



**Oxnard Union  
High School District**

---

ANNUAL FINANCIAL REPORT

---

**JUNE 30, 2006**

**OXNARD UNION HIGH SCHOOL DISTRICT**  
**OF VENTURA COUNTY**  
**OXNARD, CALIFORNIA**  
**JUNE 30, 2006**

---

**GOVERNING BOARD**

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Socorro Lopez Hanson	President	2010
Richard D. Jaquez	Vice President	2008
Irene Pinkard, Ed.D.	Clerk	2010
Steve W. Stocks	Member	2008
Robert Q. Valles	Member	2010

**ADMINISTRATION**

Jody Dunlap, Ed.D.	Superintendent
Randy Winton	Assistant Superintendent, Business Services
Roger Rice	Assistant Superintendent, Human Resources
Martha Mutz	Assistant Superintendent, Educational Services

# OXNARD UNION HIGH SCHOOL DISTRICT

## TABLE OF CONTENTS

JUNE 30, 2006

---

### ***FINANCIAL SECTION***

Independent Auditors' Report	2
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds - Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	17
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the District-Wide Statement of Activities	19
Fiduciary Funds - Statement of Net Assets	20
Notes to Financial Statements	21

### ***REQUIRED SUPPLEMENTARY INFORMATION***

General Fund - Budgetary Comparison Schedule	51
--	----

### ***SUPPLEMENTARY INFORMATION***

Schedule of Expenditures of Federal Awards	53
Schedule of Average Daily Attendance	55
Schedule of Instructional Time	56
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	57
Schedule of Financial Trends and Analysis	58
Note to Supplementary Information	59

### ***SUPPLEMENTARY INFORMATION - UNAUDITED***

Combining Statements - Non-Major Governmental Funds	
Combining Balance Sheet - Unaudited	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Unaudited	62
Statements of Revenues, Expenditures, and Changes in Fund Balance by Object	
Governmental Funds - Unaudited	63
Non-Major Governmental Funds - Unaudited	64
Special Reserve Capital Outlay - Sub-Fund Detail - Unaudited	65
General Fund Selected Financial Information - Unaudited	66
Note to Supplementary Information - Unaudited	67

### ***INDEPENDENT AUDITORS' REPORTS***

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	69
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	71
Report on State Compliance	73

# OXNARD UNION HIGH SCHOOL DISTRICT

## TABLE OF CONTENTS

JUNE 30, 2006

---

### ***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

Summary of Auditors' Results	76
Financial Statement Findings	77
Federal Award Findings and Questioned Costs	78
State Award Findings and Questioned Costs	79
Summary Schedule of Prior Audit Findings	80
Management Letter	81

---

---

***FINANCIAL SECTION***

---

---

*This page left blank intentionally.*



## INDEPENDENT AUDITORS' REPORT

Governing Board  
Oxnard Union High School District  
Oxnard, California

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, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2005-06*, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the District, which consists of all funds that comprise the District's legal entity. The financial statements do not include financial data for the District's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial date of the District's primary government, as discussed in Note 1. As a result, the primary government financial statements do not purport to and do not, present fairly the financial position of the reporting entity of the District, as of June 30, 2006, and the changes in its financial position, for the year ended in conformity with accounting principles generally accepted in the United States of America.

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, 2006, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2006, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information, such as management's discussion and analysis on pages 4 through 13 and budgetary comparison information on page 51, are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The unaudited supplementary information listed in the table of contents, including the Combining Statements - Non-Major Governmental Funds and the General Fund Selected Financial Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion.

*Varrine K. Trine, Day & Co., LLP*

Rancho Cucamonga, California  
October 27, 2006





**Oxnard Union  
High School District**

309 South K Street  
Oxnard, CA 93030

Ph: (805) 385-2500  
Fax: (805) 483-3069  
[www.ouhsd.k12.ca.us](http://www.ouhsd.k12.ca.us)

***Board of Trustees***

**Socorro Lopez-Hanson**  
President

**Richard Jaquez**  
Vice President

**Irene Pinkard, Ed.D.**  
Clerk

**Steve Stocks**  
Member

**Robert Q. Valles**  
Member

***Administration***

**Jody Dunlap, Ed.D.**  
Superintendent

**Martha Mutz**  
Assistant Superintendent  
Educational Services

**Roger Rice**  
Assistant Superintendent  
Human Resources

**Randy Winton**  
Assistant Superintendent  
Business Services

This section of Oxnard Union High School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2006, with comparative information from 2005 information. 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 Activities* are prepared using the current financial resources measurement focus and modified 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 6.8% from the previous fiscal year. The following table shows major revenue sources for fiscal year 2005-06 compared with fiscal year 2004-05.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

### General Fund Revenue Comparison-Amount

	2006	2005	Increase (Decrease)
Revenue Limit Sources	\$ 89,026,811	\$ 84,460,432	\$ 4,566,379
Federal Revenues	9,343,535	8,493,585	849,950
Other State Revenues	13,089,988	12,024,942	1,065,046
Other Local Revenues	9,716,901	8,473,022	1,243,879
	<u>\$121,177,235</u>	<u>\$113,451,981</u>	<u>\$ 7,725,254</u>

Total General Fund Expenditures increased by 5.86% from the previous fiscal year. The following table shows expenditures for fiscal year 2005-06 compared with fiscal year 2004-05.

### General Fund Expenditure Comparison-Unrestricted and Restricted

	2005-06		2004-05		Change	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Certificated salaries	\$ 57,378,365	47.2%	\$ 54,597,207	47.6%	\$ 2,781,158	5.09%
Classified salaries	15,837,624	13.0%	15,669,802	13.7%	167,822	1.07%
Employee benefits	31,633,512	26.0%	29,543,053	25.7%	2,090,459	7.08%
Books and supplies	5,144,256	4.2%	4,540,141	4.0%	604,115	13.31%
Services and other	11,188,090	9.2%	9,711,367	8.5%	1,476,723	15.21%
Other outgo	(673,339)	-0.6%	(218,126)	-0.2%	(455,213)	208.69%
Capital outlay	982,489	0.8%	922,730	0.8%	59,759	6.48%
	<u>\$ 121,490,997</u>	<u>100.0%</u>	<u>\$ 114,766,174</u>	<u>100.0%</u>	<u>\$ 6,724,823</u>	<u>5.86%</u>

## REPORTING THE DISTRICT AS A WHOLE

### *The Statement of Net Assets and the Statement of Activities*

The *Statement of Net Assets* 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 assets* and changes in them. Net assets are the difference between assets and liabilities, one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

---

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 Assets* 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 separate *Statement of Fiduciary Net Assets*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2006

---

### THE DISTRICT AS A WHOLE

#### Net Assets

The District's net assets were \$145,482,297 for the fiscal year ended June 30, 2006. Of this amount, \$11,982,539 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the District's governmental activities.

**Table 1**

		Governmental Activities	
		2006	2005
<b>Assets</b>			
Current and other assets		\$ 49,406,572	\$ 44,262,786
Capital assets		177,848,698	174,140,790
<b>Total Assets</b>		<u>227,255,270</u>	<u>218,403,576</u>
<b>Liabilities</b>			
Current liabilities		7,409,961	10,020,451
Long-term obligations		74,363,012	63,775,220
<b>Total Liabilities</b>		<u>81,772,973</u>	<u>73,795,671</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt		103,043,352	109,651,957
Restricted		30,456,406	23,237,879
Unrestricted		11,982,539	11,718,069
<b>Total Net Assets</b>		<u>\$145,482,297</u>	<u>\$144,607,905</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

### *Changes in Net Assets*

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 15. Table 2 takes the information from the *Statement of Activities* so you can see our total revenues for the year.

**Table 2**

	Governmental Activities	
	2006	2005
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,905,254	\$ 2,822,533
Operating grants and contributions	30,178,712	27,443,517
Capital grants and contributions	46,582	130,885
General revenues:		
State revenue limit sources	56,731,665	53,362,231
Property taxes	41,544,847	39,225,256
Other general revenues	11,854,148	10,565,366
<b>Total Revenues</b>	<u>143,261,208</u>	<u>133,549,788</u>
<b>Expenses</b>		
Instruction-related	98,802,372	93,508,796
Student support services	16,172,175	15,652,626
Administration	6,629,602	6,252,433
Maintenance and operations	15,014,883	13,152,853
Other	5,767,784	5,748,548
<b>Total Expenses</b>	<u>142,386,816</u>	<u>134,315,256</u>
<b>Change in Net Assets</b>	<u>\$ 874,392</u>	<u>\$ (765,468)</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2006

---

### *Governmental Activities*

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was \$142,386,816. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$41,544,847 because the cost was paid by those who benefited from the programs \$2,905,254 or by other governments and organizations who subsidized certain programs with grants and contributions \$30,225,294. We paid for the remaining "public benefit" portion of our governmental activities with, \$60,585,813 in State funds and with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost of each of the District's largest functions – instruction-related, student support services, administration, including information technology, maintenance and operations, and other (student cafeterias, libraries, staff development, community services, student clubs and athletics).

**Table 3**

	Total Cost of Services	
	2006	2005
Instruction-related	\$ 80,018,728	\$ 75,350,165
Student support services	5,949,596	7,085,694
Administration	4,879,687	4,565,586
Maintenance and operations	12,693,022	11,291,663
Other	5,715,235	5,625,213
<b>Totals</b>	<b>\$109,256,268</b>	<b>\$103,918,321</b>

The District projected an increase in the General Fund balance of approximately \$226,199 but achieved a \$423,939 decrease. Revenues were \$3.8 million more than final revised budgeted and expenditures were \$288,604 more than budgeted, not including the amounts that the State of California paid to the State Teachers Retirement System on behalf of the District.

### ***THE DISTRICT'S FUNDS***

As the District completed this year, our governmental funds reported a combined fund balance of \$44,997,873, which is an increase of \$7,583,780 from last year.

