property, liability, workers' compensation, dental and vision insurance coverage for its members. The JPA's governing board consist of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district is obligated to pay an amount commensurate with the level of coverage requested and may be subject to assessments. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 10 - JOINT POWERS AGREEMENT (Continued)

Condensed financial information for the year ended June 30, 2023 is as follows:

Total assets	\$ 211,771,868
Deferred outflows of resources	\$ 1,751,462
Total liabilities	\$ 86,615,462
Deferred inflows of resources	\$ 3,674,124
Net position	\$ 123,233,744
Total revenues	\$ 54,356,775
Total expenditures	\$ 61,481,031
Change in net position	\$ (7,124,256)

NOTE 11 - CONTINGENCIES

Contingent Liabilities: The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

Also, the District has received federal and state funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

Construction Commitments: As of June 30, 2023, the District has approximately \$9.5 million in outstanding commitments on construction contracts.

REQUIRED SUPPLEMENTARY INFORMATION

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 75,741,389	\$ 80,188,421	\$ 78,611,404	\$ (1,577,017)
Local sources	<u>34,147,668</u>	<u>36,358,140</u>	<u>38,210,206</u>	<u>1,852,066</u>
Total local control funding formula	<u>109,889,057</u>	<u>116,546,561</u>	<u>116,821,610</u>	<u>275,049</u>
Federal sources	5,311,651	29,150,795	14,681,611	(14,469,184)
Other state sources	10,644,852	39,353,070	37,553,422	(1,799,648)
Other local sources	<u>5,229,872</u>	<u>8,340,116</u>	<u>8,646,980</u>	<u>306,864</u>
Total revenues	<u>131,075,432</u>	<u>193,390,542</u>	<u>177,703,623</u>	<u>(15,686,919)</u>
Expenditures:				
Current:				
Certificated salaries	50,956,388	59,031,706	57,643,204	1,388,502
Classified salaries	21,643,473	27,330,754	26,148,922	1,181,832
Employee benefits	29,989,629	32,850,139	31,251,414	1,598,725
Books and supplies	7,211,987	49,756,939	8,510,697	41,246,242
Contract services and operating expenditures	19,265,190	27,312,367	21,038,383	6,273,984
Other outgo	1,895,526	1,786,353	1,954,727	(168,374)
Capital outlay	-	1,048,319	972,786	75,533
Debt service:				
Principal retirement	593,508	1,111,204	509,634	601,570
Interest	<u>205,703</u>	<u>244,255</u>	<u>244,720</u>	<u>(465)</u>
Total expenditures	<u>131,761,404</u>	<u>200,472,036</u>	<u>148,274,487</u>	<u>52,197,549</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(685,972)</u>	<u>(7,081,494)</u>	<u>29,429,136</u>	<u>36,510,630</u>
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>418,576</u>	<u>418,576</u>
Net change in fund balance	(685,972)	(7,081,494)	29,847,712	36,929,206
Fund balance, July 1, 2022	<u>45,080,160</u>	<u>45,080,160</u>	<u>45,080,160</u>	<u>-</u>
Fund balance, June 30, 2023	<u>\$ 44,394,188</u>	<u>\$ 37,998,666</u>	<u>\$ 74,927,872</u>	<u>\$ 36,929,206</u>

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2023

	Last 10 Fiscal Years					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability						
Service cost	\$ 1,342,106	\$ 1,379,014	\$ 1,488,908	\$ 1,224,468	\$ 1,266,338	\$ 1,308,999
Interest	450,848	458,728	513,879	334,041	347,507	604,416
Change in assumptions	-	281,918	1,489,266	49,894	(1,714,084)	(154,762)
Differences between actual and expected experience	-	-	(2,164,651)	-	1,657,143	-
Benefit payments	<u>(576,231)</u>	<u>(599,280)</u>	<u>(598,439)</u>	<u>(789,127)</u>	<u>(660,278)</u>	<u>(525,000)</u>
Net change in total OPEB liability	1,216,723	1,520,380	728,963	819,276	896,626	1,233,653
Total OPEB liability, beginning of year	<u>11,499,926</u>	<u>12,716,649</u>	<u>14,237,029</u>	<u>14,965,992</u>	<u>15,785,268</u>	<u>16,681,894</u>
Total OPEB liability, end of year	<u>\$ 12,716,649</u>	<u>\$ 14,237,029</u>	<u>\$ 14,965,992</u>	<u>\$ 15,785,268</u>	<u>\$ 16,681,894</u>	<u>\$ 17,915,547</u>
Covered employee payroll	\$ 53,824,000	\$ 58,780,000	\$ 58,737,000	\$ 58,850,000	\$ 61,294,000	\$ 67,320,000
Total OPEB liability as a percentage of covered-employee payroll	24%	24%	25%	27%	27%	27%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior. All years prior to 2018 are not available.

