Annual Financial Report
June 30, 2019

Oxnard Union High School District

OXNARD UNION
HIGH SCHOOL DISTRICT

EideBailly

OXNARD UNION HIGH SCHOOL DISTRICT

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OXNARD UNION HIGH SCHOOL DISTRICT

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FINANCIAL SECTION

CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

Governing Board
Oxnard Union High School District
Oxnard, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxnard Union High School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements 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 Entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxnard Union High School District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, budgetary comparison schedule on page 75, schedule of changes in the District's net OPEB liability and related ratios on page 76, schedule of District contributions for OPEB on page 77, schedule of OPEB investment returns on page 78, schedule of the District's proportionate share of the net OPEB liability - MPP program on page 79, schedule of the District's proportionate share of net pension liability on page 80, and the schedule of District contributions on page 81, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oxnard Union High School District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the other supplementary information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as referenced in the previous paragraph, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019, on our consideration of the Oxnard Union High 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 Oxnard Union High 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 Oxnard Union High School District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 10, 2019

OXNARD UNION
HIGH SCHOOL DISTRICT
High Expectations and Powerful Futures for *Every* Student

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This section of Oxnard Union High School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019, with comparative information for the year ended June 30, 2018. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein, include all of the activities of the Oxnard Union High School District and its component units using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District, as well as all liabilities. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

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

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

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

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

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

Total General Fund Revenue increased by $24,032,077 percent from the previous fiscal year. The following table shows major revenue sources for fiscal year 2018-2019 compared with fiscal year 2017-2018.

	2019	2018	Change
Local Control Funding Formula (Includes Property Taxes)	$ 171,355,031	$ 158,392,921	$ 12,962,110
Federal Revenues	7,838,327	8,059,679	(221,352)
Other State Revenues	25,724,935	19,529,688	6,195,247
Other Local Revenues	17,828,863	12,732,791	5,096,072
	$ 222,747,156	$ 198,715,079	$ 24,032,077

Total General Fund Expenditures decreased 67.59 percent from the previous fiscal year. The following table shows expenditures for fiscal year 2018-2019 compared with fiscal year 2017-2018.

	2019		2018		Change	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Certificated salaries	$ 93,282,362	43.0%	$ 83,214,891	42.0%	$ (10,067,471)	-12.10%
Classified salaries	27,959,274	13.0%	25,122,634	12.7%	(2,836,640)	-11.29%
Employee benefits	65,877,087	30.0%	59,835,696	30.2%	(6,041,391)	-10.10%
Books and supplies	7,385,249	3.0%	7,487,801	3.8%	102,552	1.37%
Services and other	19,982,855	9.0%	18,288,867	9.2%	(1,693,988)	-9.26%
Other outgo	2,616,930	1.0%	2,002,392	1.0%	(614,538)	-30.69%
Capital outlay and debt service	2,248,443	1.0%	2,353,754	1.2%	105,311	4.47%
	$ 219,352,200	100.00%	$ 198,306,035	100.10%	$ (21,046,165)	-67.59%

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

These two statements report the District's *net position* and changes in it. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows resources, which is one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results.* Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the *overall health* of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

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

THE DISTRICT AS A WHOLE

Net Position

The District's net position (deficit) was $(157,477,270) for the fiscal year ended June 30, 2019. Of this amount, the District reported a deficit in their unrestricted net position of $(289,454,086). Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2019	2018
Assets		
Current and other assets	$ 233,005,322	$ 96,106,251
Capital assets	256,224,751	249,043,024
Total Assets	489,230,073	345,149,275
Deferred Outflows of Resources	65,897,157	47,485,891
Liabilities		
Current liabilities	15,368,725	22,873,293
Long-term obligations	491,136,758	344,943,709
Aggregate pension liability	193,868,729	156,317,014
Total Liabilities	700,374,212	524,134,016
Deferred Inflows of Resources	12,230,288	7,141,894
Net Position		
Net investment in capital assets	88,145,954	95,265,174
Restricted	43,830,862	29,773,412
Unrestricted (Deficit)	(289,454,086)	(263,679,330)
Total Net Position	$ (157,477,270)	$ (138,640,744)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 16. Table 2 takes the information from the *Statement of Activities* so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2019	2018
Revenues		
Program revenues:		
Charges for services	$ 937,522	$ 2,237,990
Operating grants and contributions	40,783,970	37,445,563
General revenues:		
Federal and State aid, not restricted	117,575,014	107,251,003
Property taxes	83,157,684	71,299,194
Other general revenues	21,307,638	9,583,502
Total Revenues	263,761,828	227,817,252
Expenses		
Instruction	183,800,123	169,833,286
Pupil services	32,501,127	28,661,280
Administration	12,811,845	11,776,538
Plant services	19,878,533	18,639,540
All other services	17,784,554	14,728,780
Total Expenses	266,776,182	243,639,424
Change in Net Position	$ (3,014,354)	$ (15,822,172)

Governmental Activities

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

In Table 3, we have presented the net cost of each of the District's largest functions - instruction-related, pupil services, administration, plant services, and all other services (student cafeterias, libraries, staff development, community services, student clubs, and athletics).

Table 3

	Net Cost of Services	
	2019	2018
Instruction and instruction-related	$ 160,179,208	$ 132,542,586
Pupil services	21,160,174	16,090,355
Administration	11,141,155	10,338,697
Plant services	19,632,413	15,998,442
Other outgo	12,941,740	10,414,508
Total	$ 225,054,690	$ 185,384,588

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $223,750,048, which is an increase of $141,188,374 from last year (Table 4).

Table 4

	Balances and Activity			
	July 1, 2018	Revenues	Expenditures	June 30, 2019
General Fund	$ 23,821,810	$ 222,747,156	$ 219,671,261	$ 26,897,705
Building Fund	26,148,891	132,031,826	10,578,352	147,602,365
Bond Interest and Redemption Fund	14,297,799	34,240,074	15,328,280	33,209,593
Non-Major Governmental	18,293,174	26,446,144	28,698,933	16,040,385
Total	$ 82,561,674	$ 415,465,200	$ 274,276,826	$ 223,750,048

General Fund Budgetary Highlights

The District is required to adopt its budget by June 30 each year. This was prior to adoption of the State budget. Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. After the year-end closing process is complete, the unaudited actuals are presented to the governing board. Budget adjustments are brought to the governing board on a regular basis to reflect changes in both revenues and expenditures that become known during the year. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 75.)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the District had $256,224,751 in a broad range of capital assets (net of accumulative depreciation), including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of $12,165,468, or 4.98 percent, from last year.

Table 5

	Governmental Activities	
	2019	2018
Land and construction in progress	$ 55,225,888	$ 37,272,722
Buildings and improvements, net of depreciation	197,822,916	203,118,834
Furniture and equipment, net of depreciation	3,175,947	3,667,727
Total	$ 256,224,751	$ 244,059,283

Long-Term Obligations

At the end of this year, the District had $491,136,758 in outstanding debt versus $348,919,656 last year, an increase of $142,217,102. Long-term obligations consisted of:

Table 6

	Governmental Activities	
	2019	2018
General obligation bonds	$ 276,355,275	$ 152,919,075
Premium on issuance	22,151,250	11,330,920
Certificates of participation	470,000	920,000
Direct placement debt issuance	8,940,000	3,085,000
Qualified energy conservation bonds	10,732,490	11,738,022
Compensated absences (vacation)	1,283,268	1,325,201
Net other postemployment benefits (OPEB) liability	171,204,475	167,601,438
Total	$ 491,136,758	$ 348,919,656

The District's outstanding general obligation debt of $276,355,275 is below the assessed value cap for voter approved debt.

Other obligations include certificates of participation, municipal leases, qualified energy conservation bonds, compensated absences, and net other postemployment benefits (OPEB) liability. We present more detailed information regarding our long-term obligations in Note 9 of the financial statements.

Net Pension Liability

At year end, the District has a net pension liability of $193,868,729 versus $191,166,061 last year, an increase of $2,702,668, or 1.41 percent.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2018-2019 ARE NOTED BELOW:

- Exceeded three percent State recommended reserve for economic uncertainties.
- Eliminated the contribution to the Cafeteria Fund.

ASSUMPTIONS USED AT ADOPTION OF 2018-2019 BUDGET:

Revenue

- Local Control Funding Formula (LCFF) was the source of revenue at budget adoption.
- LCFF Base Grant $10,894 per ADA.
- Anticipated unrestricted lottery revenue at $148 per annual ADA and restricted lottery (Prop 20) revenue at $48 per ADA.
- Mandated Block Grant at $59.83 per ADA.
- One Time Discretionary Block Grant base on $344 per ADA
- Unduplicated count for Supplemental and Concentration funds of 66.44 percent.

Expenditures

- Teacher Student ratio staffed at 27.95:1.
- No reduction/addition in benefit levels.
- Maintain retiree benefits as they now exist.
- CalSTRS expense budgeted at 16.28 percent.
- CalPERS expense budgeted at 18.062 percent.
- Increase in Health and Welfare costs by 3 percent.

- Increase in Retiree medical costs by 11 percent

- School site allocation $105 per CBEDS.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2019-2020 year, the District Board of Education and management used the following criteria:

The key assumptions in our revenue forecast are:

1. LCFF projections include a 3.26 percent Cost of Living Adjustment, LCFF Gap Closed Percentage of 100 percent, and flat enrollment.

2. LCFF entitlement per ADA $11,437

3. Federal revenues were projected for flat funding.

4. State revenues included -3.26 percent Cost of Living Adjustment.

Expenditures are based on the following forecasts:

	Staffing Ratio
Grades nine through twelve	28.43:1

The major changes to expenditure items specifically addressed in the budget are:

1. Employee step and column increases.

2. Increase in CalSTRS employer contribution from 16.28 percent to 17.10 percent.

3. Increase in CalPERS employer contribution from 18.062 percent to 20.733 percent.

4. Increase in health and welfare premium cost by 11.11 percent.

5. Required three percent contribution for Routine Restricted Maintenance Account.

6. Site allocations $80 per 2018-19 CBEDS

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information contact the Assistant Superintendent of Business Services at Oxnard Union High School District, 309 South K Street, Oxnard, California, 93030 or e-mail at Jeff.Weinstein@oxnardunion.org.

OXNARD UNION HIGH SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
ASSETS	
Deposits and investments	$ 221,284,355
Receivables	11,394,355
Stores inventories	326,612
Capital Assets:	
Land and construction in process	55,225,888
Other capital assets	379,548,808
Less: Accumulated depreciation	(178,549,945)
Total Capital Assets	256,224,751
Total Assets	489,230,073
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	2,050,794
Deferred outflows of resources related to pensions	63,846,363
Total Deferred Outflows of Resources	65,897,157
LIABILITIES	
Accounts payable	8,785,129
Interest payable	6,113,451
Unearned revenue	470,145
Long-Term Obligations	
Current portion of long-term obligations other than pensions	18,557,636
Noncurrent portion of long-term obligations other than pensions	472,579,122
Total Long-Term Obligations	491,136,758
Aggregate net pension liability	193,868,729
Total Liabilities	700,374,212
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	10,960,965
Deferred inflows of resources related to net other postemployment benefits (OPEB) liability	1,269,323
Total Deferred Inflows of Resources	12,230,288
NET POSITION	
Net investment in capital assets	88,145,954
Restricted for:	
Debt service	27,540,124
Capital projects	11,712,375
Educational programs	4,035,649
Other activities	542,714
Unrestricted	(289,454,086)
Total Net Position	$ (157,477,270)

The accompanying notes are an integral part of these financial statements.