This increase is due to the sale of Lease Revenue Bonds for capital projects accounted for in the Special Reserve Capital Outlay Funds and increased revenues in the Capital Facilities fund.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

---

### *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 on July 11, 2005. Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. These revisions occur at the First Interim and Second Interim reporting periods. The final amendment to the budget was included with the Unaudited Actuals and was adopted on September 13, 2006. (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 51.)

### *CAPITAL ASSET AND DEBT ADMINISTRATION*

#### *Capital Assets*

At June 30, 2006, the District had \$177.8 million 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 \$3.7 million, or 2.1%, from last year.

**Table 4**

	Governmental Activities	
	2006	2005
Land	\$ 27,535,321	\$ 27,535,321
Construction in process	51,918,299	45,203,404
Buildings and improvements	96,825,743	100,015,219
Furniture and equipment	1,569,335	1,386,846
<b>Totals</b>	<b>\$177,848,698</b>	<b>\$174,140,790</b>

This years additions of \$9.9 million included local facility modernization projects at various schools, vehicles, cafeteria equipment and classroom equipment; such as computers.

Several capital projects are planned for the 2006-07 and 2007-08 years. We anticipate capital additions to be \$8.6 million for the 2006-07 and 2007-08 years. We present more detailed information about our capital assets in Note 4 to the financial statements.



# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

---

### *Long-Term obligations*

At the end of this year, the District had \$49.7 million in bonds outstanding versus \$50.9 million last year, a decrease of 2.23%. Long-term obligations consisted of:

**Table 5**

	Governmental Activities	
	2006	2005
General obligation bonds	\$ 49,740,261	\$ 50,876,783
Certificates of participation	5,115,000	5,400,000
Municipal leases	20,030,000	8,005,720
Municipal lease discount	(185,547)	-
Accumulated vacation	1,197,364	629,085
Supplemental early retirement	568,000	851,000
Capitalized lease obligations	105,632	206,330
<b>Totals</b>	<b>\$ 76,570,710</b>	<b>\$ 65,968,918</b>

The District's outstanding general obligation debt of \$49.7 million is significantly below the 2.5% of assessed value cap for voter approved debt.

Other obligations include municipal leases, compensated absences payable and postemployment benefits (not including health benefits). We present more detailed information regarding our long-term obligations in Note 8 of the financial statements.

### ***SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2005-06 ARE NOTED BELOW:***

- Maintained the three percent State recommended reserve for economic uncertainties.
- Finalized the \$50 million High Schools Modernization project.
- Added 14 relocatable classrooms at Oxnard and Pacifica High Schools.
- Completed a snack bar and restroom facility at the Oxnard High football field.
- Expand and refurbish the Channel Island HS track.
- Continued projects to improve the overall appearance and safety at our sites, including landscaping and fencing projects.



# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2006**

---

### ***FACTORS BEARING ON THE DISTRICT'S FUTURE***

Although the District is financially stable, its financial condition is highly dependent upon the economic condition of the State of California. At the time these financial statements were prepared and audited, there are several factors that could significantly affect its future financial condition:

- The rising cost of insurance continues to be a concern for the District.
- As of June 30, 2006, the District has an actuarially determined unfunded liability for retiree medical benefits in the amount of \$115 million. As of June 30, 2006, the District has set aside \$24.9 million (22% of total liability). The District continues to implement strategies to control and continue to fund this liability.
- A unification effort to unify the high schools in Camarillo with the local elementary District continues.
- The District passed a \$135 million bond in November 2004 for the construction of two high schools and continuation of modernization projects over the next 20 years. As of June 30, 2006, none of these bonds have been sold.

### **State Assumptions at Adopted Budget**

- 5.92% COLA on all programs
- No Deficit factor
- Equalization aid in the amount of \$49.90/ADA
- Summer School and hourly core program cap remains at 5%
- PERS reduction is 4.02%
- PERS restoration is 16% of PERS reduction
- Continuation of final apportionment deferment started in 2002-2003
- Lottery funds, unrestricted, at \$123 per ADA
- Lottery funds, restricted, at \$22.50 per ADA
- Base revenue limit (including equalization) at \$6,401 per ADA
- Hourly program reimbursement rate at \$3.90
- Community Day School 5<sup>th</sup>/6<sup>th</sup> Hour enhancement at \$5,247.78 per ADA
- 3% of Total General Fund required district contribution for Routine Restricted Maintenance

### **Local Assumptions**

- Zero growth in ADA. Statewide the decline is projected at .26%. (14,562.04 Projected 2006-07 District-retained P2 ADA)
- 1.81% increase for Step increases
- SUI rate decreases from .45% to .05%
- Medical Health benefit cost increased by 7.1% (October-June) from \$9,030 to \$9,573 a year for each employee (HMO PPO blended rate before employee contribution)
- Other Health and Welfare costs increased by 3.9% from \$1,504 to \$1,563
- Employee and retiree Health and Welfare contributions unchanged at \$1,800/year (PPO) and \$624/year (HMO)

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2006**

---

- Teacher Student ratio 27:1
- ASBs continue to pay for 50% of the cost of the ASB bookkeepers. Subsequent to the adoption of our budget, this was revised to reduce the ASB contribution to \$0
- Continue athletic transportation fee (estimated revenue \$150,000)
- High School grade 9 class size reduction budgeted at \$202 per eligible pupil. May revise estimates \$204. District will revise budget at a later date
- Reimbursement for mandated cost claims budgeted at only \$13.73 per ADA
- AB 825 – Categorical Flexibility included in Adopted budget
- May revise proposals for multiple new programs not included in District budget

### **Other Comments**

- State recommended reserve for economic uncertainties remains 3%
- Unobligated Reserve (in addition to 3% reserve) will be \$4,209,318
- Current Unrestricted General Fund surplus is \$8,762

### **Special Revenue Funds Assumptions**

- Adult Education receives growth and 5.92% COLA
- Adult Education base revenue limit is \$2,530.66
- Adult Education ADA is projected to be 1,564
- Adult Education cap “use it or lose it” formula in effect. Lose ½ of unused ADA from 2004-2005 and 2005-2006.
- Deferred Maintenance budgeted at ½ of 1% (from RRM funds). Expect 100% funding by State

### **Capital Facility Funds Assumptions**

- 2 new portable classrooms and restroom (Law Enforcement Academy) at OHS
- 2 new portable classrooms (Science Labs) at CIHS
- 2 new portable classrooms (Health Science Academy) at PHS
- Continue expansion of home side bleachers at Camarillo High stadium
- Renovate quads at HHS and CIHS

### ***CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant Superintendent, Business Services, at Oxnard Union High School District, 309 South K Street, Oxnard, CA, or e-mail at [rwinton@ouhsd.k12.ca.us](mailto:rwinton@ouhsd.k12.ca.us).

# OXNARD UNION HIGH SCHOOL DISTRICT

## STATEMENT OF NET ASSETS

JUNE 30, 2006

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Deposits and investments	\$ 35,533,254
Receivables	13,203,179
Prepaid expenses	9,953
Stores inventories	213,456
Deferred cost on issuance	446,730
Capital assets	
Land and construction in progress	79,453,620
Other capital assets	174,729,568
Less: Accumulated depreciation	(76,334,490)
Capital assets, net of accumulated depreciation	<u>177,848,698</u>
<b>Total Assets</b>	<u>227,255,270</u>
<b>LIABILITIES</b>	
Accounts payable	3,742,803
Interest payable	1,240,294
Deferred revenue	219,166
Current portion of long-term obligations	2,207,698
Noncurrent portion of long-term obligations	<u>74,363,012</u>
<b>Total Liabilities</b>	<u>81,772,973</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	103,043,352
Restricted for:	
Debt service	2,744,094
Capital projects	21,371,510
Educational programs	2,433,899
Other activities	3,906,903
Unrestricted	<u>11,982,539</u>
<b>Total Net Assets</b>	<u>\$ 145,482,297</u>

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

***This page left blank intentionally.***

# OXNARD UNION HIGH SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 81,731,813	\$ 202,561	\$ 13,675,122	\$ 46,582	\$ (67,807,548)
Instruction-related activities:					
Supervision of instruction	2,446,763	10,964	2,677,767	-	241,968
Instructional library, media and technology	1,941,376	3,298	667,601	-	(1,270,477)
School site administration	12,682,420	46,583	1,453,166	-	(11,182,671)
Pupil services:					
Home-to-school transportation	1,795,780	-	757,426	-	(1,038,354)
Food services	5,817,956	2,328,467	4,201,997	-	712,508
All other pupil services	8,558,439	32,685	2,902,004	-	(5,623,750)
General administration:					
Data processing	1,213,445	-	-	-	(1,213,445)
All other general administration	5,416,157	247,763	1,502,152	-	(3,666,242)
Plant services	15,014,883	32,504	2,289,357	-	(12,693,022)
Ancillary services	1,981,913	-	-	-	(1,981,913)
Community services	240,350	-	-	-	(240,350)
Interest on long-term obligations	3,289,926	-	-	-	(3,289,926)
Other (outgo)	255,595	429	52,120	-	(203,046)
<b>Total Governmental Activities</b>	<b>\$142,386,816</b>	<b>\$ 2,905,254</b>	<b>\$ 30,178,712</b>	<b>\$ 46,582</b>	<b>(109,256,268)</b>
General revenues and subventions					
Property taxes, levied for general purposes					37,121,667
Property taxes, levied for debt service					3,773,067
Taxes levied for other specific purposes					650,113
Federal and State aid not restricted to specific purposes					56,731,665
Interest and investment earnings					1,117,309
Interagency revenues					222,714
Miscellaneous					10,514,125
<b>Subtotal, General Revenues</b>					<b>110,130,660</b>
<b>Changes in Net Assets</b>					<b>874,392</b>
Net Assets - Beginning					144,607,905
Net Assets - Ending					<b>\$145,482,297</b>