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2023

	State Teachers' Retirement Plan Last 10 Fiscal Years								
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District's proportion of the net pension liability	0.087%	0.086%	0.091%	0.088%	0.090%	0.088%	0.086%	0.074%	0.077%
District's proportionate share of the net pension liability	\$ 50,865,000	\$ 57,707,000	\$ 73,855,000	\$ 81,371,000	\$ 82,966,000	\$ 79,047,000	\$ 83,318,000	\$ 33,632,000	\$ 53,520,000
State's proportionate share of the net pension liability associated with the District	<u>30,715,000</u>	<u>30,521,000</u>	<u>42,048,000</u>	<u>48,138,000</u>	<u>47,502,000</u>	<u>43,126,000</u>	<u>45,533,000</u>	<u>20,010,000</u>	<u>30,251,000</u>
Total net pension liability	<u>\$ 81,580,000</u>	<u>\$ 88,228,000</u>	<u>\$115,903,000</u>	<u>\$129,509,000</u>	<u>\$130,468,000</u>	<u>\$122,173,000</u>	<u>\$128,851,000</u>	<u>\$ 53,642,000</u>	<u>\$ 83,771,000</u>
District's covered payroll	\$ 38,769,000	\$ 39,785,000	\$ 45,508,000	\$ 46,633,000	\$ 47,399,000	\$ 48,219,000	\$ 45,855,000	\$ 41,576,000	\$ 39,693,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	174.49%	175.04%	163.93%	181.70%	80.89%	134.83%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2023

	Public Employer's Retirement Fund B Last 10 Fiscal Years								
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District's proportion of the net pension liability	0.131%	0.127%	0.133%	0.136%	0.139%	0.135%	0.131%	0.132%	0.137%
District's proportionate share of the net pension liability	\$ 14,870,000	\$ 18,679,000	\$ 26,181,000	\$ 32,498,000	\$ 37,072,000	\$ 39,380,000	\$ 40,080,000	\$ 26,744,000	\$ 46,986,000
District's covered payroll	\$ 13,750,000	\$ 14,029,000	\$ 15,903,000	\$ 17,357,000	\$ 18,376,000	\$ 18,893,000	\$ 18,963,000	\$ 18,998,000	\$ 21,221,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.15%	133.15%	164.63%	187.23%	201.74%	208.44%	211.36%	140.77%	221.41%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.971%	69.760%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2023

	State Teachers' Retirement Plan Last 10 Fiscal Years								
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 3,532,878	\$ 4,882,995	\$ 5,995,084	\$ 6,839,655	\$ 7,850,119	\$ 8,313,510	\$ 7,941,017	\$ 8,377,644	\$ 10,762,765
Contributions in relation to the contractually required contribution	<u>(3,532,878)</u>	<u>(4,882,995)</u>	<u>(5,995,084)</u>	<u>(6,839,655)</u>	<u>(7,850,119)</u>	<u>(8,313,510)</u>	<u>(7,941,017)</u>	<u>(8,377,644)</u>	<u>(10,762,765)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 39,785,000	\$ 45,508,000	\$ 46,633,000	\$ 47,399,000	\$ 48,219,000	\$ 45,855,000	\$ 41,576,000	\$ 39,693,000	\$ 56,350,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**	16.92%***	19.10%

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB90.

** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB90.

*** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB 90.

All years prior to 2015 are not available.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2023

Public Employer's Retirement Fund B Last 10 Fiscal Years									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 11,799,345	\$ 1,884,054	\$ 2,425,593	\$ 2,854,019	\$ 3,412,374	\$ 3,739,612	\$ 3,932,498	\$ 4,861,651	\$ 6,188,597
Contributions in relation to the contractually required contribution	<u>(11,799,345)</u>	<u>(1,884,054)</u>	<u>(2,425,593)</u>	<u>(2,854,019)</u>	<u>(3,412,374)</u>	<u>(3,739,612)</u>	<u>(3,932,498)</u>	<u>(4,861,651)</u>	<u>(6,188,597)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's employee payroll	\$ 14,029,000	\$ 15,903,000	\$ 17,357,000	\$ 18,376,000	\$ 18,893,000	\$ 18,963,000	\$ 18,998,000	\$ 21,221,000	\$ 24,393,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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 States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Schedule of Changes in Total OPEB Liability: The Schedule of Changes in Total OPEB liability is presented to illustrate the elements of the District's Total OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rate used to calculate the District's OPEB liability was 2.20, 2.16, 3.54 and 3.65 percent in the June 30, 2020, 2021, 2022 and 2023 actuarial reports, respectively.