OXNARD UNION HIGH SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction	$ 150,634,244	$ 192,843	$ 20,430,259	$ (130,011,142)
Instruction-related activities:				
Supervision of instruction	7,654,180	790	1,804,657	(5,848,733)
Instructional library, media, and technology	2,751,401	-	53,574	(2,697,827)
School site administration	22,760,298	39,406	1,099,386	(21,621,506)
Pupil services:				
Home-to-school transportation	2,574,597	-	1,339	(2,573,258)
Food services	8,260,403	185,578	7,072,350	(1,002,475)
All other pupil services	21,666,127	30,600	4,051,086	(17,584,441)
Administration:				
Data processing	3,633,016	761	6,274	(3,625,981)
All other general administration	9,178,829	23,946	1,639,709	(7,515,174)
Plant services	19,878,533	13,009	233,111	(19,632,413)
Ancillary services	3,659,499	158	105,668	(3,553,673)
Community services	222,248	-	-	(222,248)
Enterprise services	2,992	65	2,252	(675)
Interest on long-term obligations	11,322,700	-	-	(11,322,700)
Other outgo	2,577,115	450,366	4,284,305	2,157,556
Total Governmental Activities	$ 266,776,182	$ 937,522	$ 40,783,970	(225,054,690)

General Revenues and Subventions:	
Property taxes, levied for general purposes	60,356,444
Property taxes, levied for debt service	21,165,470
Property taxes, levied for other specific purposes	1,635,770
Federal and state aid not restricted to specific purposes	117,575,014
Interest and investment earnings	910,382
Interagency revenues	7,250,443
Miscellaneous	13,146,813
Total General Revenues and Subventions	222,040,336
Change in Net Position	(3,014,354)
Net Position - Beginning	(154,462,916)
Net Position - Ending	$ (157,477,270)

The accompanying notes are an integral part of these financial statements.

OXNARD UNION HIGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund
ASSETS			
Deposits and investments	$ 26,404,842	$ 146,492,418	$ 32,935,978
Receivables	7,639,000	1,381,430	273,615
Due from other funds	1,425,025	-	-
Stores inventories	304,225	-	-
Total Assets	$ 35,773,092	$ 147,873,848	$ 33,209,593
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 8,357,662	$ 271,483	$ -
Due to other funds	47,580	-	-
Unearned revenue	470,145	-	-
Total Liabilities	8,875,387	271,483	-
Fund Balances:			
Nonspendable	314,225	-	-
Restricted	4,035,649	147,602,365	33,209,593
Assigned	7,377,644	-	-
Unassigned	15,170,187	-	-
Total Fund Balances	26,897,705	147,602,365	33,209,593
Total Liabilities and Fund Balances	$ 35,773,092	$ 147,873,848	$ 33,209,593

The accompanying notes are an integral part of these financial statements.

Non-Major Governmental Funds	Total Governmental Funds
$ 15,451,117	$ 221,284,355
2,100,310	11,394,355
47,580	1,472,605
22,387	326,612
$ 17,621,394	$ 234,477,927
$ 155,984	$ 8,785,129
1,425,025	1,472,605
-	470,145
1,581,009	10,727,879
24,588	338,813
12,699,071	197,546,678
3,316,726	10,694,370
-	15,170,187
16,040,385	223,750,048
$ 17,621,394	$ 234,477,927

OXNARD UNION HIGH SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balance - Governmental Funds		**$ 223,750,048**
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 434,774,696	
Accumulated depreciation is	(178,549,945)	
Net Capital Assets		256,224,751
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.		(6,113,451)
Deferred charges on refunding (the difference between the reacquisition price and net carrying amount of refunded debt) are capitalized and amortized over the remaining life of the new or old debt (whichever is shorter) and are included with governmental activities.		2,050,794
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year end consist of:		
Pension contributions subsequent to measurement date	19,075,410	
Net change in proportionate share of net pension liability	13,203,300	
Differences between projected and actual earnings on pension plan investments	459,334	
Differences between expected and actual experience in the measurement of the total pension liability.	4,098,746	
Changes of assumptions	27,009,573	
Total Deferred Outflows of Resources Related to Pensions		63,846,363

The accompanying notes are an integral part of these financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION, Continued
JUNE 30, 2019

Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year end consist of:		
Net change in proportionate share of net pension liability	$ (3,649,585)	
Difference between projected and actual earnings on pension plan investments	(5,308,776)	
Differences between expected and actual experience in the measurement of the total pension liability	(2,002,604)	
Total Deferred Inflows of Resources Related to Pensions		$ (10,960,965)
Deferred inflows of resources related to OPEB represent a consumption of net position in a future period and is not reported in the District's funds. Deferred inflows of resources related to OPEB at year end consist of OPEB changes of assumptions.		(1,269,323)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(193,868,729)
Long-term obligations, including general obligation bonds, are not due and payable in the current period and, therefore, are not reported as obligations in the funds.		
Long-term obligations at year end consist of:		
General obligation bonds	(275,357,016)	
Premium on issuance	(22,151,250)	
Certificates of participation	(470,000)	
Direct placement debt issuances	(8,940,000)	
Qualified energy construction bonds	(10,732,490)	
Compensated absences (vacations)	(1,283,268)	
Net other postemployment benefits (OPEB) liability	(171,204,475)	
In addition, the District previously issued "capital appreciation" general obligation bonds. The cumulative capital accretion on the general obligation bonds is:	(998,259)	
Total Long-Term Obligations		(491,136,758)
Total Net Position - Governmental Activities		**$ (157,477,270)**

The accompanying notes are an integral part of these financial statements.

OXNARD UNION HIGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund
REVENUES			
Local Control Funding Formula	$ 171,355,031	$ -	$ -
Federal sources	7,838,327	-	-
Other State sources	25,724,935	-	139,441
Other local sources	17,828,863	2,689,326	21,672,765
Total Revenues	222,747,156	2,689,326	21,812,206
EXPENDITURES			
Current			
Instruction	131,790,012	-	-
Instruction-related activities:			
Supervision of instruction	7,126,790	-	-
Instructional library, media, and technology	2,547,051	-	-
School site administration	17,122,902	-	-
Pupil services:			
Home-to-school transportation	2,150,203	-	-
Food services	189,695	-	-
All other pupil services	19,638,633	-	-
General administration:			
Data processing	3,229,592	-	-
All other general administration	8,381,033	-	-
Plant services	18,640,316	3,740	-
Ancillary services	3,489,931	-	-
Community services	220,206	-	-
Other outgo	2,577,115	-	-
Enterprise services	276	-	-
Facility acquisition and construction	983,166	10,574,612	-
Debt service			
Principal	1,005,532	-	6,195,000
Interest and other	259,747	-	9,133,280
Total Expenditures	219,352,200	10,578,352	15,328,280
Excess (Deficiency) of Revenues Over Expenditures	3,394,956	(7,889,026)	6,483,926
Other Financing Sources (Uses)			
Transfers in	-	-	-
Other sources - proceeds from bond issuance	-	129,342,500	12,427,868
Transfers out	(319,061)	-	-
Net Financing Sources (Uses)	(319,061)	129,342,500	12,427,868
NET CHANGE IN FUND BALANCES	3,075,895	121,453,474	18,911,794
Fund Balances - Beginning	23,821,810	26,148,891	14,297,799
Fund Balances - Ending	$ 26,897,705	$ 147,602,365	$ 33,209,593

The accompanying notes are an integral part of these financial statements.

Non-Major Governmental Funds	Total Governmental Funds
$ -	$ 171,355,031
7,397,883	15,236,210
3,545,364	29,409,740
3,582,006	45,772,960
14,525,253	261,773,941
2,338,894	134,128,906
-	7,126,790
-	2,547,051
603,537	17,726,439
-	2,150,203
7,324,869	7,514,564
506,754	20,145,387
-	3,229,592
535,230	8,916,263
209,373	18,853,429
-	3,489,931
-	220,206
-	2,577,115
2,260	2,536
10,746,789	22,304,567
699,288	7,899,820
255,109	9,648,136
23,222,103	268,480,935
(8,696,850)	(6,706,994)
5,795,891	5,795,891
6,125,000	147,895,368
(5,476,830)	(5,795,891)
6,444,061	147,895,368
(2,252,789)	141,188,374
18,293,174	82,561,674
$ 16,040,385	$ 223,750,048

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds		**$ 141,188,374**
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed depreciation expense in the period.		
Capital outlays	$ 22,364,833	
Depreciation expense	(10,199,365)	
Net Expense Adjustment		12,165,468
In the Statement of Activities, certain operating expenses - compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation earned was less than amounts used by $41,933.		41,933
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred inflows and net pension liability during the year.		(11,516,775)
Proceeds received from issuance of debt is a revenue in the governmental funds, but it increases long-term obligations in the Statement of Net Position and does not affect the Statement of Activities:		
Sale of general obligation bonds	(130,000,000)	
Direct placement debt issuance	(6,125,000)	
Combined adjustment		(136,125,000)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		(3,223,242)

The accompanying notes are an integral part of these financial statements.

OXNARD UNION HIGH SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, Continued
FOR THE YEAR ENDED JUNE 30, 2019

Proceeds received from the issuance of debt is a revenue in the governmental funds, but it increases the long-term obligations in the Statement of Net Position and does not affect the Statement of Activities:		
Premium on issuance		$ (11,770,368)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Position and does not affect the Statement of Activities:		
General obligation bonds	$ 6,645,000	
Certificates of participation	450,000	
Direct placement debt issuances	270,000	
Qualified energy conservation bonds	1,005,532	
Combined adjustment		8,370,532
The accretion of interest on capital appreciation bonds is not recognized in the governmental funds, but it increases long-term obligations in the Statement of Net Position and increases interest expense in the Statement of Activities.		
Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following balances:		
Amortization of debt premium	950,038	
Amortization of deferred amount on refunding	(667,648)	
Combined adjustment		282,390
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds certificates of participation, qualified energy bonds, and private placement debt issuance increased by $2,346,466, and second, $81,200 of additional accumulated interest was accreted on the District's "capital appreciation" general obligation bonds.		(2,427,666)
Change in Net Position of Governmental Activities		**$ (3,014,354)**

The accompanying notes are an integral part of these financial statements.

OXNARD UNION HIGH SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019

	Agency Funds	Trust Funds		
	Associated Student Bodies	Foundation Special Reserve	Retiree Benefits Trust	Total Fiduciary Funds
ASSETS				
Deposits and investments	$ 1,669,248	$ 59,089	$ 64,927,637	$ 66,655,974
Receivables	-	567	5,671	6,238
Prepaid expenditures	-	-	6,667	6,667
Total Assets	$ 1,669,248	$ 59,656	$ 64,939,975	$ 66,668,879
LIABILITIES				
Accounts payable	$ -	$ -	$ 38,922	$ 38,922
Due to student groups	1,669,248	-	-	1,669,248
Total Liabilities	$ 1,669,248	-	38,922	1,708,170
NET POSITION				
Restricted for postemployment benefits other than pensions		-	64,901,053	64,901,053
Reserved for scholarships		59,656	-	59,656
Total Net Position		$ 59,656	$ 64,901,053	$ 64,960,709

The accompanying notes are an integral part of these financial statements.

OXNARD UNION HIGH SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Foundation Special Reserve	Retiree Benefits Trust	Total Fiduciary Funds
ADDITIONS			
Private donations	$ 1,400	$ -	$ 1,400
Interest	1,383		1,383
Investment income	-	3,713,087	3,713,087
Total Additions	2,783	3,713,087	3,715,870
DEDUCTIONS			
Services and operating expenditures	2,596	-	2,596
Administrative expense	-	40,120	40,120
Total Deductions	2,596	40,120	42,716
Change in Net Position	187	3,672,967	3,673,154
Net Position - Beginning	59,469	61,228,086	61,287,555
Net Position - Ending	$ 59,656	$ 64,901,053	$ 64,960,709

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

Other Related Entities

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

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

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

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

Non-Major Governmental Funds

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

Adult Education Fund The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

Cafeteria Fund The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

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

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

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

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

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the District's own programs. The District's trust funds are for the payment of retiree benefits and for the payments of scholarships within the Foundation Special Reserve activities. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

Basis of Accounting - Measurement Focus

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

The government-wide financial Statement of Activities presents a comparison between direct expenses and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions, and segments using a full cost allocation approach. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

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

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

Governmental Funds All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Fiduciary Funds Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements, because they do not represent resources of the District.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year end: State apportionments, interest, certain grants, and other local sources.