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2006

	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects
<b>ASSETS</b>			
Deposits and investments	\$ 5,793,215	\$ 9,155,750	\$ 12,913,545
Receivables	11,333,414	88,554	21,863
Due from other funds	1,157,643	173,565	815,300
Prepaid expenses	9,953	-	-
Stores inventory	143,244	-	-
<b>Total Assets</b>	<b>\$ 18,437,469</b>	<b>\$ 9,417,869</b>	<b>\$ 13,750,708</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	2,201,081	228,663	610,868
Due to other funds	288,666	315,300	890,339
Deferred revenue	212,650	-	-
<b>Total Liabilities</b>	<b>2,702,397</b>	<b>543,963</b>	<b>1,501,207</b>
<b>FUND BALANCES</b>			
Reserved for:			
Other reservations	2,597,096	-	-
Unreserved:			
Designated	6,789,882	-	-
Undesignated, reported in:			
General Fund	6,348,094	-	-
Special revenue funds	-	-	-
Debt service funds	-	-	-
Capital projects funds	-	8,873,906	12,249,501
<b>Total Fund Balances</b>	<b>15,735,072</b>	<b>8,873,906</b>	<b>12,249,501</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,437,469</b>	<b>\$ 9,417,869</b>	<b>\$ 13,750,708</b>

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

---

<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 7,670,744	\$ 35,533,254
1,759,348	13,203,179
115,101	2,261,609
-	9,953
70,212	213,456
<u>\$ 9,615,405</u>	<u>\$ 51,221,451</u>

702,191	3,742,803
767,304	2,261,609
6,516	219,166
<u>1,476,011</u>	<u>6,223,578</u>

71,912	2,669,008
-	6,789,882
-	6,348,094
3,834,991	3,834,991
3,984,388	3,984,388
248,103	21,371,510
<u>8,139,394</u>	<u>44,997,873</u>
<u>\$ 9,615,405</u>	<u>\$ 51,221,451</u>

*This page left blank intentionally.*



# OXNARD UNION HIGH SCHOOL DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS JUNE 30, 2006

---

### Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

<b>Total Fund Balance - Governmental Funds</b>		\$ 44,997,873
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	\$ 254,183,188	
Accumulated depreciation is	<u>(76,334,490)</u>	177,848,698
Net Capital Assets		
Expenditures relating to issuance of debt of next fiscal year were recognized in modified accrual basis, but should not be recognized in accrual basis.		446,730
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.		(1,240,294)
Long-term liabilities at year end consist of:		
Bonds payable	49,740,261	
Certificates of participation	5,115,000	
Municipal lease	20,030,000	
Discount on municipal lease	(185,547)	
Compensated absences (vacations)	1,197,364	
Special termination benefits payable	568,000	
Capital leases	<u>105,632</u>	
Total Long-Term Liabilities		<u>(76,570,710)</u>
<b>Total Net Assets - Governmental Activities</b>		<u><u>\$ 145,482,297</u></u>

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 BALANCE FOR THE YEAR ENDED JUNE 30, 2006

	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects
<b>REVENUES</b>			
Revenue limit sources	\$ 89,026,811	\$ -	\$ -
Federal sources	9,343,535	-	-
Other State sources	13,089,988	-	-
Other local sources	9,716,901	5,973,213	146,100
<b>Total Revenues</b>	<b>121,177,235</b>	<b>5,973,213</b>	<b>146,100</b>
<b>EXPENDITURES</b>			
Current			
Instruction	76,078,901	-	-
Instruction related activities:			
Supervision of instruction	2,428,423	-	-
Instructional library, media, and technology	1,941,376	-	-
School site administration	9,673,358	-	-
Pupil services:			
Home-to-school transportation	1,610,089	-	-
Food services	2,508	-	-
All other pupil services	8,481,585	-	-
General administration:			
Data processing	1,213,445	-	-
All other general administration	4,201,944	165,929	-
Plant services	12,701,924	-	206,582
Facility acquisition and construction	613,835	2,182,344	1,436,301
Ancillary services	1,981,913	-	-
Community services	240,350	-	-
Other outgo	255,595	-	-
Debt service			
Principal	46,763	268,935	135,000
Interest and other	18,988	81,660	464,650
<b>Total Expenditures</b>	<b>121,490,997</b>	<b>2,698,868</b>	<b>2,242,533</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(313,762)</b>	<b>3,274,345</b>	<b>(2,096,433)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	690,948	173,565	819,683
Other sources	-	-	12,179,224
Transfers out	(801,125)	(1,110,745)	(4,952,807)
<b>Net Financing Sources (Uses)</b>	<b>(110,177)</b>	<b>(937,180)</b>	<b>8,046,100</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(423,939)</b>	<b>2,337,165</b>	<b>5,949,667</b>
<b>Fund Balance - Beginning</b>	<b>16,159,011</b>	<b>6,536,741</b>	<b>6,299,834</b>
<b>Fund Balance - Ending</b>	<b>\$ 15,735,072</b>	<b>\$ 8,873,906</b>	<b>\$ 12,249,501</b>

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

---

<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,674,117	\$ 92,700,928
4,368,597	13,712,132
989,903	14,079,891
6,932,043	22,768,257
<u>15,964,660</u>	<u>143,261,208</u>
2,214,705	78,293,606
91,209	2,519,632
-	1,941,376
842,665	10,516,023
-	1,610,089
5,585,556	5,588,064
227,343	8,708,928
-	1,213,445
763,005	5,130,878
2,018,367	14,926,873
5,360,267	9,592,747
-	1,981,913
-	240,350
-	255,595
1,460,000	1,910,698
2,861,137	3,426,435
<u>21,424,254</u>	<u>147,856,652</u>
<u>(5,459,594)</u>	<u>(4,595,444)</u>
5,180,493	6,864,689
-	12,179,224
(12)	(6,864,689)
<u>5,180,481</u>	<u>12,179,224</u>
(279,113)	7,583,780
8,418,507	37,414,093
<u>\$ 8,139,394</u>	<u>\$ 44,997,873</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE DISTRICT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2006

<b>Total Net Change in Fund Balances - Governmental Funds</b>		<b>\$ 7,583,780</b>
<b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>		
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 assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
This is the amount by which capital outlay exceeds depreciation in the period.		
Capital outlays	\$ 9,897,615	
Depreciation expense	<u>(6,189,707)</u>	3,707,908
In the statement of activities, certain operating expenses - compensated absences (vacations) and special termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds. However, expenditures for these items in the governmental funds are measured by the amount of financial resources used (essentially, the amounts actually paid). In previous years, the District offered early termination benefits, payable in future periods. During the current year, payments of \$283,000 were made towards the existing plan. Vacation earned was greater than the amounts used by \$568,279.		(285,279)
Proceeds received from the municipal lease is a revenue in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities.		(12,179,224)
Payment of issue costs of debt is an expenditure in the governmental funds, but it should be recorded as an asset and amortized over the life of the debt issue on the statement of net assets.		246,536
The annual amortization of the accrued debt issue costs and discounts is as follows:		
Municipal lease issue costs	(24,763)	
Municipal lease discount	<u>(9,509)</u>	(34,272)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		1,175,000
Repayment of certificates of participation principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		285,000
Repayment of capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		100,698
Repayment of municipal lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		350,000
The accretion of interest on capital appreciation bonds is not recognized in the governmental funds, but it increases long-term liabilities in the statement of net assets and increases interest expense in the statement of activities.		(38,478)
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 net result of two factors.		<u>(37,277)</u>
<b>Change in Net Assets of Governmental Activities</b>		<b><u>\$ 874,392</u></b>

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## FIDUCIARY FUNDS STATEMENT OF NET ASSETS JUNE 30, 2006

---

	<u>Agency Funds</u>
<b>ASSETS</b>	
Deposits and investments	\$ 1,128,426
Receivables	36
Stores inventory	10,579
<b>Total Assets</b>	<u><u>\$ 1,139,041</u></u>
<b>LIABILITIES</b>	
Due to student groups	<u><u>\$ 1,139,041</u></u>

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Financial Reporting Entity**

The Oxnard Union High School 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 six high schools, three alternative education sites, and an adult education program.

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

#### **Component Units**

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The basic financial statements include discretely presented component units. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize their separation from the primary government, however, current audited financial statements for the discretely presented component unit is not included in the District's financial report.

The Oxnard Union High School District, the Ventura County Schools Public Facilities Financing Corporation, and the San Gabriel Valley Schools Financing Authority (the "Corporations") have a financial and operational relationship which meets the reporting entity definition criteria of the GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the District's portion of the Corporations as component units of the District. Accordingly, the District's financial activities of the Corporations have been included as a separate fund blended component unit, in the financial statements of the District.

#### **Other Related Entities**

**Joint Powers Agencies and Public Entity Risk Pools** The District is associated with one joint powers agency and two public entity risk pools. These organizations do not meet the criteria for inclusion as component units of the District. Additional information is presented in Note 14 to the financial statements. These organizations are:

- Ventura County Fast Action School Transit Authority (VCFASTA)
- Ventura County Schools Self-Funding Authority (VCSSFA)
- Coastal Schools Employee Benefits Organization (CSEBO)

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

---

### **Discretely Presented Component Units**

The Oxnard Union High School District Health Benefits Plan (the "Plan") is a legally separate, tax-exempt component unit of the District. The Plan is to provide health and welfare benefits for retired employees of the District and their dependents on an insured or self-funded basis through a voluntary employee benefit association for the District. Although the District does not control the timing or amount of receipts and disbursements from the Plan, the majority of resources held by the Plan can only be used by, or of the benefit of, the District retirees and administrative costs. The Plan is considered a component unit of the District, and audited financial statements have not been completed as of June 30, 2006. During the year ended, June 30, 2006, the Plan Administrators reported approximately \$24.9 million in assets.

### **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 accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of California.

**Capital Projects Funds** The Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental fixed assets. The District maintains the following capital projects funds:

**Capital Facilities Fund** The Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

**Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects is used to account for funds set aside for Board designated construction projects.

### **Non-Major Governmental Funds**

**Special Revenue Funds** The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains the following special revenue funds:

**Adult Education Fund** The Adult Education Fund is used to account for resources committed to adult education programs maintained by the District.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

---

**Child Development Fund** The Child Development Fund is used to account for the financial transactions related to a Federal award for the development of child care resources.

**Cafeteria Fund** The Cafeteria Fund is used to account for the financial transactions related to the food service operations of the District.