The discount rate used for the Public Employer's Retirement Fund B (PERF B) plan was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, 7.15 and 6.90 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The inflation rate used for the PERF B plan was 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, and 2.30 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

Assumption	Measurement Period							
	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2023

	Student Activity Fund	Charter School Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund	Bond Interest and Redemption Fund	Total
ASSETS											
Cash and investments:											
Cash in County Treasury	\$ -	\$ 1,587,466	\$ 1,894,112	\$ 524,434	\$ 1,980,097	\$ 84,930	\$ 13,567,044	\$ 5,366,786	\$ 303,646	\$ 3,445,217	\$ 28,753,732
Cash on hand and in banks	543,298	-	300	-	-	-	-	-	-	-	543,598
Cash in revolving fund	-	500	-	-	-	-	-	-	-	-	500
Receivables	-	156,286	461,226	567,491	2,006,233	-	-	-	-	296,236	3,487,472
Due from other funds	-	74,931	-	-	770	-	-	-	-	-	75,701
Stores inventory	-	-	-	-	132,601	-	-	-	-	-	132,601
Total assets	<u>\$ 543,298</u>	<u>\$ 1,819,183</u>	<u>\$ 2,355,638</u>	<u>\$ 1,091,925</u>	<u>\$ 4,119,701</u>	<u>\$ 84,930</u>	<u>\$ 13,567,044</u>	<u>\$ 5,366,786</u>	<u>\$ 303,646</u>	<u>\$ 3,741,453</u>	<u>\$ 32,993,604</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ -	\$ 102,455	\$ 38,940	\$ 68,990	\$ 85,474	\$ -	\$ 16,216	\$ -	\$ -	\$ -	\$ 312,075
Due to other funds	-	301,727	72,981	144,218	183,319	-	-	-	-	-	702,245
Unearned revenue	-	70,590	-	106,942	5,814	-	-	-	-	-	183,346
Total liabilities	<u>-</u>	<u>474,772</u>	<u>111,921</u>	<u>320,150</u>	<u>274,607</u>	<u>-</u>	<u>16,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,197,666</u>
Fund balances:											
Nonspendable	-	500	-	-	132,601	-	-	-	-	-	133,101
Restricted	543,298	1,343,911	2,243,717	771,775	3,712,493	84,930	13,550,828	5,366,786	303,646	3,741,453	31,662,837
Fund balances	<u>543,298</u>	<u>1,344,411</u>	<u>2,243,717</u>	<u>771,775</u>	<u>3,845,094</u>	<u>84,930</u>	<u>13,550,828</u>	<u>5,366,786</u>	<u>303,646</u>	<u>3,741,453</u>	<u>31,795,938</u>
Total liabilities and fund balances	<u>\$ 543,298</u>	<u>\$ 1,819,183</u>	<u>\$ 2,355,638</u>	<u>\$ 1,091,925</u>	<u>\$ 4,119,701</u>	<u>\$ 84,930</u>	<u>\$ 13,567,044</u>	<u>\$ 5,366,786</u>	<u>\$ 303,646</u>	<u>\$ 3,741,453</u>	<u>\$ 32,993,604</u>

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the Year Ended June 30, 2023