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

Unearned Revenue Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Investments

Investments held at June 30, 2019, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Stores Inventories

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

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $5,000. On February 13, 2019, the Board of Directors approved the request to increase the District's designated Capital Threshold Limit to $15,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial Statement of Net Position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the Statement of Net Position.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Debt Issuance Costs, Premiums, and Discounts

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

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Fund Balances - Governmental Funds

As of June 30, 2019, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and liabilities. Net position net of investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $43,830,862 of restricted net position.

Interfund Activity

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

Estimates

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

Property Tax

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

Change in Accounting Principles

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The District has implemented the provisions of this Statement as of June 30, 2019. The Statement did not have a significant impact on the District's financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The District has implemented the provisions of this Statement as of June 30, 2019.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. Early implementation is encouraged. Management is evaluating the impact of the statement.

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. Management is evaluating the impact of the statement.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. Management is evaluating the impact of the statement.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. Management is evaluating the impact of the statement.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020. Early implementation is encouraged. Management is evaluating the impact of the statement.

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2019, were classified in the accompanying financial statements as follows:

Governmental activities	$ 221,284,355
Fiduciary funds	66,655,974
Total Deposits and Investments	$ 287,940,329

Deposits and investments as of June 30, 2019, consisted of the following:

Cash on hand and in banks	$ 1,999,406
Cash in revolving	12,200
Investments	285,928,723
Total Deposits and Investments	$ 287,940,329

Policies and Practices

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Los Angeles County Treasury Investment Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing primarily in the County Pool.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Maturity Date/ Average Maturity in Days
Local Agency Bonds, Notes Warrants	$ 168,315	11/1/2019
Certificates of Deposit - Ally Bank	109,000	7/25/2019
Certificates of Deposit - Goldman Sachs Bank	164,000	7/24/2019
Money Market Mutual Funds	2,667	26
Ventura County Investment Pool	220,878,562	131-192 days
Total	$ 221,322,544	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California *Government Code*, the District's investment policy, or debt agreements, and the actual rating as of the year end for each investment type.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating as of June 30, 2019	Reported Amount
Local Agency Bonds, Notes Warrants	Not Required	AAAm	$ 168,315
Certificates of Deposit - Ally Bank	Not Required	Not Required	109,000
Certificates of Deposit - Goldman Sachs Bank	Not Required	Not Required	164,000
Money Market Mutual Funds	Not Required	AAAm	2,667
Ventura County Investment Pool	Not Required	AAAf/S1+	220,878,562
Total			$ 221,322,544

Trust

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

Investment Type	Reported Amount	Maturity Date
Foreign Stocks	$ 1,618,140	7/1/2019
Mutual Fund - Fixed Income	18,850,129	7/1/2019
Mutual Fund - Equity	30,035,331	7/1/2019
Mutual Fund - Domestic Equity	11,023,585	7/1/2019
Mutual Fund - Balanced	3,078,994	7/1/2019
Total	$ 64,606,179	

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2019, the District's bank balance was not exposed to custodial credit risk.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Ventura County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2019:

		Fair Value Measurements Using	
Investment Type	Reported Amount	Level 2 Inputs	Uncategorized
Local Agency Bonds, Notes Warrants	$ 168,315	$ 168,315	$ -
Certificates of Deposit	273,000	273,000	-
Money Market Mutual Funds	2,667	2,667	-
County Pool	220,878,562		220,878,562
Total	$ 221,322,544	$ 443,982	$ 220,878,562

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

NOTE 4 - RECEIVABLES

Receivables at June 30, 2019, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Activities	Fiduciary Fund
Federal Government						
Categorical aid	$ 3,864,619	$ -	$ -	$ 1,303,322	$ 5,167,941	$ -
State Government						
State principal apportionment	119,686	-	-	-	119,686	-
Categorical aid	631,979	-	-	374,087	1,006,066	-
Lottery	716,706	-	-	-	716,706	-
Other State	725,235	-	-	39,236	764,471	
Local Government						
Interest	1,171,851	1,381,430	273,615	131,748	2,958,644	6,238
Other local sources	408,924	-	-	251,917	660,841	
Total	$ 7,639,000	$ 1,381,430	$ 273,615	$ 2,100,310	$ 11,394,355	$ 6,238

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 31,336,339	$ -	$ -	$ 31,336,339
Construction in progress	5,936,383	18,301,058	347,892	23,889,549
Total Capital Assets Not Being Depreciated	37,272,722	18,301,058	347,892	55,225,888
Capital Assets Being Depreciated				
Land improvements	46,287,948	2,654,523	-	48,942,471
Buildings	315,158,755	1,244,462	-	316,403,217
Furniture and equipment	13,746,991	512,682	56,553	14,203,120
Total Capital Assets Being Depreciated	375,193,694	4,411,667	56,553	379,548,808
Total Capital Assets	412,466,416	22,712,725	404,445	434,774,696
Less Accumulated Depreciation				
Land improvements	31,554,432	773,598	-	32,328,030
Buildings	126,773,437	8,421,305	-	135,194,742
Furniture and equipment	10,079,264	1,004,462	56,553	11,027,173
Total Accumulated Depreciation	168,407,133	10,199,365	56,553	178,549,945
Governmental Activities Capital Assets, Net	$ 244,059,283	$ 12,513,360	$ 347,892	$ 256,224,751

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	$ 5,711,645
School site administration	3,569,778
Home-to-school transportation	305,981
Food services	407,974
Plant services	203,987
Total Depreciation Expenses Governmental Activities	$ 10,199,365

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2019, between major and non-major governmental funds are as follows:

	Due From		
Due To	General Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 47,580	$ 47,580
Non-Major Governmental Funds	1,425,025	-	1,425,025
Total	$ 1,425,025	$ 47,580	$ 1,472,605

A balance of $1,008,044 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for indirect costs, direct support, and transfers.

A balance of $416,918 is due to the General Fund from the Adult Education Non-Major Governmental Fund for indirect costs.

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

Operating Transfers

Interfund transfers for the year ended June 30, 2019, consisted of the following:

	Transfer From		
Transfer To	General Fund	Non-Major Governmental Funds	Total
Non-Major Governmental Funds	$ 1,493,011	$ 476,305	$ 1,969,316

The General Fund transferred to the Cafeteria Non-Major Governmental Fund to cover program costs.	$ 340,655
The General Fund transferred to the Capital Facilities Non-Major Governmental Fund for costs associated with facility usage.	131,933
The General Fund transferred to the Adult Education Non-Major Governmental Fund to cover program costs.	1,020,423
The Capital Facilities Non-Major Governmental Fund transferred to the COP Debt Service Non-Major Governmental Fund for debt service payments.	476,305
Total	$ 1,969,316

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

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2019, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Activities	Fiduciary Funds
Vendor payables	$ 3,024,964	$ -	$ 93,921	$ 3,118,885	$ 38,922
State principal apportionment	4,466,273	-	-	4,466,273	-
Salaries and benefits	866,425	-	62,063	928,488	-
Construction	-	271,483	-	271,483	-
Total	$ 8,357,662	$ 271,483	$ 155,984	$ 8,785,129	$ 38,922

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2019, consisted of the following:

	General Fund
Federal financial assistance	$ 417,897
State categorical aid	39,455
Other local	12,793
Total	$ 470,145

NOTE 9 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the year consisted of the following:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due in One Year
Governmental Activities					
General obligation bonds	$ 152,919,075	$ 130,081,200	$ 6,645,000	$ 276,355,275	$ 16,740,000
Premium on issuance	11,330,920	11,770,368	950,038	22,151,250	-
Certificates of participation	920,000	-	450,000	470,000	470,000
Direct placement debt issuance	3,085,000	6,125,000	270,000	8,940,000	278,000
Qualified energy conservation bonds	11,738,022	-	1,005,532	10,732,490	1,069,636
Compensated absences (vacation)	1,325,201	-	41,933	1,283,268	-
Net other postemployment benefits (OPEB) liability	167,601,438	3,727,700	124,663	171,204,475	-
Total Governmental Activities	$ 348,919,656	$ 151,704,268	$ 9,487,166	$ 491,136,758	$ 18,557,636

Payments for bonds associated with General Obligation Bonds are made in the Bond Interest and Redemption Fund. Payments on Certificates of Participation are made in the COP Debt Service Fund. Payments for Direct Private Placement Debt Issuance obligations are made in the General Fund, Bond Interest and Redemption Fund, Special Reserve Fund for Capital Outlay Projects, and Capital Facilities Fund. Payments for Qualified Energy Construction Bonds are made in the General Fund. Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds. Payments for Net OPEB liability are typically liquidated in the General Fund and the Non-Major Governmental Funds.

The outstanding land and facility lease from direct placement debt issuance related of $6,125,000 contain a provision that in an event of default, any installment payments not paid when due shall bear an interest at the rate of 2.88 percent.

Bonded Debt

Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2018	Issued	Capital Appreciation	Redeemed	Bonds Outstanding June 30, 2019
08/01/27	4.60%-5.80%	$ 10,199,913	$5,156,972	$ -	$ 81,200	$ 510,000	$ 4,728,172
08/01/40	3.00%-5.00%	50,000,000	3,255,000	-	-	1,030,000	2,225,000
08/01/25	5.31%	4,052,103	2,672,103	-	-	275,000	2,397,103
08/01/27	3.00%-5.00%	10,435,000	7,215,000	-	-	600,000	6,615,000
08/01/37	3.00%-5.00%	50,000,000	45,180,000	-	-	1,405,000	43,775,000
08/01/35	3.00%-5.00%	30,945,000	30,245,000	-	-	300,000	29,945,000
08/01/27	2.00%-5.00%	18,350,000	16,920,000	-	-	1,515,000	15,405,000
08/01/40	3.00%-5.00%	42,275,000	42,275,000	-	-	1,010,000	41,265,000
10/18/18	3.75%-5.00%	130,000,000	-	130,000,000	-	-	130,000,000
			$ 152,919,075	$ 130,000,000	$ 81,200	$ 6,645,000	$ 276,355,275

Debt Service Requirements to Maturity

Fiscal Year	Principal Including Accreted Interest to Date	Current Interest to Maturity	Accreted Interest to Maturity	Total
2020	$16,740,000	$13,765,138	$ -	$ 30,505,138
2021	18,080,000	13,010,024	-	31,090,024
2022	9,430,000	10,437,037	-	19,867,037
2023	8,810,000	10,022,646	-	18,832,646
2024	6,450,000	9,663,956	-	16,113,956
2025-2029	41,750,275	43,268,609	726,828	85,745,712
2030-2034	56,630,000	32,619,316	-	89,249,316
2035-2039	65,325,000	18,817,992	-	84,142,992
2040-2044	53,140,000	6,294,382	-	59,434,382
Total	$ 276,355,275	$ 157,899,100	$ 726,828	$ 434,981,203