**Deferred Maintenance Fund** The Deferred Maintenance Fund is used for the purpose of major repair or replacement of District property.

**Special Reserve Fund for Other Than Capital Outlay Projects** The Special Reserve Fund for Other Than Capital Outlay Projects is used to provide for the accumulation of General Fund monies for general operating purposes.

**Foundation Fund** The Foundation Fund is used to account for donations to the District and for related expenditures.

**Capital Projects Funds** The Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental fixed assets. The District maintains the following capital projects funds:

**Building Fund** The Building Fund exists primarily to account separately for proceeds from sale of bonds and the acquisition of major governmental capital facilities and buildings.

**County School Facilities Fund** The County School Facilities Fund is used primarily to account separately for State apportionments provided for construction and reconstruction of school facilities (Education Code Sections 17010.10-17076.10).

**Debt Service Funds** The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term obligations principal, interest, and related costs. The District maintains the following debt service funds:

**Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used to account for the accumulation of resources for, and the repayment of, district bonds, interest, and related costs.

**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 reporting focuses on net assets and changes in net assets. The fiduciary fund category is comprised of agency funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student body activities (ASB).



# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

---

### **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 assets should be reported as restricted when constraints placed on net asset use 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 assets restricted for other activities result from special revenue funds and the restrictions on their net asset use.

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

---

**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 45, 60 or 90 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.

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.

Under the modified accrual basis, 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.

**Deferred Revenue** Deferred 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 deferred revenue is removed from the combined balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as deferred revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as deferred 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. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

### **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006**

---

### **Investments**

Investments held at June 30, 2006, 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.

### **Restricted Assets**

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the general and debt service funds represent cash and cash equivalents required by grantor agencies and debt covenants name requirement source to be set aside by the District for the purpose of satisfying certain requirements of the grants and the bonded debt issuance.

### **Prepaid Expenditures**

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

### **Stores Inventories**

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in first-out basis weighted average 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. 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 assets. 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.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006**

---

### **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 assets.

### **Compensated Absences**

Accumulated unpaid vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net assets. 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.

### **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.

### **Deferred Issuance Costs, Premiums and Discounts**

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

### **Fund Balance Reserves and Designations**

The District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance, which is available for appropriation in future periods. Fund balance reserves have been established for revolving cash accounts, stores inventories, prepaid expenditures (expenses), and legally restricted grants and entitlements.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006**

---

Designations of fund balances consist of that portion of the fund balance that has been designated (set aside) by the governing board to provide for specific purposes or uses. Fund balance designations have been established for economic uncertainties and other purposes.

### **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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 assets are available. The government-wide financial statements reports \$30,456,406 of restricted net assets.

### **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.

### **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.

### **Budgetary Data**

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. 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. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

---

### 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.

### New Accounting Pronouncements

In July 2004, GASB issued GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement will require local governmental employers who provide other postemployment benefits (OPEB) as part of the total compensation offered to employees to recognize the expense and related liabilities (assets) in the government-wide financial statements of net assets and activities. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of State and local governmental employers.

Current financial reporting practices for OPEB generally are based on pay-as-you-go financing approaches. They fail to measure or recognize the cost of OPEB during the periods when employees render the services or to provide relevant information about OPEB obligations and the extent to which progress is being made in funding those obligations.

This Statement generally provides for prospective implementation - that is, that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. The District will be required to implement the provisions of this Statement for the fiscal year ended June 30, 2009. The District is in the process of determining the impact the implementation of this Statement will have on the government-wide statement of net assets and activities.

In June 2005, the GASB issued GASBS No. 47, *Accounting for Termination Benefits*. GASBS No. 47 addresses accounting for both voluntary and involuntary termination benefits. For termination benefits that affect an employer's obligations for defined benefit OPEB, the provisions of GASBS No. 47 should be applied simultaneously with the requirements of GASBS No. 45. GASBS No. 45 is effective in three phases, with implementation required for Phase 1 governments in periods beginning after December 15, 2006. For all other termination benefits, including those that affect an employer's obligations for defined benefit pension benefits, GASBS No. 47 is effective for financial statements for periods beginning after June 15, 2005. Earlier application of GASBS No. 47 is encouraged.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

---

### NOTE 2 - DEPOSITS AND INVESTMENTS

#### Summary of Deposits and Investments

Deposits and investments as of June 30, 2006, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 35,533,254
Fiduciary funds	<u>1,128,426</u>
Total Deposits and Investments	<u>\$ 36,661,680</u>

Deposits and investments as of June 30, 2006, consist of the following:

Cash on hand and in banks	\$ 1,127,050
Cash in revolving	11,700
Investments	<u>35,522,930</u>
Total Deposits and Investments	<u>\$ 36,661,680</u>

#### Policies and Practices

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

---

### General Authorizations

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

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

### Interest Rate Risk

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



# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

### 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	Fair Value	Weighted Average Maturity in Years
County Pool	\$ 29,238,541	286 days*
Mutual Funds	5,748,270	N/A
U.S. Treasury Bonds	392,446	12 years
Total	<u>\$ 35,379,257</u>	

\*Weighted average days to maturity.

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the county pool, mutual funds, and U.S. Treasury Bonds, are not required to be rated, nor have they been rated as of June 30, 2006.

### 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 agencies. 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, 2006, of the District's bank balance of \$1,472,346, \$1,138,260 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

### Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the investment in the certificates of participation and municipal lease trustee accounts of \$6,134,486 the District has a custodial credit risk exposure for the entire balance because the related securities are uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2006**

---

### NOTE 3 - RECEIVABLES

Receivables at June 30, 2006, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Federal Government					
Categorical aid	\$ 3,435,466	\$ -	\$ -	\$ 799,381	\$ 4,234,847
State Government					
Apportionment	2,910,217	-	-	571,883	3,482,100
Categorical aid	2,461,260	-	-	56,118	2,517,378
Lottery	590,392	-	-	-	590,392
Local Government					
Interest	183,872	88,530	21,863	68,419	362,684
Other Local Sources	1,752,207	24	-	263,547	2,015,778
Total	<u>\$ 11,333,414</u>	<u>\$ 88,554</u>	<u>\$ 21,863</u>	<u>\$ 1,759,348</u>	<u>\$ 13,203,179</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

### NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 27,535,321	\$ -	\$ -	\$ 27,535,321
Construction in Progress	45,203,404	9,072,092	2,357,197	51,918,299
Total Capital Assets Not Being Depreciated	72,738,725	9,072,092	2,357,197	79,453,620
Capital Assets Being Depreciated:				
Land Improvements	30,048,247	302,168	-	30,350,415
Buildings and Improvements	137,231,755	2,327,238	-	139,558,993
Furniture and Equipment	4,266,846	553,314	-	4,820,160
Total Capital Assets Being Depreciated	171,546,848	3,182,720	-	174,729,568
Total Capital Assets	244,285,573	12,254,812	2,357,197	254,183,188
Less Accumulated Depreciation:				
Land Improvements	15,115,991	1,974,157	-	17,090,148
Buildings and Improvements	52,148,792	3,844,725	-	55,993,517
Furniture and Equipment	2,880,000	370,825	-	3,250,825
Total Accumulated Depreciation	70,144,783	6,189,707	-	76,334,490
Governmental Activities Capital Assets, Net	\$ 174,140,790	\$ 6,065,105	\$ 2,357,197	\$ 177,848,698

Depreciation expense was charged to governmental functions as follows:

<b>Governmental Activities</b>	
Instruction	\$ 3,466,237
School site administration	2,166,397
Home-to-school transportation	185,691
Food services	247,588
Plant services	123,794
Total Depreciation Expenses All Activities	<u>\$ 6,189,707</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

### NOTE 5 - INTERFUND TRANSACTIONS

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

Interfund receivable and payable balances consist of amounts owed between funds at June 30, 2006. Interfund receivable and payable balances at June 30, 2006, between major and non-major governmental funds are as follows:

Due To	Due From				Total
	General Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ 390,339	\$ 767,304	\$ 1,157,643
Capital Facilities Fund	173,565	-	-	-	173,565
Special Reserve for Capital Outlay Projects	-	315,300	500,000	-	815,300
Non-Major Governmental Funds	115,101	-	-	-	115,101
Total	<u>\$ 288,666</u>	<u>\$ 315,300</u>	<u>\$ 890,339</u>	<u>\$ 767,304</u>	<u>\$ 2,261,609</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

### Operating Transfers

Interfund transfers for the year ended June 30, 2006, consisted of the following:

Transfer To	Transfer From				Total
	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	
General Fund	\$ -	\$ 328,141	\$ 362,807	\$ -	\$ 690,948
Capital Facilities Fund	173,565	-	-	-	173,565
Special Reserve Fund for Capital Outlay Projects	-	319,683	500,000	-	819,683
Non-Major Governmental Funds	627,560	462,921	4,090,000	12	5,180,493
Total	<u>\$ 801,125</u>	<u>\$ 1,110,745</u>	<u>\$ 4,952,807</u>	<u>\$ 12</u>	<u>\$ 6,864,689</u>

The General Fund transferred to the Capital Facilities Fund for debt service payments.	\$ 158,500
The General Fund transferred to the Capital Facilities Fund for portable classroom rentals.	15,065
The General Fund transferred to the Adult Education Fund for related expenditures.	4,840
The General Fund transferred to the Deferred Maintenance Fund for the District match.	622,720
The Capital Facilities Fund transferred to the General Fund for RDA expenditures.	328,141
The Capital Facilities Fund transferred to the Special Reserve Fund for Capital Outlay Projects for municipal lease debt service.	319,683
The Capital Facilities Fund transferred to the COP Debt Service Fund for certificates of participation debt service.	462,921
The Special Reserve Fund for Capital Outlay Projects transferred to the General Fund for construction expenditures.	362,807
The Special Reserve Fund for Capital Outlay Projects transferred between subfunds for construction expenditures.	500,000
The Special Reserve Fund for Capital Outlay Projects transferred to the County School Facilities Fund for construction expenditures.	4,090,000
The Building Fund transferred to the County School Facilities Fund to close the Fund.	12
Total	<u>\$ 6,864,689</u>