	Student Activity Fund	Charter School Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund	Bond Interest and Redemption Fund	Total
Revenues:											
Local Control Funding Formula:											
State sources	\$ -	\$ 1,301,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,301,917
Local sources	-	801,804	92,675	-	-	374,258	-	-	-	-	1,268,737
Total Local Control Funding Formula	-	2,103,721	92,675	-	-	374,258	-	-	-	-	2,570,654
Federal sources	-	108,162	191,400	561,239	4,303,845	-	-	-	-	-	5,164,646
Other state sources	-	1,017,724	1,384,249	2,229,860	4,052,528	-	-	-	-	12,341	8,696,702
Other local sources	122,452	20,289	85,870	47,415	250,471	17,797	4,472,341	(51,527)	5,584	2,276,302	7,246,994
Total revenues	122,452	3,249,896	1,754,194	2,838,514	8,606,844	392,055	4,472,341	(51,527)	5,584	2,288,643	23,678,996
Expenditures:											
Current:											
Certificated salaries	-	1,226,669	742,676	797,450	-	-	-	-	-	-	2,766,795
Classified salaries	-	328,114	328,370	395,354	2,092,100	-	-	-	-	-	3,143,938
Employee benefits	-	554,581	351,119	517,746	954,969	-	-	-	-	-	2,378,415
Books and supplies	19,327	125,473	35,958	150,016	2,493,894	-	45,001	-	-	-	2,869,669
Contract services and operating expenditures	-	266,741	329,154	371,027	165,789	503,247	318,196	-	-	-	1,954,154
Other outgo	-	281,720	-	-	-	-	-	-	-	-	281,720
Capital outlay	-	-	18,223	43,266	205,954	332,472	1,709,988	-	-	-	2,309,903
Debt service:											
Principal retirement	-	-	-	-	-	-	195,000	-	-	2,551,000	2,746,000
Interest	-	-	-	-	-	-	98,338	-	-	95,294	193,632
Total expenditures	19,327	2,783,298	1,805,500	2,274,859	5,912,706	835,719	2,366,523	-	-	2,646,294	18,644,226
Excess (deficiency) of revenues over (under) expenditures	103,125	466,598	(51,306)	563,655	2,694,138	(443,664)	2,105,818	(51,527)	5,584	(357,651)	5,034,770
Other financing uses:											
Transfers out	-	(19,065)	(72,854)	(143,540)	(183,117)	-	-	-	-	-	(418,576)
Premium on issuance of debt	-	-	-	-	-	-	-	-	-	1,561,236	1,561,236
Total other financing sources (uses)	-	(19,065)	(72,854)	(143,540)	(183,117)	-	-	-	-	1,561,236	1,142,660
Net change in fund balances	103,125	447,533	(124,160)	420,115	2,511,021	(443,664)	2,105,818	(51,527)	5,584	1,203,585	6,177,430
Fund balance, July 1, 2022	440,173	896,878	2,367,877	351,660	1,334,073	528,594	11,445,010	5,418,313	298,062	2,537,868	25,618,508
Fund balance, June 30, 2023	\$ 543,298	\$ 1,344,411	\$ 2,243,717	\$ 771,775	\$ 3,845,094	\$ 84,930	\$ 13,550,828	\$ 5,366,786	\$ 303,646	\$ 3,741,453	\$ 31,795,938

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2023

Woodland Joint Unified School District was established in 1965 and comprises an area of approximately 282 square miles located in Solano and Yolo Counties. There were no changes in the boundaries of the District during the current year. The District currently operates 12 elementary, two intermediate and two high schools. The District also maintains a continuation high school, an adult education school and an independent study program. There is one charter school, Science & Technology Academy, operating within the District during the year ended June 30, 2023.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Rogelio Villagrana	President	December 2026
Deborah Bautista Zavala	Vice President	December 2026
Noel J. Rodriguez	Clerk	December 2024
Bibiana Garcia	Member	December 2024
Emily MacDonald	Member	December 2026
Sandra Mott	Member	December 2024
Kandice Richardson Fowler	Member	December 2024

ADMINISTRATION

Elodia Ortega-Lampkin
Superintendent

Lewis Wiley, Jr.
Associate Superintendent, Business Services

Ricardo Perez
Assistant Superintendent, Educational Services

Leannee Medina Estrada
Assistant Superintendent, Human Resource Services

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
June 30, 2023

	<u>Second Period Report</u>	<u>Audited* Second Period Report</u>	<u>Annual Report</u>
DISTRICT			
Certificate Numbers:	B2A9EB78	18660E6F	6D660E6F
Elementary:			
Kindergarten through Third	2,560	2,560	2,580
Fourth through Sixth	1,861	1,861	1,871
Seventh through Eighth	<u>1,290</u>	<u>1,290</u>	<u>1,293</u>
Subtotal Elementary	<u>5,711</u>	<u>5,711</u>	<u>5,744</u>
Secondary:			
Ninth through Twelfth	<u>2,743</u>	<u>2,743</u>	<u>2,619</u>
District total	<u><u>8,454</u></u>	<u><u>8,454</u></u>	<u><u>8,363</u></u>

	<u>Second Period Report</u>	<u>Annual Report</u>
CHARTER SCHOOL - Science & Technology Academy at Knights Landing		
Certificate Numbers	4F839251	E2BC0896
Classroom-Based:		
Kindergarten through Third	107	107
Fourth through Sixth	<u>84</u>	<u>84</u>
Total classroom-based	<u><u>191</u></u>	<u><u>191</u></u>