General Obligation Bonds

1999 Revenue General Obligation Bonds, Series A On April 20, 1999, the District issued $9,745,000 in current interest bonds and $454,913 in capital appreciation bonds of the 1999 Revenue Bonds, Series A. The capital appreciation bonds accrete interest to a maturity value of $2,180,000. The bonds mature on August 1, 2024 and August 1, 2027, respectively with interest rates ranging from 4.60 to 5.95 percent. The proceeds from the sale of the bonds were used to refund the current interest bonds related to the Election 1997 General Obligation Bonds, Series B.	$ 4,728,172
2004 General Obligation Bonds, Series A On August 11, 2010, the District issued $50,000,000 in current interest bonds of the Election 2004 General Obligation Bonds, Series A. The bonds mature on August 1, 2020 with interests rates ranging from 3.00 to 5.00 percent. The proceeds from the sale of the bonds were used to finance the new construction and additions to and modernization of school facilities.	2,225,000
2004 General Obligation Bonds, Series B (Qualified School Construction Bonds) On April 28, 2011, the District issued $4,052,103 in current interest bonds of the Election 2004 General Obligation Bonds, Series B. The bonds mature on August 1, 2025 with an interest rate of 5.31 percent. The proceeds from the sale of the bonds were used to finance the acquisition and construction of educational facilities and projects.	2,397,103
2012 General Obligation Refunding Bonds On May 3, 2012, the District issued $10,435,000 of the 2012 General Obligation Refunding Bonds. The bonds mature on August 1, 2027 with interest rates ranging from 3.00 to 5.00 percent. The proceeds from the sale of the bonds were used to refund the current interest bonds related to the 2003 General Obligation Refunding Bonds, Series A.	6,615,000
2004 General Obligation Bonds, Series C On January 23, 2014, the District issued 50,000,000 in current interest bonds of the Election 2004 General Obligation Bonds, Series C. The bonds mature on August 1, 2037 with interests rates ranging from 3.00 to 5.00 percent. The proceeds from the sale of the bonds were used to finance the new construction and additions to and modernization of school facilities.	43,775,000
2004 General Obligation Bonds, Series D On January 27, 2016, the District issued 30,945,000 in current interest bonds of the Election 2004 General Obligation Bonds, Series D. The bonds mature on August 1, 2035 with interests rates ranging from 3.00 to 5.00 percent. The proceeds from the sale of the bonds were used to finance the new construction and additions to and modernization of school facilities.	29,945,000

2016 General Obligation Refunding Bonds	
On July 7, 2016, the District issued $18,350,000 of the 2016 General Obligation Refunding Bonds. The bonds mature on August 1, 2027 with interest rates ranging from 2.00 to 5.00 percent. The proceeds from the sale of the bonds were used to refund the current interest bonds related to the Election 2001 General Obligation Bonds, Series A.	$ 15,405,000
2017 General Obligation Refunding Bonds	
On December 21, 2017, the District issued $42,275,000 of the 2017 General Obligation Refunding Bonds. The bonds mature on August 1, 2040 with interest rates ranging from 3.00 to 5.00 percent. The proceeds from the sale of the bonds were used to refund a portion of the current interest bonds related to the Election 2004 General Obligation Bonds, Series A.	41,265,000
2018 General Obligation Bonds, Series A	
On October 18, 2018, the District issued 130,000,000 in current interest bonds of the Election 2018 General Obligation Bonds, Series A. The bonds mature on August 1, 2042 with interests rates ranging from 3.75 to 5.00 percent. The proceeds from the sale of the bonds were used to finance the new construction and additions to and modernization of school facilities.	130,000,000
Subtotal bonds outstanding	276,355,275
2012 General Obligation Refunding Bonds	395,829
2004 General Obligation Bonds, Series C	2,394,000
2004 General Obligation Bonds, Series D	3,203,887
2016 General Obligation Refunding Bonds	2,097,198
2017 General Obligation Refunding Bonds	2,525,369
2018 General Obligation Bonds, Series A	11,534,967
Subtotal premium on bonds	22,151,250
Deferred amount on 2016 Refunding bonds	(919,926)
Deferred amount on 2017 Refunding bonds	(1,130,868)
Subtotal deferred amount on refunding	(2,050,794)
	$ 296,455,731

Certificates of Participation

The outstanding certificates of participation are as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2018	Issued	Redeemed	Bonds Outstanding June 30, 2019
11/15/00	11/01/19	4.25% - 5.60%	$ 1,860,000	$ 220,000	$ -	$ 150,000	$ 70,000
04/29/03	11/01/19	2.00% - 4.30%	3,970,000	700,000		300,000	400,000
				$ 920,000	$ -	$ 450,000	$ 470,000

Debt Service Requirements to Maturity

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ 470,000	$ 10,560	$ 480,560

Certificates of Participation

2000 Refunding Certificates of Participation On November 15, 2000, the District, pursuant to a lease agreement with Ventura County Public Facilities Corporation, issued certificates of participation in the amount of $1,860,000. The certificates mature on November 1, 2019 with interest ranges ranging from 4.25 to 5.60 percent. The certificates were issued to refund outstanding obligations and to fund a reserve fund.	$ 70,000
2003 Refunding Certificates of Participation On April 29, 2003, the District issued $3,970,000 of the 2003 Refunding Certificates of Participation. The certificates mature on November 1, 2019, with interest yields ranging from 2.00 to 4.30 percent. The certificates were issued to refund outstanding obligations and to fund a reserve fund.	400,000
Subtotal Certificates of Participation outstanding	$ 470,000

Direct Placement Debt Issuance

The direct placement debt issuance consists of a municipal lease and land and facility lease.

Municipal Lease

Debt Service Requirements to Maturity

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$278,000	$70,834	$ 348,834
2021	289,000	63,597	352,597
2022	295,000	56,102	351,102
2023	306,000	48,414	354,414
2024	316,000	40,454	356,454
2025-2028	1,331,000	78,148	1,409,148
Total	$ 2,815,000	$ 357,549	$ 3,172,549

Municipal Lease

In January 2016, the District entered into a lease agreement to refinance the outstanding municipal lease bonds. The lease carries an interest rate of 4.5 percent. The lease will be fully paid in 2028.	$ 2,815,000

Land and Facility Lease

The District's liability on land and facility lease agreement is summarized below:

	Land and Facility Lease
Balance, July 1, 2018	$ -
Additions	7,237,098
Payments	-
Balance, June 30, 2019	$ 7,237,098

The land and facility lease has minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2020	$ 159,250
2021	176,400
2022	861,432
2023	861,488
2024	865,824
Thereafter	4,312,704
Total	7,237,098
Less: Amount Representing Interest	1,112,098
Present Value of Minimum Lease Payments	$ 6,125,000

Qualified Energy Conservation Bonds

Debt Service Requirements to Maturity

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ 1,069,636	$ 580,887	$ 1,650,523
2021	1,136,565	520,599	1,657,164
2022	1,108,068	457,913	1,565,981
2023	1,177,006	395,463	1,572,469
2024	1,248,995	329,145	1,578,140
2025-2028	4,992,221	569,917	5,562,138
Total	$ 10,732,491	$ 2,853,924	$ 13,586,415

Qualified Energy Conservation Bonds

In September 2010, the District entered into a lease agreement with the Golden Schools Financing Authority. The notes mature August 2027, with an interest rate of 5.5 percent. The bonds were issued for the purpose of financing the acquisition and construction of educational facilities and projects.	$ 10,732,491

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2019, amounted to $1,283,268. Accumulated vacation will be paid by the fund for which the employee worked.

District Plan

OPEB Plan	Net OPEB Liability	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 170,173,876	$ 1,269,323	$ 3,727,700
Medicare Premium Payment (MPP) Program	1,030,599	-	(124,663)
Total	$ 171,204,475	$ 1,269,323	$ 3,603,037

Plan administration

The Oxnard Union High School District Retirement Benefit Trust (the Trust) administers the Postemployment Benefits Plan (the Plan) - a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for the District.

Management of the Plan is vested in the Governing Board, which consists of five locally elected Plan members.

Plan membership

At June 30, 2019, Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	601
Active employees	531
	1,132

Benefits provided

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

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the Oxnard Federation of Teachers (OFT), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2018-2019, the District contributed $9,409,273 to the Plan, of which all was used for current premiums (approximately 100 percent of total premiums). The remainder of the premiums were funded from beginning net position and interest earnings.

Investments

Investment policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Governing Board by a majority vote of its members. It is the policy of the Oxnard Union High School District Retiree Benefits Trust Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Governing Board's adopted asset allocation policy as of June 30, 2019:

Asset Class	Target Allocation
Fixed Income	30%
Equities	65%
Real Estate Investment Trust (REITs)	5%

Rate of return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 6.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The component of the net OPEB liability of the District as of June 30, 2019, was as follows:

Total OPEB liability	$ 235,074,929
Plan fiduciary net position	(64,901,053)
District's net OPEB liability	$ 170,173,876
Plan fiduciary net position as a percentage of the total OPEB liability	27.61%

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	3.00 percent, average, including inflation
Investment rate of return	6 percent, net of OPEB plan investment expense, including inflation
Health care cost trend rates	6.00 percent for 2018 and decreasing towards 5.00 percent by 2022

Mortality rates were based on the RPH 2014 mortality table with generational improvements using scale MP2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period of July 1, 2018 - June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	2.4%
Equities	5.5%
Real Estate Investment Trust (REITs)	3.7%

Discount rate

The discount rate used to measure the total OPEB liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2018	$ 227,691,577	$ 61,245,401	$ 166,446,176
Service cost	3,220,197	-	3,220,197
Interest	13,572,428	-	13,572,428
Contributions - employer	-	9,409,273	(9,409,273)
Net investment income	-	3,713,087	(3,713,087)
Benefit payments	(9,409,273)	(9,409,273)	-
Administrative expense	-	(40,120)	40,120
Other expense		(17,315)	17,315
Net change in total OPEB liability	7,383,352	3,655,652	3,727,700
Balance at June 30, 2019	$ 235,074,929	$ 64,901,053	$ 170,173,876

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percent lower (5.00 percent) or one percent higher (7.00 percent) than the current discount rate:

Discount Rate	Total OPEB Liability
1% decrease (5.00%)	$ 203,503,998
Current discount rate (6.00%)	170,173,876
1% increase (7.00%)	142,748,587

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

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

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (5.00% decreasing to 4.00%)	$ 138,263,730
Current healthcare cost trend rate (6.00% decreasing to 5.00%)	170,173,876
1% increase (7.00% HMO decreasing to 6.00%)	209,621,098

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of $3,603,037. At June 30, 2019, the District reported deferred inflows of resources for the difference between projected and actual earnings on OPEB plan investments of $1,269,323.

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

Year Ended June 30,	Deferred (Inflows) of Resources
2020	$ (420,400)
2021	(420,400)
2022	(420,402)
2023	(8,121)
	$ (1,269,323)

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB)Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California Education Code Section 25930, benefit payments that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2019, the District reported a liability of $1,030,599 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively, was 0.2692 percent, and 0.2746 percent, resulting in a net decrease in the proportionate share of 0.0054 percent.

For the year ended June 30, 2019, the District recognized OPEB expense of $(124,663).

Actuarial Methods and Assumptions

The June 30, 2018 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total OPEB liability to June 30, 2018, using the assumptions listed in the following table:

Measurement Date	June 30, 2018	June 30, 2017
Valuation Date	June 30, 2017	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.87%	3.58%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2017, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 459 or an average of 0.27 percent of the potentially eligible population (171,593).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2018, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2018, is 3.87 percent. The MPP Program is funded on a pay-as-you-go basis as described in Note 1, and under the pay-as-you-go method, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.87 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2018, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 0.29 percent from 3.58 percent as of June 30, 2017.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.87%)	$ 1,139,895
Current discount rate (3.87%)	1,030,599
1% increase (4.87%)	931,914

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

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

Medicare Cost Trend Rates	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 939,803
Current Medicare cost trend rates (3.7% Part A and 4.1% Part B)	1,030,599
1% increase (4.7% Part A and 5.1% Part B)	1,128,250

NOTE 10 - FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable					
Revolving cash	$ 10,000	$ -	$ -	$ 2,200	$ 12,200
Stores inventories	304,225	-	-	22,388	326,613
Total Nonspendable	314,225	-	-	24,588	338,813
Restricted					
Educational programs	4,035,649	-	-	542,714	4,578,363
Capital projects	-	147,602,365		11,712,375	159,314,740
Debt services	-	-	33,209,593	443,982	33,653,575
Total Restricted	4,035,649	147,602,365	33,209,593	12,699,071	197,546,678
Assigned					
CSEBO Reserve Retiree Benefits	3,082,302	-	-	-	3,082,302
Prop 39 Energy Savings	91,000	-	-	-	91,000
Summer School Savings	1,474,501	-	-	-	1,474,501
Donations	19,373	-	-	-	19,373
Buses (2)	367,998	-	-	-	367,998
1/2 Percent Off Schedule	334,350	-	-	-	334,350
Unallocated Unit Share	2,008,120	-	-	-	2,008,120
Certificate of Participation	-	-	-	1,709,899	1,709,899
Oxnard #8 Start Up	-	-	-	413,068	413,068
New DO	-	-	-	1,193,759	1,193,759
Total Assigned	7,377,644	-	-	3,316,726	10,694,370
Unassigned					
Economic uncertainties	6,374,197	-	-	-	6,374,197
Remaining unassigned	8,795,990	-	-	-	8,795,990
Total Unassigned	15,170,187	-	-	-	15,170,187
Total	$ 26,897,705	$ 147,602,365	$ 33,209,593	$ 16,040,385	$ 223,750,048

NOTE 11 - RISK MANAGEMENT

Description

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

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

Employee Medical Benefits

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

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2019, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 137,867,679	$ 47,814,821	$ 10,510,459	$ 19,271,988
CalPERS	56,001,050	16,031,542	450,506	11,320,197
Total	$ 193,868,729	$ 63,846,363	$ 10,960,965	$ 30,592,185

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2019, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.28%	16.28%
Required state contribution rate	9.828%	9.828%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the District's total contributions were $13,890,354.