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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

---

### NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2006, consisted of the following:

	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Vendor payables	\$ 790,341	\$ -	\$ -	\$ 652,763	\$ 1,443,104
State apportionment	1,019,029	-	-	-	1,019,029
Salaries and benefits	391,711	-	-	49,428	441,139
Construction	-	228,663	610,868	-	839,531
Total	<u>\$ 2,201,081</u>	<u>\$ 228,663</u>	<u>\$ 610,868</u>	<u>\$ 702,191</u>	<u>\$ 3,742,803</u>

### NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2006, consists of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 141,840	\$ 6,516	\$ 148,356
State categorical aid	8,124	-	8,124
Other local	62,686	-	62,686
Total	<u>\$ 212,650</u>	<u>\$ 6,516</u>	<u>\$ 219,166</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

### NOTE 8 - LONG-TERM OBLIGATIONS

#### Summary

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

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006	Due in One Year
General obligation bonds	\$50,876,783	\$ 38,478	\$ 1,175,000	\$49,740,261	\$ 1,230,000
Certificates of participation	5,400,000	-	285,000	5,115,000	290,000
Municipal leases	8,035,000	12,345,000	350,000	20,030,000	365,000
Municipal lease discount	(29,280)	(165,776)	(9,509)	(185,547)	-
Accumulated vacation - net	629,085	568,279		1,197,364	-
Supplemental early retirement	851,000	-	283,000	568,000	222,000
Capital leases	206,330	-	100,698	105,632	100,698
	<u>\$65,968,918</u>	<u>\$12,785,981</u>	<u>\$ 2,184,189</u>	<u>\$76,570,710</u>	<u>\$ 2,207,698</u>

#### General Obligations Refunding Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2005	Principal Accretion	Redeemed	Bonds Outstanding June 30, 2006
April 1999	8/1/2027	4.6-5.8	\$ 10,199,913	\$ 8,781,783	\$ 38,478	\$ 240,000	\$ 8,580,261
May 2001	8/1/2030	4.0-6.2	31,705,000	28,600,000	-	580,000	28,020,000
May 2003	8/1/2027	2.0-4.5	14,180,000	13,495,000	-	355,000	13,140,000
			<u>\$ 56,084,913</u>	<u>\$ 50,876,783</u>	<u>\$ 38,478</u>	<u>\$ 1,175,000</u>	<u>\$49,740,261</u>

The General Obligation Bonds will be paid by the Bond Interest and Redemption Fund.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

---

### 1999 Series A

Series A of the 1999 Taxable General Obligations Refunding Bonds were issued in April 1999. These bonds were issued to defease the 1997 General Obligation Bonds, Series B. The Taxable General Obligation Refunding Bonds, 1999 Series A were issued for \$10,199,913, with interest rates ranging from 4.6 percent to 5.8 percent. The refunding bonds mature at various dates with the final maturity of August 1, 2027. The future debt service requirements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Principal Accretion</u>	<u>Total</u>
2007	\$ 250,000	\$ 460,165	\$ 40,851	\$ 751,016
2008	265,000	446,560	43,269	754,829
2009	290,000	431,861	45,830	767,691
2010	305,000	415,930	48,543	769,473
2011	320,000	398,882	51,416	770,298
2012-2016	1,915,000	1,697,600	306,491	3,919,091
2017-2021	2,580,000	1,069,662	408,586	4,058,248
2022-2026	2,385,306	250,415	499,370	3,135,091
2027-2028	269,955	-	45,383	315,338
Total	<u>\$ 8,580,261</u>	<u>\$ 5,171,075</u>	<u>\$ 1,489,739</u>	<u>\$ 15,241,075</u>



# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2006**

---

### 2001 Series A

Series A of the 2001 Taxable General Obligations Refunding Bonds were issued May 17, 2001. These bonds were issued to defease the 1997 General Obligation Bonds Series C, D, and E. The Taxable General Obligation Refunding Bonds, 2001 Series A were issued for \$31,705,000, with interest rates ranging from 4.0 percent to 6.2 percent. The refunding bonds mature at various dates with the final maturity of August 1, 2030. The future debt service requirements are as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2007	\$ 605,000	\$ 1,639,883	\$ 2,244,883
2008	630,000	1,611,647	2,241,647
2009	665,000	1,582,052	2,247,052
2010	705,000	1,550,026	2,255,026
2011	735,000	1,514,825	2,249,825
2012-2016	4,395,000	6,942,636	11,337,636
2017-2021	5,875,000	5,553,648	11,428,648
2022-2026	8,020,000	3,520,050	11,540,050
2027-2031	6,390,000	864,280	7,254,280
Total	<u>\$ 28,020,000</u>	<u>\$ 24,779,047</u>	<u>\$ 52,799,047</u>

### 2003 Series A

Series A of the 2003 Taxable General Obligations Refunding Bonds were issued in May 2003. These bonds were issued to defease the 1997 General Obligation Bonds, Series A. The Taxable General Obligation Refunding Bonds, 2003 Series A were issued for \$14,180,000, with interest rates ranging from 2.0 percent to 4.5 percent. The refunding bonds mature at various dates with the final maturity of August 1, 2027. The future debt service requirements are as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2007	\$ 375,000	\$ 501,504	\$ 876,504
2008	390,000	493,854	883,854
2009	405,000	485,296	890,296
2010	420,000	475,126	895,126
2011	440,000	463,014	903,014
2012-2016	2,500,000	2,076,425	4,576,425
2017-2021	3,075,000	1,545,531	4,620,531
2022-2026	3,780,000	825,353	4,605,353
2027-2028	1,755,000	79,988	1,834,988
Total	<u>\$ 13,140,000</u>	<u>\$ 6,946,091</u>	<u>\$ 20,086,091</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

---

### Certificates of Participation

The Certificates of Participation will be paid by the Certificates of Participation Debt Service Fund.

During the 2000-01 fiscal year, the District issued Certificates of Participation in the amount of \$1,860,000, to refund the outstanding balance of the 1993-94 Certificates of Participation. The 2000 certificates mature during the 2019-2020 fiscal year with interest rates ranging from 6.40 percent to 7.50 percent. The balance of the 1993-1994 certificates outstanding at June 30, 2006 was \$1,510,000.

In April 2003, the District issued the 2003 Refunding Certificates of Participation in the amount of \$3,970,000. The 2003 certificates mature in the 2019-2020 fiscal year with interest rates ranging from 2.0 percent to 4.3 percent. The balance of the 2003 Refunding Certificates of Participation outstanding at June 30, 2006 was \$3,605,000.

Year Ending June 30,	Principal	Interest	Total
2007	\$ 290,000	\$ 201,378	\$ 491,378
2008	295,000	193,199	488,199
2009	305,000	184,339	489,339
2010	310,000	174,468	484,468
2011	330,000	163,184	493,184
2012-2016	1,825,000	601,889	2,426,889
2017-2020	1,760,000	164,474	1,924,474
Total	<u>\$ 5,115,000</u>	<u>\$ 1,682,931</u>	<u>\$ 6,797,931</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

---

### Municipal Leases

During the 2003-2004 fiscal year, the District entered into a lease agreement to finance the construction of the swimming pool at Rio Mesa High School. The lease carries an interest rate of four percent. The lease will be fully paid in September 2013. The lease will be paid by the Special Reserve Capital Outlay Fund.

During the 2004-05 fiscal year, the District entered into a lease agreement to finance the purchase of a parcel of land for the future construction of a high school in the Camarillo area. The lease carries an interest rate of 4.5 percent. The lease will be fully paid in 2028. The lease will be paid by the Special Reserve Capital Outlay Fund.

The 2005 municipal lease was issued at a discount of \$30,500. The discount will be amortized over the term of the lease in the government-wide statements.

During the 2005-2006 fiscal year, the District issued lease revenue bonds to finance various capital improvement projects. The bonds were issued in two series. The 2006 Lease Revenue Bonds, Series A were issued in the amount of \$9,795,000, with interest rates ranging from 4.50 percent. The 2006 Lease Revenue Bonds, Series A, balance outstanding at June 30, 2006, was \$9,795,000. The 2006 Lease Revenue Bonds, Series B, were issued in the amount of 2,550,000, with interest rates ranging from 3.75 percent to 4.60 percent. The 2006 Lease Revenue Bonds, Series B, balance outstanding at June 30, 2006, was \$2,550,000. The Lease Revenue bond debt service will be paid by the Special Reserve Fund for Capital Outlay Projects. The debt service requirements for the leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2007	\$ 365,000	\$ 848,239	\$ 1,213,239
2008	380,000	824,218	1,204,218
2009	910,000	810,268	1,720,268
2010	935,000	774,592	1,709,592
2011	975,000	737,730	1,712,730
2012-2016	4,940,000	3,092,999	8,032,999
2017-2021	5,110,000	2,114,560	7,224,560
2022-2026	5,320,000	893,152	6,213,152
2027-2031	1,095,000	99,900	1,194,900
Total	<u>\$ 20,030,000</u>	<u>\$ 10,195,658</u>	<u>\$ 30,225,658</u>

### Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2006, amounted to \$1,197,364. Accumulated vacation will be paid by the fund for which the employee worked.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2006**

---

### Early Retirement Program

During the 2002-2003 and 2003-2004 fiscal years, the District offered an early retirement incentive to certificated employees. Depending on the retiree's age and years of service to the District, the retiree will receive a predetermined amount annually for up to six years. Twenty-four employees opted to participate. The Plan is funded by the General Fund on a pay-as-you-go basis.