* District made adjustments to the Second Period report of attendance based on internal review

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2023

<u>Grade Level</u>	<u>Statutory Minutes Require- ment</u>	<u>2022-2023 Actual Minutes</u>	<u>Number of Days Days Offered*</u>	<u>Credited Days per Approved Form J-13A*</u>	<u>Number of Days Traditional Calendar*</u>	<u>Status</u>
District						
Kindergarten	36,000	50,730	180	-	180	In compliance
Grade 1	50,400	50,730	180	-	180	In compliance
Grade 2	50,400	50,730	180	-	180	In compliance
Grade 3	50,400	50,730	180	-	180	In compliance
Grade 4	54,000	54,630	180	-	180	In compliance
Grade 5	54,000	54,630	180	-	180	In compliance
Grade 6	54,000	54,630	180	-	180	In compliance
Grade 7	54,000	60,056	180	-	180	In compliance
Grade 8	54,000	60,056	180	-	180	In compliance
Grade 9	64,800	64,866	179	1	180	In compliance
Grade 10	64,800	64,866	179	1	180	In compliance
Grade 11	64,800	64,866	179	1	180	In compliance
Grade 12	64,800	64,866	179	1	180	In compliance
Charter School						
Kindergarten	36,000	50,425	180	-	180	In compliance
Grade 1	50,400	50,425	180	-	180	In compliance
Grade 2	50,400	50,425	180	-	180	In compliance
Grade 3	50,400	50,425	180	-	180	In compliance
Grade 4	54,000	54,415	180	-	180	In compliance
Grade 5	54,000	54,415	180	-	180	In compliance
Grade 6	54,000	54,415	180	-	180	In compliance

*Woodland High School had 180 days which included a J-13A Waiver of 1 day which was approved on December 11, 2023.
There was no deficiency of minutes as a result of the one day school closure.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California Department of Education</u>			
	Special Education Cluster:		
84.173	ARP IDEA Part B, Sec. 619, Preschool Grants COVID-19	15639	\$ 40,762
84.027	IDEA Basic Local Assistance Entitlement, Part B, Sec 611 (formerly PL 94-142)	13379	1,859,011
84.027	IDEA Local Assistance, Part B Sec 611, Private School ISPs	10115	45,987
84.027	IDEA Preschool Grants, Part B, Sec 619	13430	61,608
84.027A	IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	15197	102,221
	Subtotal Special Education Cluster		2,109,589
	Adult Education Programs:		
84.002A	Adult Education: Adult Basic Education & ELA (Section 231)	14508	66,620
84.002	Adult Education: Adult Secondary Education	13978	124,780
	Subtotal Adult Education Programs		191,400
	ESEA Title III Programs:		
84.365	ESEA Title III, English Learner Student Program	14346	343,876
84.365	ESEA Title III, Immigrant Education Program	15146	6,483
	Subtotal ESEA: Title III Programs		350,359
	ESEA Title I Programs		
84.010	ESSA Title I, Part A, Basic Grants Low Income and Neglected	14329	3,316,532
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	138,078
	Subtotal ESEA Title I Programs		3,454,610
	Education Stabilization Fund Programs:		
84.425	COVID-19 - Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	2,768,011
84.425	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	15536	189,418
84.425	COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	1,959,375
84.425U	COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	10155	2,251,756
84.425C	COVID-19 - Governor's Relief Fund: Learning Loss Mitigation	15517	6,477

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
84.425	COVID-19 - Expanded Learning Opportunities (ELO) Grant	15618	\$ 842,241
84.425	COVID-19 - Expanded Learning Opportunities (ELO) Grant: GEER II	15619	140,678
84.425	COVID-19 - Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	15620	13,050
84.425	COVID-19 - 21st Century Community Learning Centers (CCLC) Rate Increase: ESSER III State Reserve Afterschool Program	15621	23,263
84.425	COVID-19 - American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	15566	2,002
84.425	COVID-19 - After School Education and Safety (ASES) Rate Increase: ESSER III State Reserve Summer Learning Program	15652	72,980
	Subtotal - COVID-19 Education Stabilization Fund Programs		8,269,251
84.424	ESSA: Title IV Part A Student Support Academic Enrichment	15396	235,959
84.367	ESSA: Title II, Part A, Improvement Teacher Quality	14341	315,478
84.048	Carl D. Perkins Career and Technical Education Secondary, Section 131	14894	54,526
	Total U.S. Department of Education		14,981,172
<u>U.S. Department of Agriculture - Passed through California</u>			
<u>Department of Education</u>			
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs - Child Nutrition Cluster	13391	5,587,700
10.555	Child Nutrition: Supply Chain Assistance (SCA) Funds	15655	226,131
	Subtotal Child Nutrition Cluster		5,813,831
	Total U.S. Department of Agriculture		5,813,831
<u>U.S. Department of Health and Human Services - Passed through California</u>			
<u>Department of Education</u>			
	CCDF Cluster:		
93.596	Child Development: Federal Child Care, Center-based	13609	149,311
	Subtotal CCDF Cluster		149,311
	Total U.S. Department of Health and Human Services		149,311
	Total Federal Programs		\$ 20,944,314