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the District were as follows:

Total Net Pension Liability, Including State Share:		
District's proportionate share of net pension liability	$	137,867,679
State's proportionate share of the net pension liability associated with the District		78,935,694
Total	$	216,803,373

The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, was 0.1500 percent and 0.1517 percent, respectively, resulting in a net decrease in the proportionate share of 0.0017 percent.

For the year ended June 30, 2019, the District recognized pension expense of $19,271,988. In addition, the District recognized pension expense and revenue of $9,273,164 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 13,890,354	$ -
Net change in proportionate share of net pension liability	12,078,830	3,199,079
Differences between projected and actual earnings on pension plan investments	-	5,308,776
Differences between expected and actual experience in the measurement of the total pension liability	427,522	2,002,604
Changes of assumptions	21,418,115	-
Total	$ 47,814,821	$ 10,510,459

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 1,152,686
2021	(836,419)
2022	(4,453,857)
2023	(1,171,186)
Total	$ (5,308,776)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 6,540,424
2021	6,540,424
2022	6,540,424
2023	4,267,299
2024	5,043,011
Thereafter	(208,798)
Total	$ 28,722,784

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2018, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 201,960,016
Current discount rate (7.10%)	137,867,679
1% increase (8.10%)	84,728,912

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These reports and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2019, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	18.062%	18.062%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the total District contributions were $5,185,056.

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $56,001,050. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, was 0.2100 percent and 0.2132 percent, respectively, resulting in a net decrease in the proportionate share of 0.0032 percent.

For the year ended June 30, 2019, the District recognized pension expense of $11,320,197. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 5,185,056	$ -
Net change in proportionate share of net pension liability	1,124,470	450,506
Difference between projected and actual earnings on pension plan investments	459,334	-
Differences between expected and actual experience in the measurement of the total pension liability	3,671,224	-
Changes of assumptions	5,591,458	-
Total	$ 16,031,542	$ 450,506

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 1,670,700
2021	399,534
2022	(1,280,357)
2023	(330,543)
Total	$ 459,334

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.0 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2020	$ 4,700,459
2021	4,177,115
2022	1,059,072
Total	$ 9,936,646

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 81,534,851
Current discount rate (7.15%)	56,001,050
1% increase (8.15%)	34,817,107

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS and CalPERS in the amount of $12,584,631 and $1,898,686, respectively (9.828 percent of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2018–19 contribution on behalf of school employers of $2.246 billion for CalSTRS and $904 million for CalPERS. A proportionate share of these contributions has been recorded in these financial statements. On behalf payments related to these additional contributions have been excluded from the calculation of available reserves and have not been included in the budgeted amounts reported in the *General Fund – Budgetary Comparison Schedule.*

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2019.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2019.

Construction Commitments

As of June 30, 2019, the District has the following commitments with respect to the unfinished capital projects:

Capital Projects	Remaining Construction Commitments	Expected Year of Completion
RMHS Well No. 3	$ 68,582	2019-20
Ext. LED Lighting and HVAC Replacement	3,098,840	2019-20
Oxnard Growth HS #8 Property Purchase	121,233	2019-20
Oxnard Growth HS #8 Design and Construction	250,149	2022-23
Modernization and Renovation - Existing Schools	2,766,413	2022-23
Student Growth Transportation/Warehouse Building	11,238	2020-21
Misc. DSA Project Certifications - Existing Schools	26,504	2019-20
District Office Tenant Improvement	585,462	2020-21
	$ 6,928,421	

NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITY

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

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

During the year ended June 30, 2019, the District made payments of $1,195,004, $37,950,667, and $4,441, to VCSSFA, CSEBO, and VCFAST, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

OXNARD UNION HIGH SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final	(GAAP Basis)	Final to Actual
REVENUES				
Local Control Funding Formula	$ 171,874,774	$ 170,962,880	$ 171,355,031	$ 392,151
Federal sources	8,101,527	8,574,291	7,838,327	(735,964)
Other State sources	23,097,724	18,179,798	25,724,935	7,545,137
Other local sources	11,048,592	17,474,363	17,828,863	354,500
Total Revenues [1]	214,122,617	215,191,332	222,747,156	7,555,824
EXPENDITURES				
Current				
Certificated salaries	84,709,553	87,167,267	87,983,006	(815,739)
Classified salaries	26,960,622	26,090,367	26,060,588	29,779
Employee benefits	66,309,640	65,607,333	73,075,126	(7,467,793)
Books and supplies	7,507,093	7,931,822	7,385,249	546,573
Services and operating expenditures	20,434,272	21,802,136	19,982,853	1,819,283
Other outgo	1,933,506	2,105,512	2,059,574	45,938
Capital outlay	4,535,679	4,686,164	1,540,525	3,145,639
Debt service - principal	1,005,532	1,005,532	1,005,532	-
Debt service - interest	260,537	260,537	259,747	790
Total Expenditures [1]	213,656,434	216,656,670	219,352,200	(2,695,530)
Excess (Deficiency) of Revenues Over Expenditures	466,183	(1,465,338)	3,394,956	4,860,294
Other Financing Sources (Uses)				
Transfers out	(75,076)	(294,590)	(319,061)	(24,471)
NET CHANGE IN FUND BALANCE	391,107	(1,759,928)	3,075,895	4,835,823
Fund Balance - Beginning	23,821,810	23,821,810	23,821,810	-
Fund Balance - Ending	$ 24,212,917	$ 22,061,882	$ 26,897,705	$ 4,835,823

[1] On behalf payments of $7,198,040 related to Senate Bill 90 are included in the actual revenues and expenditures, but have not been included in the budgeted amounts.

See accompanying note to required supplementary information.

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018	2017
Total OPEB Liability			
Service cost	$ 3,220,197	$ 3,037,922	$ 5,143,257
Interest	13,572,428	13,139,429	11,086,979
Benefit payments	(9,409,273)	(8,876,673)	(8,403,086)
Net change in total OPEB liability	7,383,352	7,300,678	7,827,150
Total OPEB liability - beginning	227,691,577	220,390,899	212,563,749
Total OPEB liability - ending	$ 235,074,929	$ 227,691,577	$ 220,390,899
Plan Fiduciary Net Position			
Contributions - employer	$ 9,409,273	$ 8,876,673	$ 8,403,086
Net investment income	3,713,087	5,411,667	6,502,209
Benefit payments	(9,409,273)	(8,876,673)	(8,403,086)
Administrative expense	(40,120)	(8,197)	(8,230)
Other expense	(17,315)	-	-
Net change in plan fiduciary net position	3,655,652	5,403,470	6,493,979
Plan fiduciary net position - beginning	61,245,401	55,841,931	49,347,952
Plan fiduciary net position - ending (b)	$ 64,901,053	$ 61,245,401	$ 55,841,931
District's net OPEB liability - ending (a) - (b)	$ 170,173,876	$ 166,446,176	$ 164,548,968
Plan fiduciary net position as a percentage of the total OPEB liability	27.61%	26.90%	25.34%
Covered-employee payroll	42,005,000	42,005,000	54,534,000
District's net OPEB liability as a percentage of covered-employee payroll	405.13%	396.25%	301.74%

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

See accompanying note to required supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OPEB
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018	2017
Actuarially determined contribution	$ 9,409,273	$ 8,876,673	$ 8,403,086
determined contribution	9,409,273	8,876,673	8,403,086
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 42,005,000	$ 42,005,000	$ 54,534,000
Contribution as a percentage	22.4%	21.1%	15.4%

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

See accompanying note to required supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF OPEB INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2019

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

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

See accompanying note to required supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - MPP PROGRAM FOR THE YEAR ENDED JUNE 30, 2019

Year ended June 30,	2019	2018
District's proportion of the net OPEB liability	0.2692%	0.2746%
District's proportionate share of the net OPEB liability	$ 1,030,599	$ 1,155,262
District's covered-employee payroll	N/A[1]	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.40%	0.01%

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

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

See accompanying note to required supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018	2017
CalSTRS			
District's proportion of the net pension liability	0.1500%	0.1517%	0.1436%
District's proportionate share of the net pension liability	$ 137,867,679	$ 140,270,672	$ 116,138,746
State's proportionate share of the net pension liability associated with the District	78,935,694	82,982,945	66,115,716
Total	$ 216,803,373	$ 223,253,617	$ 182,254,462
District's covered payroll	$ 82,009,127	$ 86,142,798	$ 74,247,894
District's proportionate share of the net pension liability as a percentage of its covered payroll	168.11%	162.84%	156.42%
Plan (CalSTRS) fiduciary net position as a percentage of the total pension liability	71%	69%	70%
CalPERS			
District's proportion of the net pension liability	0.2100%	0.2132%	0.2034%
District's proportionate share of the net pension liability	$ 56,001,050	$ 50,895,389	$ 40,178,268
District's covered payroll	$ 27,710,096	$ 28,972,645	$ 24,527,518
District's proportionate share of the net pension liability as a percentage of its covered payroll	202.10%	175.67%	163.81%
Plan (CalPERS) fiduciary net position as a percentage of the total pension liability	71%	72%	74%

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

See accompanying note to required supplementary information.

2016	2015
0.1485%	0.1239%
$ 99,966,960	$ 72,419,094
52,871,502	43,729,775
$ 152,838,462	$ 116,148,869
$ 66,868,840	$ 71,975,188
149.50%	100.62%
74%	77%
0.1941%	0.1854%
$ 28,611,809	$ 21,046,174
$ 21,031,951	$ 21,636,698
136.04%	97.27%
79%	83%

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018	2017
CalSTRS			
Contractually required contribution	$ 13,890,354	$ 11,833,917	$ 10,836,764
Contributions in relation to the contractually required contribution	13,890,354	11,833,917	10,836,764
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 85,321,585	$ 82,009,127	$ 86,142,798
Contributions as a percentage of covered payroll	16.28%	14.43%	12.58%
CalPERS			
Contractually required contribution	$ 5,185,056	$ 4,303,655	$ 4,023,721
Contributions in relation to the contractually required contribution	5,185,056	4,303,655	4,023,721
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 28,706,987	$ 27,710,096	$ 28,972,645
Contributions as a percentage of covered payroll	18.06%	15.53%	13.89%

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

See accompanying note to required supplementary information.