The District's early retirement program payments are summarized below:

Year Ending June 30,	Retirement Payment
2007	\$ 222,000
2008	222,000
2009	92,000
2010	32,000
Total	<u>\$ 568,000</u>

### Capital Leases

The capital leases are paid by the Adult Education Fund and the Capital Facilities Fund. The District's liability on lease agreements with options to purchase are summarized below:

	Relocatable Buildings
Balance, Beginning of Year	\$ 221,616
Payments	(110,808)
Balance, End of Year	<u>\$ 110,808</u>

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2007	\$ 110,808
Less: Amount Representing Interest	(5,176)
Present Value of Minimum Lease Payments	<u>\$ 105,632</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

### NOTE 9 - FUND BALANCES

Fund balances with reservations and designations are composed of the following elements:

	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Reserved					
Revolving cash	\$ 10,000	\$ -	\$ -	\$ 1,700	\$ 11,700
Stores inventory	143,244	-	-	70,212	213,456
Prepaid expenditures	9,953	-	-	-	9,953
Restricted programs	2,433,899	-	-	-	2,433,899
Total Reserved	2,597,096	-	-	71,912	2,669,008
Unreserved					
Designated					
Economic uncertainties	3,590,498	-	-	-	3,590,498
Other designation	3,199,384	-	-	-	3,199,384
Total Designated	6,789,882	-	-	-	6,789,882
Undesignated	6,348,094	8,873,906	12,249,501	8,067,482	35,538,983
Total Unreserved	13,137,976	8,873,906	12,249,501	8,067,482	42,328,865
Total	\$ 15,735,072	\$ 8,873,906	\$ 12,249,501	\$ 8,139,394	\$ 44,997,873

### NOTE 10 - POSTEMPLOYMENT BENEFITS

The District provides postemployment health care benefits, in accordance with District employment contracts, to all employees who retire from the District on or after attaining age 55 with at least 15 years of service. Currently, 476 retirees meet those eligibility requirements in the program. The District contributes 100 percent of the amount of premiums incurred by retirees and their dependents for those who retired during or prior to 1991. Those who retired after 1991 contribute \$150 per month toward the cost of the preferred provider plan or \$52 per month for the health maintenance organization. Expenditures for postemployment benefits are recognized on a pay-as-you-go basis, as premiums are paid. During the year, expenditures of \$4,929,966 were recognized for retirees' health care benefits.

The District had an actuarial study completed. The accumulated future liability as of June 30, 2006, amounts to \$115,479,463 for all current and future retirees as determined by the actuarial study. The accrued liability for retirees age 65 and over amounts to \$93,770,468.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

---

### 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.

The following is a summary of the insurance policies carried by the Oxnard Union High School District.

Insurance Program / Company Name	Type of Coverage	Limits
Ventura County Schools Self-Funding Authority	Workers' Compensation	Statutory
	Property	\$27 Million
	Excess Liability	\$15 Million
	Boiler and Machinery	\$50 Million
	Professional Liability	\$4 Million
	Earthquake and Flood	\$2 Million
	Public Employee Dishonesty	\$0.5 Million

#### Employee Medical Benefits

The District has contracted with the Coastal Schools Employee Benefits Organization (CSEBO) to provide employee medical and surgical 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.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006**

---

### **NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS) and classified employees are members of the Public Employees' Retirement System (PERS).

#### **STRS**

##### **Plan Description**

The District contributes to the California State Teachers' Retirement System (STRS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Blvd., Sacramento, CA 95826.

##### **Funding Policy**

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2005-2006 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to STRS for the fiscal years ending June 30, 2006, 2005, and 2004, were \$4,764,885, \$4,542,277, and \$4,386,006, respectively, and equal 100 percent of the required contributions for each year.

#### **PERS**

##### **Plan Description**

The District contributes to the School Employer 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. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006**

---

### **Funding Policy**

Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2005-2006 was 9.116 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2006, 2005, and 2004, were \$1,540,981, \$1,626,258, and \$1,631,998, respectively, and equal 100 percent of the required contributions for each year.

### **Social Security**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its alternative plan. The District's and employee's contributions are in accordance with Federal laws.

### **On Behalf Payments**

The State of California makes contributions to STRS and PERS on behalf of the District. These payments consist of State General Fund contributions to STRS in the amount of \$2,608,846 (4.517 percent of salaries subject to STRS). No contributions were made to PERS for the year ended June 30, 2006. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures, however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the Annual Financial and Budget Report. These amounts have not been included in the budget amounts reported in the General Fund Budgetary Schedule. These amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves.

## **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, 2006.



# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2006**

---

### 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, 2006. However, the District has been notified by the Internal Revenue Service that the tax-exempt status of a general obligations bond refunding is in question. The possibility of an outcome adverse to the District has not been determined nor has any financial penalty.

### Construction Commitments

As of June 30, 2006, the District had the following commitments with respect to the unfinished capital projects:

	Remaining Construction Commitment	Expected Date of Completion
CAPITAL PROJECTS		
Renovate the quad at Channel Islands High School	\$ 377,027	10/23/2006
Renovate the quad at Hueneme High School	601,258	10/23/2006
Visitor's Football Bleachers at Hueneme High School	226,500	Unknown
Renovation of Football Fields for various sites	154,450	10/17/2006
Resurface Parking Lots at Adolfo Camarillo High School	311,210	10/17/2006
Install Tremco Roofing at Adolfo Camarillo High School	430,486	10/18/2006
Portables for various sites	1,725,221	10/31/2006
Renovate Bleachers at Adolfo Camarillo High School	470,070	10/24/2006
Revisions to District Transportation Office	33,300	9/28/2006
Modernization at various sites		
Adolfo Camarillo High School	102,184	12/31/06
Channel Islands High School	5,025	12/31/06
Hueneme High School	19,947	12/31/06
Rio Mesa High School	160,141	12/31/06
	<u>\$ 4,616,819</u>	

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

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 (VCFASTA) joint powers authority (JPA). Payments for courier services are paid to the VCFASTA. 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.

## **OXNARD UNION HIGH SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006**

---

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, 2006, the District made payments of \$4,929,205, \$15,370,017, and \$3,169 to VCSSFA, CSEBO, and VCFASTA, respectively.

---

---

***REQUIRED SUPPLEMENTARY INFORMATION***

---

---

*This page left blank intentionally.*

# OXNARD UNION HIGH SCHOOL DISTRICT

## GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts (GAAP Basis)		Actual (GAAP Basis)	Variances - Positive (Negative) Final to Actual
	Original	Final		
<b>REVENUES</b>				
Revenue limit sources	\$ 89,918,059	\$ 88,560,724	\$ 89,026,811	\$ 466,087
Federal sources	7,515,015	8,646,361	9,343,535	697,174
Other State sources	8,531,935	9,674,374	13,089,988	3,415,614
Other local sources	7,527,112	7,896,505	9,716,901	1,820,396
<b>Total Revenues <sup>1</sup></b>	<b>113,492,121</b>	<b>114,777,964</b>	<b>121,177,235</b>	<b>6,399,271</b>
<b>EXPENDITURES</b>				
Current				
Instruction	71,109,627	74,423,290	76,078,901	(1,655,611)
Instruction-related activities:				
Supervision of instruction	2,082,740	2,726,023	2,428,423	297,600
Instructional library, media, and technology	1,632,177	1,905,907	1,941,376	(35,469)
School site administration	8,638,930	9,355,533	9,673,358	(317,825)
Pupil services:				
Home-to-school transportation	1,370,679	1,413,128	1,610,089	(196,961)
Food services	-	-	2,508	(2,508)
All other pupil services	8,143,448	8,626,760	8,481,585	145,175
General administration:				
Data processing	1,191,642	1,243,194	1,213,445	29,749
All other general administration	4,273,547	4,410,305	4,201,944	208,361
Plant services	11,563,595	11,661,771	12,701,924	(1,040,153)
Facility acquisition and construction	468,150	493,150	613,835	(120,685)
Ancillary services	1,611,444	1,760,527	1,981,913	(221,386)
Community services	153,959	153,959	240,350	(86,391)
Other outgo	420,000	420,000	255,595	164,405
Debt service				
Principal	-	-	46,763	(46,763)
Interest	-	-	18,988	(18,988)
<b>Total Expenditures <sup>1</sup></b>	<b>112,659,938</b>	<b>118,593,547</b>	<b>121,490,997</b>	<b>(2,897,450)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>832,183</b>	<b>(3,815,583)</b>	<b>(313,762)</b>	<b>3,501,821</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	690,948	690,948
Transfers out	(605,984)	(801,125)	(801,125)	-
<b>Net Financing Sources (Uses)</b>	<b>(605,984)</b>	<b>(801,125)</b>	<b>(110,177)</b>	<b>690,948</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>226,199</b>	<b>(4,616,708)</b>	<b>(423,939)</b>	<b>4,192,769</b>
<b>Fund Balance - Beginning</b>	<b>16,159,011</b>	<b>16,159,011</b>	<b>16,159,011</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 16,385,210</b>	<b>\$ 11,542,303</b>	<b>\$ 15,735,072</b>	<b>\$ 4,192,769</b>

<sup>1</sup> On behalf payments of \$2,608,846 are included in the actual revenues and expenditures, but have not been included in the budgeted amounts.

***This page left blank intentionally.***

---

---

***SUPPLEMENTARY INFORMATION***

---

---

*This page left blank intentionally.*



# OXNARD UNION HIGH SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through California Department of Education (CDE):			
No Child Left Behind Act (2001)			
Title I, Part A - Basic Grants Low Income and Neglected [1]	84.010	04329	\$ 1,959,627
Title I - Program Improvement	84.010A	14581	130,000
Title II, Part A - Teacher Quality [1]	84.367	04341	524,074
Mathematics Professional Development	84.276	03894	24
Title II, Part D - Enhancing Technology	84.318	04334	55,607
Title III - Immigrant Education	84.365	04346	18,736
Title III - Limited English Proficiency	84.365	00084	301,029
Title IV, Part A - Safe and Drug-Free Schools	84.186	04347	51,920
Title V, Part A - Innovative Education Strategies	84.298A	04354	28,182
Advanced Placement Testing Fees	84.330	13917	70,048
Workability II, Transition Partnership	84.158	00006	142,229
School Emergency Response to Violence	84.184s	[2]	50,000
PL 101-476, Individuals with Disabilities Education Act [1]			
Local Assistance	84.027	13379	2,267,627
Low Incidence	84.027	13459	2,090
Carl Perkins Vocational and Applied Technology Educational Act of 1998			
Title IIC - Adult Education	84.048	03924	
Title IIC - Secondary Education	84.048	03578	361,198
Passed through Ventura County Department of Education			
School to Career	84.278	00009	4,163
ESEA, Title I, Part C - Migrant Education	84.011	03174	960,952
ESEA, Title I, Part C - Migrant Education, Summer School	84.011	00005	95,469
Subtotal			<u>7,022,975</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through CDE:			
National School Lunch Program	10.555	03396	2,837,349
Especially Needy Breakfast	10.553	03390	1,334,387
Meal Supplements	10.559	03158	360
Food Distribution	10.550	03534	190,985
Subtotal			<u>4,363,081</u>

[1] Major Program.