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

	Bond Interest and Redemption <u>Fund</u>
Unaudited Actual Financial Statements Ending Fund Balances June 30, 2023	\$ 3,445,217
Record premium related to 2023 bond issuance	<u>296,236</u>
Audited Ending Fund Balances, June 30, 2023	<u><u>\$ 3,741,453</u></u>

There were no adjustments proposed to any other funds of the District.

See notes to supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS – UNAUDITED
For the Year Ended June 30, 2023

	(Budgeted) <u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 153,222,463	\$ 178,122,199	\$ 136,974,913	\$ 132,527,269
Expenditures	152,276,022	148,274,487	127,936,593	118,023,597
Other uses and transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,496</u>
Total outgo	<u>152,276,022</u>	<u>148,274,487</u>	<u>127,936,593</u>	<u>118,106,093</u>
Change in fund balance	<u>\$ 946,441</u>	<u>\$ 29,847,712</u>	<u>\$ 9,038,320</u>	<u>\$ 14,421,176</u>
Ending fund balance	<u>\$ 75,874,313</u>	<u>\$ 74,927,872</u>	<u>\$ 45,080,160</u>	<u>\$ 36,041,840</u>
Available reserves	<u>\$ 31,183,719</u>	<u>\$ 30,182,254</u>	<u>\$ 11,156,354</u>	<u>\$ 16,390,228</u>
Designated for economic uncertainties	<u>\$ 4,568,281</u>	<u>\$ 4,435,677</u>	<u>\$ 3,943,718</u>	<u>\$ 3,526,258</u>
Undesignated fund balance	<u>\$ 26,615,438</u>	<u>\$ 25,746,577</u>	<u>\$ 7,212,636</u>	<u>\$ 12,863,970</u>
Available reserves as percentages of total outgo	<u>20.5%</u>	<u>20.4%</u>	<u>8.7%</u>	<u>13.9%</u>
<u>All Funds</u>				
Total long-term liabilities	<u>\$ 149,446,522</u>	<u>\$ 153,719,445</u>	<u>\$ 95,850,747</u>	<u>\$ 161,488,060</u>
Average daily attendance at P-2, excluding Charter School	<u>8,454</u>	<u>8,454</u>	<u>8,204</u>	<u>9,150</u>

The General Fund fund balance has increased by \$53,307,208 over the past three years. The District has incurred operating surpluses over the past three years and anticipates incurring an operating surplus during the fiscal year 2023-2024. The fiscal year 2023-2024 budget projects a increase of \$946,441. For a district this size, the State of California recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out and other uses. For the year ended June 30, 2023, the District has met this requirement.

Total long-term liabilities have decreased by \$7,768,615 over the past two years.

Average daily attendance has decreased by 696 over the past two years. The District anticipates no change in ADA for fiscal year 2023-2024.

See notes to supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2023

Charter Schools Chartered by District

Included in District
Financial Statements, or
Separate Report

1201 – Science & Technology Academy at Knights Landing

Included as the Charter School Fund

See notes to supplementary information.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance: Average daily attendance 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 days offered by the District, and whether the District complied with the provisions of Education Code Section 46200.

Schedule of Expenditures of Federal Awards: The Schedule of Expenditures of Federal Awards includes the federal award activity of Woodland Joint Unified School District and is presented on the accrual basis of accounting. The information in this schedule 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)*. Expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis – Unaudited: This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2023-2024 fiscal year, as required by the State Controller's Office.

Schedule of Charter Schools: This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2023, the District did not adopt this program.

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Education
Woodland Joint Unified School District
Woodland, California

Report on Compliance***Qualified Opinion on State Compliance***

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

In our opinion, except for the noncompliance described in the Basis of Qualified Opinion section of our report, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Qualified Opinion on State Compliance

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 *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* 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.