2016	2015
$ 7,966,799	$ 5,937,953
7,966,799	5,937,953
$ -	$ -
$ 74,247,894	$ 66,868,840
10.73%	8.88%
$ 2,905,775	$ 2,475,671
2,905,775	2,475,671
$ -	$ -
$ 24,527,518	$ 21,031,951
11.85%	11.77%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

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

At June 30, 2019, the District major fund(s) exceeded the budgeted amount in total as follows:

	Expenditures and Other Uses		
Fund	Budget	Actual	Excess
General Fund	$ 216,951,260	$ 219,671,261	$ 2,720,001

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

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

***Changes in Benefit Terms* –** There were no changes in benefit terms since the previous valuation for other postemployment benefits.

***Changes of Assumptions* –** Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the average working life.

Schedule of District Contributions for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

Schedule of OPEB Investment Returns

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

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

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

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

Changes of Assumptions – The plan rate of investment return assumption was changed from 3.58 percent to 3.87 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **–** There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes of Assumptions **–** There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education (CDE):			
Child Nutrition Cluster			
School Breakfast Basic	10.553	13390	$ 11,988
School Breakfast Needy	10.553	13526	1,856,944
National School Lunch	10.555	13523	3,637,240
Summer Food Service	10.559	13004	122,726
Food Distribution	10.555	13524	394,687
Child and Adult Care Food Program	10.558	13393	717,533
NSLP Equipment Assistance Grant	10.579	14906	99,914
Total U.S. Department of Agriculture			6,841,032
U.S. DEPARTMENT OF DEFENSE			
Passed through California Department of Defense:			
Junior Reserve Officer Training Corps - Air Force	12.000	[1]	143,983
U.S. DEPARTMENT OF INTERIOR			
National Park Services - Anacapa Island Restoration Project	15.931	[1]	5,592
U.S. DEPARTMENT OF EDUCATION			
Passed through CDE:			
Adult Education - Basic Grants			
Adult Basic Education and ELA	84.002A	14508	340,465
Adult Secondary Education	84.002	13978	117,700
English Literacy and Civics Education	84.002A	14109	98,686
Elementary and Secondary Education Act			
Title I, Part A	84.010	14329	2,951,501
Title I, Part C			
Migrant education - Regular and Summer	84.111	14326	196,721
Migrant Education - Summer	84.111	10005	111,546
Title II, Part A	84.367	14341	258,997
Title III			
Immigrant Student Program	84.365	15146	13,125
English Learner Student Program	84.365	14346	167,499
Vocational Educational Grant			
Carl Perkins	84.048	14894	378,890
Vocational Rehabilitation Grant			
Workability II	84.126	10006	229,104
Passed through Santa Clarity Special Education Local Plan Area			
Special Education Cluster			
Local Assistance - Basic	84.027	13379	3,170,755
Local Assistance - Private Schools ISPs	84.027	10115	1,539
Total U.S. Department of Education			8,036,528

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Health and Human Services:			
Medicaid Cluster			
Medi-Cal Billing Option	93.778	10013	$ 16,190
Medicare Part D - Retiree Drug Subsidy	93.778	[1]	50,975
Total U.S. Department of Health and Human Services			67,165
Total Expenditures of Federal Awards			$ 15,094,300

[1] Pass-Through Entity Identifying Number not available.

See accompanying note to supplementary information.

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2019

ORGANIZATION

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

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Gary Davis, Ed.D	President	2020
Karen M. Sher	Vice President	2022
Beatriz Herrera	Clerk	2022
Wayne Edmonds	Member	2022
Steve Hall, Ed.D	Member	2020

ADMINISTRATION

Penelope DeLeon, Ed.D	Superintendent
Jeff Weinstein	Assistant Superintendent, Business Services
Robert "Rocky" Valles, Ed.D (resigned June 30, 2019)	Assistant Superintendent, Human Resources
Thomas McCoy, Ed.D	Assistant Superintendent, Educational Services

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2019

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Ninth through twelfth	15,604.81	15,377.03
Special Education, Nonpublic, Nonsectarian Schools		
Ninth through twelfth	26.43	23.76
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Ninth through twelfth	0.85	0.85
Total ADA	15,632.09	15,401.64

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2019

Grade Level	1986-87 Minutes Requirement	2018-19 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Grades 9 - 12	64,800				
Grade 9		65,206	180	N/A	Complied
Grade 10		65,206	180	N/A	Complied
Grade 11		65,206	180	N/A	Complied
Grade 12		65,206	180	N/A	Complied

See accompanying note to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2019.

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

	(Budget) 2020 [1]	2019	2018	2017
GENERAL FUND				
Revenues	$ 215,314,744	$ 215,461,879	$ 198,715,079	$ 191,390,041
Expenditures	217,372,254	212,066,923	198,306,035	187,926,293
Other uses and transfers out	32,260	319,061	1,493,011	702,709
Total Expenditures and Other Uses	217,404,514	212,385,984	199,799,046	188,629,002
INCREASE (DECREASE) IN FUND BALANCE	$ (2,089,770)	$ 3,075,895	$ (1,083,967)	$ 2,761,039
ENDING FUND BALANCE	$ 24,807,935	$ 26,897,705	$ 23,821,810	$ 24,905,777
AVAILABLE RESERVES [2]	$ 15,425,729	$ 15,170,187	$ 8,759,717	$ 5,648,208
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO [3]	7.1%	7.1%	4.4%	3.0%
LONG-TERM OBLIGATIONS	N/A	$ 491,136,758	$ 348,919,656	$ 352,345,858
K-12 AVERAGE DAILY ATTENDANCE AT P-2	15,671	15,632	15,479	15,485

The General Fund balance has increased by $1,991,928 over the past two years. The fiscal year 2019-2020 budget projects a decrease of $2,089,770 (7.77 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2019-2020 fiscal year. Total long-term obligations have increased by $138,790,900 over the past two years.

Average daily attendance has increased by 147 over the past two years. Additional growth of 39 ADA is anticipated during fiscal year 2019-2020.

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[1] Budget 2020 is included for analytical purposes only and has not been subjected to audit.

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

[3] On behalf payments of $7,285,277 have been excluded from the calculation of available reserves for the fiscal year(s) ending June 30, 2019, 2018, and 2017.

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2019

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

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund
ASSETS			
Deposits and investments	$ 10,495	$ 136,466	$ 11,592,213
Receivables	671,853	1,253,526	131,749
Due from other funds	1,155	2,953	-
Stores inventories	-	22,387	-
Total Assets	$ 683,503	$ 1,415,332	$ 11,723,962
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 42,682	$ 63,889	$ 11,524
Due to other funds	416,918	1,008,044	63
Total Liabilities	459,600	1,071,933	11,587
Fund Balances:			
Nonspendable	-	24,588	-
Restricted	223,903	318,811	11,712,375
Assigned	-	-	-
Total Fund Balances	223,903	343,399	11,712,375
Total Liabilities and Fund Balances	$ 683,503	$ 1,415,332	$ 11,723,962

See accompanying note to supplementary information.

Special Reserve Fund for Capital Outlay Projects	COP Debt Service Fund	Total Non-Major Governmental Funds
$ 3,267,961	$ 443,982	$ 15,451,117
43,182	-	2,100,310
43,472	-	47,580
-	-	22,387
$ 3,354,615	$ 443,982	$ 17,621,394
$ 37,889	$ -	155,984
-	-	1,425,025
37,889	-	1,581,009
-	-	24,588
-	443,982	12,699,071
3,316,726	-	3,316,726
3,316,726	443,982	16,040,385
$ 3,354,615	$ 443,982	$ 17,621,394

OXNARD UNION HIGH SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund
REVENUES			
Federal sources	$ 556,851	$ 6,841,032	$ -
Other State sources	3,100,200	445,164	-
Other local sources	326,673	595,120	2,565,303
Total Revenues	3,983,724	7,881,316	2,565,303
EXPENDITURES			
Current			
Instruction	2,338,894	-	-
Instruction-related activities:			
School site administration	603,537	-	-
Pupil services:			
Food services	-	7,324,869	-
All other pupil services	506,754	-	-
General administration:			
All other general administration	141,285	376,259	17,686
Plant services	194,210	-	-
Enterprise services	-	2,260	-
Depreciation (unallocated)			
Facility acquisition and construction	-	-	868,178
Debt service			
Principal	-	-	249,288
Interest and other	-	-	98,564
Total Expenditures	3,784,680	7,703,388	1,233,716
Excess (Deficiency) of Revenues Over Expenditures	199,044	177,928	1,331,587
Other Financing Sources			
Transfers in	9,006	-	66,583
Other sources	-	-	-
Transfers out	-	-	(5,476,830)
Net Financing Sources	9,006	-	(5,410,247)
NET CHANGE IN FUND BALANCES	208,050	177,928	(4,078,660)
Fund Balances - Beginning	15,853	165,471	15,791,035
Fund Balances - Ending	$ 223,903	$ 343,399	$ 11,712,375

See accompanying note to supplementary information.

Special Reserve Fund for Capital Outlay Projects	COP Debt Service Fund	Total Non-Major Governmental Funds
$ -	$ -	$ 7,397,883
-	-	3,545,364
89,096	5,814	3,582,006
89,096	5,814	14,525,253
-	-	2,338,894
-	-	603,537
-	-	7,324,869
-	-	506,754
-	-	535,230
15,163	-	209,373
-	-	2,260
9,878,611	-	10,746,789
-	450,000	699,288
125,000	31,545	255,109
10,018,774	481,545	23,222,103
(9,929,678)	(475,731)	(8,696,850)
5,243,472	476,830	5,795,891
6,125,000	-	6,125,000
-	-	(5,476,830)
11,368,472	476,830	6,444,061
1,438,794	1,099	(2,252,789)
1,877,932	442,883	18,293,174
$ 3,316,726	$ 443,982	$ 16,040,385

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of Medi-Cal Billing Option funds that have been recorded in the current period as revenue that have not been expended as of June 30, 2019. These unspent balances are reported as legally restricted ending balances within the General Fund.

Description	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures, and Changes in Fund Balances:		$ 15,236,210
Medi-Cal Billing Option	93.778	(141,910)
Total Schedule of Expenditures of Federal Awards		$ 15,094,300

Local Education Agency Organization Structure

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

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

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

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

INDEPENDENT AUDITOR'S REPORTS

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*

Governing Board
Oxnard Union High School District
Oxnard, 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 Oxnard Union High School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Oxnard Union High School District's basic financial statements, and have issued our report thereon dated December 10, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oxnard Union High School District's internal control over financial reporting (internal control) to determine the 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 Oxnard Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Oxnard Union High 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oxnard Union High 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Oxnard Union High School District in a separate letter dated December 10, 2019.

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.

Eide Bailly LLP

Rancho Cucamonga, California
December 10, 2019

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

Governing Board
Oxnard Union High School District
Oxnard, California

Report on Compliance for Each Major Federal Program

We have audited Oxnard Union High School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Oxnard Union High School District's major Federal programs for the year ended June 30, 2019. Oxnard Union High 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.

Management's Responsibility

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Oxnard Union High School District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Oxnard Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Oxnard Union High School District's compliance.

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Opinion on Each Major Federal Program

In our opinion, Oxnard Union High School District complied, in all material respects, with the types of 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, 2019.

Report on Internal Control over Compliance

Management of Oxnard Union High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Oxnard Union High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Oxnard Union High School District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 10, 2019

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Oxnard Union High School District
Oxnard, California

Report on State Compliance

We have audited Oxnard Union High School District's (the District) compliance with the types of compliance requirements as identified in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Oxnard Union High School District's State government programs as noted below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Oxnard Union High School District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Oxnard Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of Oxnard Union High School District's compliance with those requirements.

Unmodified Opinion

In our opinion, Oxnard Union High School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2019.

In connection with the audit referred to above, we selected and tested transactions and records to determine the Oxnard Union High School District's compliance with the State laws and regulations applicable to the following items:

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	No, see below
After School	No, see below
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
Attendance	No, see below
Mode of Instruction	No, see below
Non Classroom-Based Instruction/Independent Study for Charter Schools	No, see below
Determination of Funding for Non Classroom-Based Instruction	No, see below
Annual Instruction Minutes Classroom-Based	No, see below
Charter School Facility Grant Program	No, see below

The District is a high school district; therefore, we did not perform any procedures related to the Kindergarten Continuance.