[2] Pass-Through Entity Identifying Number not applicable.

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through CDE:			
LEA Medi-Cal Billing Option [1]	93.778	00013	\$ 158,867
Medical Administrative Activities Program	93.778	00013	518,770
Child Development: Quality Improvement Activities	93.575	[2]	5,226
Child Development: Infant/Toddler Child Care			
Resource Contracts	93.575	[2]	5,516
Subtotal			<u>688,379</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Junior Reserve Officer Training Corps - Air Force	12.000	[2]	94,570
Junior Reserve Officer Training Corps - Navy	12.000	[2]	103,057
Subtotal			<u>197,627</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed through the City of Oxnard			
Public Safety Partnership and Community Policing Grant	16.710	[2]	<u>100,000</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
Passed through CDE:			
Workforce Investment Act	17.260	02854	<u>10,404</u>
Total Federal Programs			<u>\$ 12,382,466</u>

[1] Major Program.

[2] Pass-Through Entity Identifying Number not applicable.

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2006

	Revised Second Period Report	Revised Annual Report
HIGH SCHOOL		
Regular classes	13,429	13,246
Continuation education	237	235
Opportunity schools	94	94
Home and hospital	17	24
Community day school	60	68
Special education	725	707
Total Secondary	14,562	14,374
CLASSES FOR ADULTS		
Concurrently enrolled	42	54
Not concurrently enrolled	1,256	1,484
Total Class for Adults	1,298	1,538
Grand Total	15,860	15,912
		Hours of Attendance
SUMMER SCHOOL		
High school		460,483

See accompanying note to supplementary information.

## OXNARD UNION HIGH SCHOOL DISTRICT

### SCHEDULE OF INSTRUCTIONAL TIME FOR THE YEAR ENDED JUNE 30, 2006

---

Grade Level	1982-83	1986-87	2005-06	Number of Days		Status
	Actual Minutes	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grades 9 - 12	59,712	64,800	65,300	180	N/A	Complied

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

---

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	Special Reserve Fund for Capital Outlay Projects
FUND BALANCE	
Balance, June 30, 2006, Unaudited Actuals	\$ 7,307,382
Increase in:	
Investments	4,942,119
Balance, June 30, 2006, Audited Financial Statement	<u>\$ 12,249,501</u>

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2006

	(Budget) 2007 <sup>1</sup>	2006	2005	2004
GENERAL FUND				
Revenues	\$ 120,230,092	\$ 121,177,235	\$ 113,451,981	\$ 102,703,305
Other sources and transfers in	-	690,948	5,310,099	264,770
Total Revenues and Other Sources	120,230,092	121,868,183	118,762,080	102,968,075
Expenditures	119,578,191	121,490,997	114,766,174	102,871,247
Other uses and transfers out	643,139	801,125	5,769,934	64,315
Total Expenditures and Other Uses	120,221,330	122,292,122	120,536,108	102,935,562
INCREASE (DECREASE) IN FUND BALANCE	\$ 8,762	\$ (423,939)	\$ (1,774,028)	\$ 32,513
ENDING FUND BALANCE	\$ 15,743,834	\$ 15,735,072	\$ 16,159,011	\$ 17,933,039
AVAILABLE RESERVES <sup>2</sup>	\$ 7,750,620	\$ 10,514,102	\$ 9,320,988	\$ 9,338,865
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO <sup>3</sup>	6.4%	8.8%	7.9%	9.1%
LONG-TERM OBLIGATIONS	N/A	\$ 76,570,710	\$ 65,968,918	\$ 61,912,898
AVERAGE DAILY ATTENDANCE AT P-2 <sup>4</sup>	14,562	14,562	14,515	14,180

The General Fund balance has decreased by \$2,197,967 over the past two years. The fiscal year 2006-2007 budget projects an increase of \$8,762 (less than one 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 deficits in two of the past three years and anticipates incurring an operating surplus during the 2006-2007 fiscal year. Total long-term obligations have increased by \$14,657,812 over the past two years.

Average daily attendance has increased by 382 over the past two years. No change in ADA is anticipated during fiscal year 2006-2007.

<sup>1</sup> Budget 2007 is included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund and the Special Reserve Fund for other Than Capital Outlay Projects

<sup>3</sup> On behalf payments of \$2,608,846 and \$2,489,332 have been excluded from the calculation of available reserves for the fiscal years ending June 30, 2006 and 2005, respectively.

<sup>4</sup> Excludes Adult Education ADA.

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2006

---

### 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 the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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

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

#### **Schedule of Instructional Time**

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

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirement, whichever is greater, 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.

*This page left blank intentionally.*



---

---

***SUPPLEMENTARY INFORMATION - UNAUDITED***

---

---

# OXNARD UNION HIGH SCHOOL DISTRICT

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET - UNAUDITED JUNE 30, 2006

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
<b>ASSETS</b>				
Deposits and investments	\$ 189,330	\$ 30	\$ 1,394,153	\$ 1,192,273
Receivables	581,303	5,558	1,121,857	13,550
Due from other funds	46,537	-	53,501	15,063
Stores inventory	-	-	70,212	-
<b>Total Assets</b>	<u>\$ 817,170</u>	<u>\$ 5,588</u>	<u>\$ 2,639,723</u>	<u>\$ 1,220,886</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	321,778	-	162,830	154,487
Due to other funds	216,201	-	551,103	-
Deferred revenue	928	5,588	-	-
<b>Total Liabilities</b>	<u>538,907</u>	<u>5,588</u>	<u>713,933</u>	<u>154,487</u>
<b>FUND BALANCES</b>				
Reserved for:				
Other reservations	-	-	71,912	-
Unreserved:				
Undesignated, reported in:				
Special revenue funds	278,263	-	1,853,878	1,066,399
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total Fund Balances</b>	<u>278,263</u>	<u>-</u>	<u>1,925,790</u>	<u>1,066,399</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 817,170</u>	<u>\$ 5,588</u>	<u>\$ 2,639,723</u>	<u>\$ 1,220,886</u>

See accompanying note to supplementary information - unaudited.

<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>	<b>Foundation Fund</b>	<b>Building Fund</b>	<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>COP Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 569,793	\$ 60,327	\$ -	\$ 309,419	\$ 3,386,264	\$ 569,155	\$ 7,670,744
5,717	614	-	1,630	29,119	-	1,759,348
-	-	-	-	-	-	115,101
-	-	-	-	-	-	70,212
<u>\$ 575,510</u>	<u>\$ 60,941</u>	<u>\$ -</u>	<u>\$ 311,049</u>	<u>\$ 3,415,383</u>	<u>\$ 569,155</u>	<u>\$ 9,615,405</u>
-	-	-	62,946	150	-	702,191
-	-	-	-	-	-	767,304
-	-	-	-	-	-	6,516
-	-	-	62,946	150	-	1,476,011
-	-	-	-	-	-	71,912
575,510	60,941	-	-	-	-	3,834,991
-	-	-	-	3,415,233	569,155	3,984,388
-	-	-	248,103	-	-	248,103
<u>575,510</u>	<u>60,941</u>	<u>-</u>	<u>248,103</u>	<u>3,415,233</u>	<u>569,155</u>	<u>8,139,394</u>
<u>\$ 575,510</u>	<u>\$ 60,941</u>	<u>\$ -</u>	<u>\$ 311,049</u>	<u>\$ 3,415,383</u>	<u>\$ 569,155</u>	<u>\$ 9,615,405</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2006

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
<b>REVENUES</b>				
Revenue limit sources	\$ 3,674,117	\$ -	\$ -	\$ -
Federal sources	-	5,516	4,363,081	-
Other State sources	-	-	330,349	622,721
Other local sources	294,932	49	2,670,983	33,981
<b>Total Revenues</b>	<b>3,969,049</b>	<b>5,565</b>	<b>7,364,413</b>	<b>656,702</b>
<b>EXPENDITURES</b>				
Current				
Instruction	2,214,705	-	-	-
Instruction-related activities:				
Supervision of instruction	91,209	-	-	-
School site administration	838,811	-	-	-
Pupil services:				
Food services	-	-	5,585,556	-
All other pupil services	223,891	3,452	-	-
General administration:				
All other general administration	211,902	-	551,103	-
Plant services	579,391	2,113	-	1,436,863
Facility acquisition and construction	66,916	-	202,393	130,081
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
<b>Total Expenditures</b>	<b>4,226,825</b>	<b>5,565</b>	<b>6,339,052</b>	<b>1,566,944</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(257,776)</b>	<b>-</b>	<b>1,025,361</b>	<b>(910,242)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,840	-	-	622,721
Transfers out	-	-	-	-
<b>Net Financing Sources (Uses)</b>	<b>4,840</b>	<b>-</b>	<b>-</b>	<b>622,721</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(252,936)</b>	<b>-</b>	<b>1,025,361</b>	<b>(287,521)</b>
<b>Fund Balance - Beginning</b>	<b>531,199</b>	<b>-</b>	<b>900,429</b>	<b>1,353,920</b>
<b>Fund Balance - Ending</b>	<b>\$ 278,263</b>	<b>\$ -</b>	<b>\$ 1,925,790</b>	<b>\$ 1,066,399</b>

See accompanying note to supplementary information - unaudited.