Matters Giving Rise to Qualified Opinion on State Laws and Regulations

As described in findings 2023-001 and 2023-002 in the accompanying Schedule of Audit Findings and Questioned Costs, the District did not comply with the requirements regarding After/Before School Education and Safety Program and Unduplicated Local Control Funding Formula Pupil Counts, respectively. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to the state laws and regulations 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.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<u>2022-23 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<i>Local Education Agencies Other than Charter Schools:</i>	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	N/A, see below
E. Continuation Education	N/A, see below
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	N/A, see below
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	N/A, see below
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	Yes

(Continued)

School Districts, County Offices of Education, and Charter Schools:

T. California Clean Energy Jobs Act	N/A, see below
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study – Course-Based	Yes
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
EZ. Transitional Kindergarten	Yes

Charter Schools:

AA. Attendance	Yes
BB. Mode of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study	Yes
DD. Determination of Funding for Nonclassroom-Based Instruction	N/A, see below
EE. Annual Instructional Minutes-Classroom Based	Yes
FF. Charter School Facility Grant Program	N/A, see below

The District did not offer an Independent Study program; therefore, we did not perform any procedures related to this program.

The District did not meet the testing threshold for Continuation Education Program; therefore, we did not perform any procedures related to this program.

The District did not offer an Early Retirement Incentive Program; therefore, we did not perform any procedures related to this program.

The District did not offer Juvenile Court Schools; therefore, we did not perform any procedures related to this program.

The District did not offer Middle or Early College Programs; therefore, we did not perform any procedures related to this program.

The District did not offer Apprenticeship: Related and Supplemental Instruction, therefore we did not perform any procedures related to Apprenticeship: Related and Supplemental Instruction.

The District is not reported as a District of Choice per the California Department of Education; therefore, we did not perform any procedures related to District of Choice.

The District did not receive or spend any funds related to California Clean Energy Jobs Act in the current year, therefore we did not perform any procedures related to this program.

We did not perform any procedures related to Charter Schools - Determination of Funding for Nonclassroom-based instruction because the District does not have ADA more than 20% reported through non-classroom-based instruction.

We did not perform any procedures related to Charter Schools - Charter School Facility Grant Program because the District did not operate the Facility Grant Program.

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

(Continued)

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the noncompliance findings identified in an audit and disclosed in the accompanying Schedule of Audit Findings and Question Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the state compliance and accordingly we express no opinion on them.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 to be material weaknesses.

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 by those charged with governance.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2023

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

Board of Education
Woodland Joint Unified School District
Woodland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodland Joint Unified School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Woodland Joint Unified School District's basic financial statements, and have issued our report thereon dated December 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Woodland Joint Unified School 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 Woodland Joint Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Woodland Joint Unified School District's internal control.

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Woodland Joint Unified School District
Woodland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Woodland Joint Unified School District's 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 Woodland Joint Unified School District's major federal programs for the year ended June 30, 2023. Woodland Joint Unified School 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, Woodland Joint Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Woodland Joint Unified School 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 Woodland Joint Unified School 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 Woodland Joint Unified School District's federal programs.

(Continued)

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 Woodland Joint Unified School 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 Woodland Joint Unified School 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 Woodland Joint Unified School 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 Woodland Joint Unified School 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 Woodland Joint Unified School 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.

(Continued)

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.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2023

FINDINGS AND RECOMMENDATIONS

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> None reported

Noncompliance material to financial statements noted?

	_____ Yes	_____ <u>X</u> No
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FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes	_____ <u>X</u> No
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Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84,425, 84,425C, 84,425U	COVID-19 Education Stabilization Fund Programs
10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

_____ <u>X</u> Yes	_____ No
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STATE AWARDS

Type of auditors' report issued on compliance for state programs: Qualified

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-001 – MATERIAL WEAKNESS - STATE COMPLIANCE – AFTER/BEFORE SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 – Each LEA must develop and maintain accurate and adequate records to support attendance report to the State of California.

Condition: At Freeman Elementary School, written records to support attendance for after school programs for one of the three dates selected, totaled 88 students which did not agree with reported attendance of 85 students, resulting in an overstatement of 3 students for the date selected. Written records to support attendance for before school programs for two of the three dates selected, totaled 32 and 31 students which did not agree with reported attendance of 28 and 30 students, resulting in an understatement of 5 students for the date selected.

Effect: The effect of this finding is the District is out of compliance with State requirements for After/Before School Education and Safety Program.