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

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

The District did not operate an Early or Middle College High School; therefore, we did not perform any procedures related to Early or Middle College High Schools.

The District is a high school district; therefore, we did not perform procedures related to the K-3 Grade Span Adjustment.

The District does not offer an Apprenticeship Program; therefore, we did not perform any procedures for the Apprenticeship Program.

The District does not offer a District of Choice Program; therefore, we did not perform any procedures for the District of Choice Program.

The District does not offer an After/Before School Education and Safety Program; therefore, we did not perform any procedures related to the After/Before School Education and Safety Program.

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 10, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OXNARD UNION HIGH SCHOOL DISTRICT

SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Type of report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major Federal programs:

CFDA Numbers	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	Unmodified

Unmodified for all programs except for the following program which was qualified:

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

OXNARD UNION HIGH SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

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

State Awards Finding

2018-001 40000

Criteria or Specific Requirements

In accordance with *Education Code* Sections 2574(b)(3)(c), 42238.02(b)(3)(B), and 41020, the District is required to maintain supporting documentation of students who had a designation of "Free" or "Reduced" and students who had a designation of "English Learner" on the "1.18 – FRPM/English Learner/Foster Youth - Student List" CALPADS report that indicates the student was eligible for the designation reported on the California Longitudinal Pupil Achievement Data System (CALPADS).

Condition

The District was unable to provide supporting documentation for 97 students who had a designation of "English Learner" on the "1.18 – FRPM/English Learner/Foster Youth - Student List" CALPADS report. The supporting documentation that was unable to be provided is the notification letter to the parents.

Questioned Costs

The District over claimed the total eligible pupils by 97, resulting in a decrease of approximately $79,328 in LCFF funding.

Context

The condition was identified through a selection of students from Form 1.18, based on the criteria as stated on the *Standards and Procedures for Audits of California K-12 Local Educations Agencies 2017-2018* Section 19849(a)(2), we selected a representative sample, to achieve a high level of assurance, from the students indicated as only free or reduced priced meal eligible (FRPM) identified under the "NSLP Program" column and students that are only English Learner (EL) eligible as identified under the "ELAS Designation" column and verify there is supporting documentation that indicates the student was eligible for the designation.

We selected a sample of 60 students' records to support the English Learner designation. Upon review of student records, we found 60 students who did not have the parent notification letter. Of the 60 students tested 6 of those students did not have a CELDT or any other supporting documentation to classify them as EL, 7 of those students met CELDT criteria and did not have additional supporting documentation, 4 of those students were not tested. Additional procedures were performed to identify all remaining students whose status should have been changed to reflect the reclassification from EL.

Effect

As a result of testing, it appears that the District did not update the "1.18 – FRPM/English Learner/Foster Youth – Student List" CALPADS report for pupils that did not have documentation supporting the "EL" designation on the "1.18 – FRPM/English Learner/Foster Youth – Student List" CALPADS report. The results of our testing have been documented as follows:

Total Enrollment	Unduplicated FRPM/EL/Foster Youth Total	Adjustment by Auditor	Adjusted Total Unduplicated Pupil Count	Total Adjusted Enrollment
16,713	11,190	(97)	11,093	16,713

Cause

The condition identified has materialized as a result of the CALPADS system not being updated properly to reflect the change in designation of English Learner students.

Recommendation

The District should review their current procedures and determine the necessary steps to ensure that all student data is accurate and is uploaded to CALPADS based on the timelines and reporting deadlines for CALPADS.

Current Status

Implemented.

CPAs & BUSINESS ADVISORS

Management
Oxnard Union High School District
Oxnard, California

In planning and performing our audit of the financial statements of Oxnard Union High School District (the District) for the year ended June 30, 2019, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 10, 2019, on the government-wide financial statements of the District.

2018-2019 Observations and Recommendations

DISTRICT OFFICE

Arbitrage Calculations

Observation

During testwork performed over arbitrage calculations at the District, we noted the District did not prepare calculations for bond issues within the timeframe specified by the Internal Revenue Service (IRS). The District does not maintain a fully comprehensive checklist or schedule setting forth each of its outstanding debt issues that are subject to arbitrage rebate and the relevant information such as when the last calculation was made and when the next calculation is due, etc. in order to monitor compliance with the federal requirements and to ensure that the arbitrage liability is complete and properly stated in the financial statement

Recommendation

The District should ensure that a comprehensive schedule is maintained that lists each outstanding debt issuance that is subject to arbitrage rebate, the date of issuance and maturity, the date the last arbitrage calculation was made, the resulting rebate amount, the date the payment was made, and the date the next calculation is due. This schedule should be routinely monitored on a timely basis to ensure compliance with the federal requirements. At fiscal year-end, this schedule should be reviewed to assess the accuracy and completeness of the liability recorded in the financial statements. For any issuances that have not been subject to a recent calculation, management should assess the need for a potential liability as of fiscal year-end based on the rates of the debt and investment yield, etc.

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OXNARD HIGH SCHOOL

Associated Student Body – Revenue Potentials

Observation

Revenue potential forms are not being used to document and control fundraising activities as they occur. We noted that revenue potential forms are prepared and completed after the fundraiser has taken place which fails to document potential revenue and the difference between projected profit and actual profit. These forms supply an element of internal controls without which it is difficult to determine the success of a fundraiser and to track money as it is spent and received.

Recommendation

As the revenue potential form is a vital internal control tool, it should be used to document revenues, expenditures, potential revenue and actual revenue. This allows an analysis of the fundraiser to be conducted, indicating to the staff the success or failure of the completed fundraiser. Once the fundraiser is complete, the actual results should be summarized and compared to the expected results to determine if the fundraiser generated the profit expected. Discrepancies should be investigated and explained and a determination should be made as to whether or not it is beneficial to conduct the fundraiser in the future.

Associated Student Body – Meeting Minutes

Observation

The minutes of the student council meetings are not completed as suggested in the Fiscal Crisis and Management Assistance Team's manual titled, ASB Accounting Manual, Fraud Prevention Guide and Desk Reference. We were unable to verify the student council approval of four expenditures related to referee fees and all five fundraising activities selected for testing.

Recommendation

Student council minutes should be maintained for every student council meeting clearly documenting the approval of disbursements, fundraising activities, and any other item that requires student council approval.

Associated Student Body – Cash Disbursements

Observation

In reviewing the cash disbursement procedures at the site, we noted check requests are not performed for expenditures related to referee fees.

Recommendation

The site should review the cash disbursement procedures outlined in the Fiscal Crisis and Management Assistance Team's manual titled, ASB Accounting Manual, Fraud Prevention Guide and Desk Reference. The manual explains that three signatures, one being a student representative, are required pursuant to California Educational Code Section 48933(5)(b) on all disbursements from a student body account and that documents supporting a disbursement should be kept in organized files with the student body bookkeeper so that they can be easily reviewed should the need arise.

Associated Student Body – Student Store Procedures

Observation

The following deficiencies exist in the internal control structure of the student store operated by the student body:

- Sales analysis forms are not consistently prepared to document sales by day or week.
- An inventory record is not maintained for merchandise sold or purchased.

As a result of these deficiencies, procedures do not exist to substantiate the revenue generated. In addition, the profitability of the student store cannot be analyzed.

Recommendation

The student body should submit a sales analysis form with every deposit, maintain a perpetual inventory of goods purchased and sold, and perform a physical inventory count at least quarterly. The student store account should document transactions regarding the sales and purchases of the student store. This would allow the profitability of the student store to be analyzed during the year.

RIO MESA HIGH SCHOOL

Associated Student Body - Financial Statements

Observation

The student store monthly inventory is not recognized on the ASB's financial statements; therefore, the site does not appear to be aware of its year-end inventory balance.

Recommendation

The student store inventory should be listed as an individual asset on the ASB's financial statements; that would ensure the inventory is reconciled properly to the monthly inventory count.

2017-2018 Observations and Recommendations

DISTRICT OFFICE

Arbitrage Calculations

Observation

During testwork performed over arbitrage calculations at the District, we noted the District did not prepare calculations for bond issues within the timeframe specified by the Internal Revenue Service (IRS). The District does not maintain a fully comprehensive checklist or schedule setting forth each of its outstanding debt issues that are subject to arbitrage rebate and the relevant information such as when the last calculation was made and when the next calculation is due, etc. in order to monitor compliance with the federal requirements and to ensure that the arbitrage liability is complete and properly stated in the financial statement

Recommendation

The District should ensure that a comprehensive schedule is maintained that lists each outstanding debt issuance that is subject to arbitrage rebate, the date of issuance and maturity, the date the last arbitrage calculation was made, the resulting rebate amount, the date the payment was made, and the date the next calculation is due. This schedule should be routinely monitored on a timely basis to ensure compliance with the federal requirements. At fiscal year-end, this schedule should be reviewed to assess the accuracy and completeness of the liability recorded in the financial statements. For any issuances that have not been subject to a recent calculation, management should assess the need for a potential liability as of fiscal year-end based on the rates of the debt and investment yield, etc.

Current Status

Not implemented. See current year observations and recommendations.

ADOLFO CAMARILLO HIGH SCHOOL

Meeting Minutes

Observation

The minutes of the student council meetings are not completed as suggested in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual, Fraud Prevention Guide and Desk Reference*. The following issues were noted regarding the student council minutes:

- ASB minutes are not being signed.
- Proper documentation was not maintained for student council meetings from July to December.
- We were unable to verify the student council approval of 8 cash disbursements and 7 fundraising activities selected for testing.

Recommendation

Student council minutes should be maintained for every student council meeting clearly documenting the approval of disbursement, fundraising activities, and any other item that requires student council approval.

Current Status

Implemented.

Stale Dated Checks and Deposits

Observation

In reviewing the sites outstanding check and deposit listing for the November 2017 reconciliation, we noted that nine checks were over 6 months old making the probability of them clearing the account quite low.

Recommendation

Outstanding checks over 6 months old should be investigated and written off to the appropriate account and taken off the subsequent bank reconciliations. Although the chances are low, the check may clear on a subsequent bank statement. In this case, the amount should be charged against the appropriate account and described as "outstanding check written off-cleared".

Current Status

Implemented.

Change Fund

Observation

The site maintains a change fund of cash being held at the school to fund change drawers during events which is not maintained as an asset account on the balance sheet thereby understating the total assets. The change fund that is maintained by the school site is $2,405.

Recommendation

According to the policies and procedures outlined in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual, Fraud Prevention Guide and Desk Reference*, a change fund is normally checked out from the bookkeeper for individual fundraisers or activities and should be used solely for making change. Expenditures should not be made from this account under any circumstances. When the fundraiser is complete, the change fund should be deposited back into the bank account. If it is not deposited, it should be accounted for as an asset on the balance sheet.

Current Status

Implemented.

RANCHO CAMPANA HIGH SCHOOL

Stale Dated Checks

Observation

In reviewing the sites outstanding check and deposit listing for the November 2017 reconciliation, we noted that three checks were over 6 months old and one deposit was over 6 months old making the probability of them clearing the account quite low.

Recommendation

Outstanding checks or deposits over 6 months old should be investigated and written off to the appropriate account and taken off the subsequent bank reconciliations. Although the chances are low, the check may clear on a subsequent bank statement. In this case, the amount should be charged against the appropriate account and described as "outstanding check written off-cleared".

Current Status

Not implemented.

Change Fund

Observation

The site maintains a change fund of cash being held at the school to fund vending machines and change drawers during events was not equal to the stated amount on the balance sheet of $200. The change fund that was counted at the school site was $37.