Cause: The error was the result of a clerical error in accounting for student attendance.

Fiscal Impact: There is no fiscal impact.

Recommendation: This is a repeat finding. The District should enforce controls to ensure accurate accounting for attendance of students participating in After/Before School Education and Safety Program.

Views of Responsible Officials and Planned Corrective Action: The District will continue to provide training to staff who are responsible for attendance reporting at the school sites.

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

2023-002 – MATERIAL WEAKNESS - STATE COMPLIANCE – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: Any student who meets the federal income eligibility criteria or is deemed to be categorically eligible for Free and Reduced Priced Meal (FRPM) under the National School lunch program (NSLP) will be counted as FRPM- eligible. Except for directly certified and foster students identified through a statewide match, LEAs must submit the appropriate Student Program (SPRG) records to CALPADS in order for the students to be counted as FRPM- eligible.

Condition: In testing performed on a sample basis, a total of 15 students were improperly identified as the free and reduced priced meal eligible in the District's CALPADS report for the 2022-23 school year for purposes of unduplicated local control funding formula pupil counts. The extrapolated impact of this error is a total of 545 students reported as FRPM eligible on the District's CALPADS reporting for the 2022-23 school year.

Pioneer High

Unduplicated pupil
count

based on:	Enrollment	FRPM	ELAS	Both	TOTAL
As certified on CALPADS	1,191	1,020	20	151	1,191
Audit Adjustments		<u>(490)</u>	<u>-</u>	<u>-</u>	<u>(490)</u>
Adjusted Counts		<u>530</u>	<u>20</u>	<u>151</u>	<u>701</u>

Science & Technology Academy at Knights Landing

Unduplicated pupil
count

based on:	Enrollment	FRPM	ELAS	Both	TOTAL
As certified on CALPADS	138	111	9	18	138
Audit Adjustments		<u>(56)</u>	<u>-</u>	<u>-</u>	<u>(56)</u>
Adjusted Counts		<u>56</u>	<u>9</u>	<u>18</u>	<u>83</u>

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

2023-002 – MATERIAL WEAKNESS - STATE COMPLIANCE – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000) (continued)

Effect: The District is out of compliance with state requirements for unduplicated local control funding formula pupil counts.

Cause: The condition is the result of errors in accounting and accumulation of data for unduplicated pupil counts in the CALPADS reporting system.

Fiscal Impact: The District's unduplicated pupil percentage for the 2022-23 school year was originally reported at 69.70% and the revised school district unduplicated pupil percentage is reported at 67.77%. The fiscal impact is a reduction of LCFF revenues of approximately \$1,532,000.

Recommendation: The District should ensure that all students are properly reflected in the CALPADS reporting under the appropriate free or reduced-price meal program status.

Views of Responsible Officials and Planned Corrective Action: Fiscal Services, Food Services, and Teaching and Learning departments plan to meet regularly to ensure each department's FRPM counts are reconciled, and the FRPM counts are transferred accurately into CALPADS. In addition, the departments will randomly audit the FRPM students in the District's student information system and CALPADS to ensure adequate documentation is available to substantiate the students' eligibility.

STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS

WOODLAND JOINT UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2023

2022-001 SIGNIFICANT DEFICIENCY – ACCOUNTS PAYABLE (30000)

Condition: One invoice paid in the 2022-23 fiscal year for service occurring in the 2021-22 fiscal year was not accrued for on June 30, 2022.

Recommendation: The District should ensure services performed but not paid are appropriately accrued for on June 30 for all funds of the District.

Current Status: Implemented.

District Explanation if Not Implemented: N/A.

2022-002 STATE COMPLIANCE – AFTER SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

Condition: For the After School Program, the site tested had errors, for the three dates selected, between the supporting documentation of pupil count attendance versus the reported counts, reporting an understatement or overstatement of days versus the supporting documentation. The After School Education and Safety (ASES) Program under reported 23 days of attendance in their attendance system.

Recommendation: The District should enforce controls to ensure accurate accounting of attendance of ASES.

Current Status: Not Implemented, see current year finding 2023-002.

District Explanation if Not Implemented: The District will continue to provide training to staff who are responsible for attendance reporting at the school sites.

2022-003 STATE COMPLIANCE – AFTER SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

Condition: The District Facilities or space usage charges were 27% which exceeds 25% percent.

Recommendation: The District should ensure they are in compliance with usage charges.

Current Status: Implemented.

District Explanation if Not Implemented: N/A.