Recommendation

According to the policies and procedures outlined in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual*, *Fraud Prevention Guide and Desk Reference*, a change fund is normally checked out from the bookkeeper for individual fundraisers or activities and should be used solely for making change. Expenditures should not be made from this account under any circumstances. When the fundraiser is complete, the change fund should be deposited back into the bank account. If it is not deposited, it should be accounted for as an asset on the balance sheet.

Current Status

Implemented.

Unauditable Records

Observation

We were unable to perform our audit due to the condition of the records at the site. The following problems were noted during a cursory review:

The information necessary to perform our audit was unavailable for the following areas.

- Student Store Inventory
- Ticket Sales

Recommendation

The District should look into the situation at the site. Procedures should be outlined and explained to the site personnel. A periodic review should be made by the District of the sites progress towards the deficiencies mentioned above.

Current Status

Implemented.

Revenue Potentials

Observation

Revenue potential forms are not being used to document and control fundraising activities as they occur. These forms supply an element of internal controls without which it is difficult to determine the success of a fundraiser and to track money as it is spent and received.

Recommendation

As the revenue potential form is a vital internal control tool, it should be used to document revenues, expenditures, potential revenue and actual revenue. This allows an analysis of the fundraiser to be conducted, indicating to the staff the success or failure of the completed fundraiser. Once the fundraiser is complete, the actual results should be summarized and compared to the expected results to determine if the fundraiser generated the profit expected. Discrepancies should be investigated and explained and a determination should be made as to whether or not it is beneficial to conduct the fundraiser in the future.

Current Status

Implemented.

Master Ticket Log

Observation

A master ticket log is not being used to account for all tickets on hand and used during the year.

A master ticket log is not being updated when tickets are returned. The auditor was unable to trace the ending ticket number from the ticket sales recap sheet to the ticket roll.

Recommendation

A master ticket log should be maintained which notes the type of ticket, color, and current beginning ticket number in the role and should be updated after every event. The tickets should be safeguarded as if they were cash because stolen tickets would equate to lost revenue for the site. When ticket rolls are issued, they should be logged out noting the beginning ticket number in the roll and to whom the roll was issued. When the ticket sales recap form is returned, the form should be reconciled to the log.

Current Status

Implemented.

Ticket Sales Recap

Observation

A ticket sales recap form is not prepared which calculates the number of tickets sold and the total revenue generated based on the selling price per ticket and submitted with the remaining ticket roll and cash collections to the bookkeeper.

Recommendation

A ticket sales recap form serves the purpose of calculating, based on the number of tickets sold out of the roll and the price per ticket, the amount of cash that should have been collected. The recap should be reconciled to the cash deposit forwarded to the bookkeeper. This procedure documents overages and shortages of cash and informs site personnel about potential problems in cash collections. The forms should be filed along with the deposit form and other pertinent documents.

Current Status

Implemented.

Adequate Safeguarding of Tickets

Observation

Ticket rolls are not secured and locked appropriately leading to inadequate safeguards over the ticket rolls.

Recommendation

The ticket rolls should remain locked and secured at all times when not in use. The tickets should be safeguarded as if they were cash as theft of tickets can result in revenue losses to the site.

Current Status

Implemented.

Inventory – Perpetual Inventory

Observation

Perpetual Inventory is not being maintained. According to the policies and procedures outlined in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual, Fraud Prevention Guide and Desk Reference*, a physical inventory should be taken quarterly under supervision of the student store advisor. The inventory listing should contain a description, unit cost, quantity, and extended value. This information is necessary in order to analyze sales activity, profits, and to determine if merchandise has been lost or stolen.

Recommendation

The student body should maintain a perpetual inventory of goods purchased and sold and should perform a physical inventory count at least quarterly. Perpetual inventory involves the continual updating of the inventory records. These updates typically include additions to and subtractions from inventory for such activities as purchased inventory and goods sold from inventory. This will allow the school site to know what they have on hand and will make it easier to compare the physical count to the amount in the software system.

Current Status

Implemented.

Deficit Club Account Balances

Observation

In reviewing the financial statements for the student body accounts we noted the following trust accounts had a negative club account balance:

- Band Class ($65.67)
- ACA Deca ($173.23)

Since the student body accounts represent individual portions of the cash and asset pool, by some accounts having negative balances, they have in actuality spent the available funds of other accounts. A key control in any internal control system is the control of individual account balances by ensuring the expenditure is allowable and the account requesting the expenditure has the funds to cover it.

Recommendation

By allowing certain clubs to spend in excess of their available reserves, the Associated Student Body is effectively using the funds of the other clubs and organizations. Request for disbursements from student groups should be reviewed for appropriateness and also to ensure that funds are available in the clubs account.

Current Status

Implemented.

RIO MESA HIGH SCHOOL

Associated Student Body – Council Minutes

Observation

The minutes of the Student Council meetings are not being completed.

Recommendation

Minutes should be taken and filed which includes details of the meeting including budgeting procedures, fundraising discussions, and approval of expenditures. In addition, any motion which is presented and voted on must include the individual's name who presented the motion, the person who seconded it, and the final vote on the motion.

Current Status

Not implemented.

Associated Student Body – Missing Approval Signatures

Observation

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

Recommendation

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

Current Status

Implemented.

Associated Student Body – Disbursements Documentation

Observation

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

Recommendation

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

Current Status

Implemented.

Associated Student Body – Prohibited Disbursement

Observation

We noted, during disbursement testing, purchases for gift cards.

Recommendation

Expenditure of ASB funds for gift cards is not usually allowable because they do not directly promote the general welfare, morale, or educational experience of the students, or are a gift of public funds. Because student body funds are to benefit students as a group and not individuals, awards and scholarships are generally discouraged.

Current Status

Implemented.

Associated Student Body – Booster Clubs

Observation

There are Booster Club activities being run through the Associated Student Body accounts which are prohibited since the organization is not made up of students as outlined in the California Educational Code. Associated Student Bodies are an integral part of the District and exist under the Federal tax identification number of the District; the booster or parents clubs do not. Per the Internal Revenue Code regulations, they are separate entities much like a business and must apply for their own non-profit status and obtain their own tax identification number. In addition, the non-profit status must be obtained before the group can accept tax deductible donations.

Recommendation

The activity of the Booster Club must not be commingled with the Associated Student Body accounts; they should open their own checking account. Donations from the Booster Club are allowed as long as no monies are ever paid from the Associated Student Body to the Booster Club. The Booster Club must apply for its own tax identification number and non-profit status as required by the Internal Revenue Code.

Current Status

Implemented.

Associated Student Body – Perpetual Inventory

Observation

The student store does update their inventory in the School Books system. The school site takes inventory twice a year and, at the end of the year, updates the final numbers.

Recommendation

Perpetual inventory involves the continual updating of the ASB inventory records. These updates typically include additions to and subtractions from inventory for such activities as purchased inventory and goods sold from inventory. This will allow the school site to know what they have on hand and will make it easier to compare the physical count to the amount that is in School Books.

Current Status

Implemented.

Associated Student Body – Deficit Account Balances

Observation

In reviewing the financial statements for the student body accounts, we noted that there were negative club account balances. Since the student body accounts represent individual portions of the cash and asset pool, by some having negative balances, they have in actuality spent the available funds of other accounts. A key control in any internal control system is the control of expenditures by ensuring the expenditure is allowable and that the account requesting the expenditure has the funds to cover it.

Recommendation

The ASB has a fiduciary responsibility to all student body organizations to act in each group's best interest. By allowing certain clubs to spend in excess of their available reserves, they are not meeting this responsibility to the other clubs and organizations. Requests for disbursements from student groups should be reviewed for appropriateness and also to ensure that funds are available in the group's account.

Current Status

Implemented.

Associated Student Body – Revenue Potentials

Observation

Revenue potential forms are not being used to document and control fundraising activities as they occur. These forms supply an element of internal controls without which it is difficult to determine the success of a fundraiser and to track money as it is spent and received.

Recommendation

As the revenue potential form is a vital internal control tool, it should be used to document revenues, expenditures, potential revenue, and actual revenue. This allows an analysis of the fundraiser to be conducted, indicating to the staff the success or failure of the completed project. The revenue potential form also indicates weak control areas in the fundraising procedures at the site, including lost or stolen merchandise, problems with collecting all moneys due, and so forth. The revenue potential form used at the site should contain four major elements. These are:

1. Potential Income - This lists the selling price of the item multiplied by the number of items purchased to compute the total income that should be deposited from this fundraiser if all the items were sold and all the money was turned in. This element should also be utilized to track the cost of the items, check numbers used to purchase the items, and the purchase dates. This purchasing information is a good reference source for future sales and also tracks to cost so that profits can be determined.
2. Receipts/Fundraiser Deposits - This records all deposits turned in which are from funds generated from the sale. The receipt number issued to the advisor, the date, and the deposit amount should be logged. This is necessary to be able to recap the deposits of the sale and to trace these deposits to the appropriate accounts at the end of the sale to ensure that all postings were correct.

3. Analysis - This section is used to compare the potential income as calculated in the Potential Income section to the actual funds raised as calculated in the Receipts/Fundraiser Deposits section. The difference between these two amounts should be documented and explained. The explanation can consist of merchandise not sold, merchandise lost or destroyed, or funds lost or stolen.
4. Recap - This section figures the net profit of the sale. Further fundraisers of this type can be planned or canceled depending on the information calculated in this section.

Current Status

Implemented.

Associated Student Body – Change Fund

Observation

The site maintains a change fund account which is not stated properly on their financial statements, understating the ASB assets.

Recommendation

The site needs to maintain the change fund account on their financial statements. Accurately showing the change fund amount shows the advisors, administrators, and students the petty cash amount readily available for the ASB. It also makes sure bookkeepers are keeping a safe count of the change fund.

Current Status

Implemented.

Associated Student Body – Cash Receipts

Observation

The cash accounting sheet is not being signed by the individual turning in the money to the ASB clerk to ensure the monies received is accurate.

Recommendation

A key control procedure to ensure that all monies collected by teachers and advisors are included in the deposit forwarded to the bookkeeper is to receipt all monies and total the receipts issued since the last deposit to ensure that the cash equals the total of the receipts and have both individuals sign as evidence of accuracy. Upon receipt of the cash, receipt carbons, and total receipts issued recap, the bookkeeper should verify the information and ensure that the sub-receipts are in chronological and numeric order. Once verified, the bookkeeper should issue a receipt back to the teacher or advisor which would equal the verified cash and receipts issued by the teacher or advisor.

Current Status

Implemented.

Associated Student Body – Cash Disbursements

Observation

We noted that vehicle travel expenditures are being reimbursed by turning in gas receipts rather than mileage reimbursement.

Recommendation

According to the ASB Manual, the student council represents the students and has primary authority over student funds, with guidance from, and adherence to, district policy. Board Policy 3350 states "mileage payments shall be based on existing Federal Internal Revenue Service allowances". The ASB should adhere to the District Policy for any mileage reimbursements to ensure the correct policies, procedures, and internal controls are being followed.

Current Status

Implemented.

OXNARD HIGH SCHOOL

Associated Student Body – Deficit Club Balances

Observation

In reviewing the financial statements for the student body accounts, we noted two accounts had negative balances of significant amounts, and multiple negative balances for less significant amounts. Since the student body accounts represent individual portions of the cash and asset pool, by some having negative balances, they have in actuality spent the available funds of other accounts. A key control in any internal control system is the control of expenditures by ensuring the expenditure is allowable and that the account requesting the expenditure has the funds to cover it.

Recommendation

The ASB has a fiduciary responsibility to all student body organizations to act in each group's best interest. By allowing certain clubs to spend in excess of their available reserves, the ASB is not meeting this responsibility to the other clubs and organizations. Requests for disbursements from student groups should be reviewed for appropriateness and also to ensure that funds are available in the group's account.

Current Status

Implemented.

Management
Oxnard Union High School District

CHANNEL ISLAND HIGH SCHOOL

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Current Status

Implemented.

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

Eide Bailly LLP

Rancho Cucamonga, California
December 10, 2019