Special Reserve							
Fund for							
Other Than							
Capital Outlay	Foundation	Building	County School	Bond	COP	Total	
Projects	Fund	Fund	Facilities	Interest and	Debt Service	Non-Major	
			Fund	Redemption	Fund	Governmental	Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	3,674,117
-	-	-	-	-	-	-	4,368,597
-	-	-	-	36,833	-	-	989,903
19,524	4,086	-	47,706	3,828,178	32,604	-	6,932,043
19,524	4,086	-	47,706	3,865,011	32,604	-	15,964,660
-	-	-	-	-	-	-	2,214,705
-	-	-	-	-	-	-	91,209
-	3,854	-	-	-	-	-	842,665
-	-	-	-	-	-	-	5,585,556
-	-	-	-	-	-	-	227,343
-	-	-	-	-	-	-	763,005
-	-	-	-	-	-	-	2,018,367
-	-	-	4,960,877	-	-	-	5,360,267
-	-	-	-	1,175,000	285,000	-	1,460,000
-	-	-	-	2,651,984	209,153	-	2,861,137
-	3,854	-	4,960,877	3,826,984	494,153	-	21,424,254
19,524	232	-	(4,913,171)	38,027	(461,549)	-	(5,459,594)
-	-	-	4,090,012	-	462,920	-	5,180,493
-	-	(12)	-	-	-	-	(12)
-	-	(12)	4,090,012	-	462,920	-	5,180,481
19,524	232	(12)	(823,159)	38,027	1,371	-	(279,113)
555,986	60,709	12	1,071,262	3,377,206	567,784	-	8,418,507
\$ 575,510	\$ 60,941	\$ -	\$ 248,103	\$ 3,415,233	\$ 569,155	\$	8,139,394

# OXNARD UNION HIGH SCHOOL DISTRICT

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY OBJECT - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2006

	General Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects
<b>REVENUES</b>			
Revenue limit sources	\$ 89,026,811	\$ -	\$ -
Federal sources	9,343,535	-	-
Other State sources	13,089,988	-	-
Other local sources	9,716,901	5,973,213	146,100
<b>Total Revenues</b>	<u>121,177,235</u>	<u>5,973,213</u>	<u>146,100</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Certificated salaries	57,378,365	-	-
Classified salaries	15,837,624	-	-
Employee benefits	31,633,512	-	-
Books and supplies	5,144,256	-	-
Services and operating expenditures	11,188,090	69,421	210,096
Other outgo	(673,339)	165,929	-
Capital outlay	916,738	2,114,498	1,436,301
Debt service - principal	-	268,935	135,000
Debt service - interest and other	65,751	80,085	461,136
<b>Total Expenditures</b>	<u>121,490,997</u>	<u>2,698,868</u>	<u>2,242,533</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(313,762)</u>	<u>3,274,345</u>	<u>(2,096,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	690,948	173,565	819,683
Other sources	-	-	12,179,224
Operating transfers out	(801,125)	(1,110,745)	(4,952,807)
<b>Total Financing Sources (Uses)</b>	<u>(110,177)</u>	<u>(937,180)</u>	<u>8,046,100</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(423,939)</u>	<u>2,337,165</u>	<u>5,949,667</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>16,159,011</u>	<u>6,536,741</u>	<u>6,299,834</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 15,735,072</u>	<u>\$ 8,873,906</u>	<u>\$ 12,249,501</u>

See accompanying note to supplementary information - unaudited.

---

<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,674,117	\$ 92,700,928
4,368,597	13,712,132
989,903	14,079,891
6,932,043	22,768,257
<u>15,964,660</u>	<u>143,261,208</u>
1,668,056	59,046,421
2,332,885	18,170,509
1,924,572	33,558,084
2,565,910	7,710,166
2,399,529	13,867,136
763,006	255,596
5,449,159	9,916,696
1,460,000	1,863,935
2,861,137	3,468,109
<u>21,424,254</u>	<u>147,856,652</u>
<u>(5,459,594)</u>	<u>(4,595,444)</u>
5,180,493	6,864,689
-	12,179,224
<u>(12)</u>	<u>(6,864,689)</u>
<u>5,180,481</u>	<u>12,179,224</u>
(279,113)	7,583,780
8,418,507	37,414,093
<u>\$ 8,139,394</u>	<u>\$ 44,997,873</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NON-MAJOR GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY OBJECT - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2006

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
<b>REVENUES</b>				
Revenue limit sources	\$ 3,674,117	\$ -	\$ -	\$ -
Federal sources	-	5,516	4,363,081	-
Other State sources	-	-	330,349	622,721
Other local sources	294,932	49	2,670,983	33,981
<b>Total Revenues</b>	<b>3,969,049</b>	<b>5,565</b>	<b>7,364,413</b>	<b>656,702</b>
<b>EXPENDITURES</b>				
Current Expenditures				
Certificated salaries	1,668,056	-	-	-
Classified salaries	459,237	-	1,864,723	-
Employee benefits	770,730	-	1,152,666	-
Books and supplies	183,094	5,565	2,372,404	-
Services and operating expenditures	866,890	-	91,416	1,436,863
Other outgo	211,902	-	551,104	-
Capital outlay	66,916	-	306,739	130,081
Debt service - principal	-	-	-	-
Debt service - interest and other	-	-	-	-
<b>Total Expenditures</b>	<b>4,226,825</b>	<b>5,565</b>	<b>6,339,052</b>	<b>1,566,944</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(257,776)</b>	<b>-</b>	<b>1,025,361</b>	<b>(910,242)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	4,840	-	-	622,721
Operating transfers out	-	-	-	-
<b>Total Financing Sources (Uses)</b>	<b>4,840</b>	<b>-</b>	<b>-</b>	<b>622,721</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(252,936)</b>	<b>-</b>	<b>1,025,361</b>	<b>(287,521)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>531,199</b>	<b>-</b>	<b>900,429</b>	<b>1,353,920</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 278,263</b>	<b>\$ -</b>	<b>\$ 1,925,790</b>	<b>\$ 1,066,399</b>

See accompanying note to supplementary information - unaudited.



**Special Reserve**

<b>Fund for Other Than Capital Outlay Projects</b>	<b>Foundation Fund</b>	<b>Building Fund</b>	<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>COP Debt Service Fund</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,674,117
-	-	-	-	-	-	4,368,597
-	-	-	-	36,833	-	989,903
19,524	4,086	-	47,706	3,828,178	32,604	6,932,043
19,524	4,086	-	47,706	3,865,011	32,604	15,964,660
-	-	-	-	-	-	1,668,056
-	-	-	8,925	-	-	2,332,885
-	-	-	1,176	-	-	1,924,572
-	-	-	4,847	-	-	2,565,910
-	3,854	-	506	-	-	2,399,529
-	-	-	-	-	-	763,006
-	-	-	4,945,423	-	-	5,449,159
-	-	-	-	1,175,000	285,000	1,460,000
-	-	-	-	2,651,984	209,153	2,861,137
-	3,854	-	4,960,877	3,826,984	494,153	21,424,254
19,524	232	-	(4,913,171)	38,027	(461,549)	(5,459,594)
-	-	-	4,090,012	-	462,920	5,180,493
-	-	(12)	-	-	-	(12)
-	-	(12)	4,090,012	-	462,920	5,180,481
19,524	232	(12)	(823,159)	38,027	1,371	(279,113)
555,986	60,709	12	1,071,262	3,377,206	567,784	8,418,507
\$ 575,510	\$ 60,941	\$ -	248,103	\$ 3,415,233	\$ 569,155	\$ 8,139,394

# OXNARD UNION HIGH SCHOOL DISTRICT

## SPECIAL RESERVE CAPITAL OUTLAY – SUB-FUND DETAIL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES OF FUND BALANCE BY OBJECT - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2006

	<u>Certificates of Participation</u>	<u>ACHS Growth</u>	<u>PHS Startup</u>
<b>REVENUES</b>			
Other local sources	\$ 35,590	\$ 53,896	\$ 30,658
<b>EXPENDITURES</b>			
Current Expenditures			
Services and operating expenditures	-	-	-
Capital outlay	-	1,184,227	2,702
Debt service - principal	-	135,000	-
Debt service - interest and other	-	214,600	-
<b>Total Expenditures</b>	<u>-</u>	<u>1,533,827</u>	<u>2,702</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>35,590</u>	<u>(1,479,931)</u>	<u>27,956</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	819,683	-
Other sources	-	-	-
Operating transfers out	-	-	-
<b>Total Financing     Sources (Uses)</b>	<u>-</u>	<u>819,683</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>35,590</u>	<u>(660,248)</u>	<u>27,956</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,346,468</u>	<u>1,514,158</u>	<u>3,240,841</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,382,058</u>	<u>\$ 853,910</u>	<u>\$ 3,268,797</u>

See accompanying note to supplementary information - unaudited.

---

<b>RMHS Pool</b>	<b>Lease Revenue Bonds</b>	<b>Special Reserve Fund for Capital Outlay Projects Total</b>
<u>\$ 3,591</u>	<u>\$ 22,365</u>	<u>\$ 146,100</u>
-	210,096	210,096
-	249,372	1,436,301
-	-	135,000
-	246,536	461,136
<u>-</u>	<u>706,004</u>	<u>2,242,533</u>
<u>3,591</u>	<u>(683,639)</u>	<u>(2,096,433)</u>
-	-	819,683
-	12,179,224	12,179,224
-	(4,952,807)	(4,952,807)
<u>-</u>	<u>7,226,417</u>	<u>8,046,100</u>
3,591	6,542,778	5,949,667
198,367	-	6,299,834
<u>\$ 201,958</u>	<u>\$ 6,542,778</u>	<u>\$ 12,249,501</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## GENERAL FUND SELECTED FINANCIAL INFORMATION THREE-YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES OF FUND BALANCE - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2006

(Amounts in thousands)

	Actual Results for the Years					
	2005-2006		2004-2005		2003-2004	
	Amount	Percent of Revenue	Amount	Percent of Revenue	Amount	Percent of Revenue
<b>REVENUES</b>						
Federal revenue	\$ 9,343	7.7	\$ 8,494	7.5	\$ 6,871	6.7
State and local revenue included in revenue limit	89,027	73.5	84,460	74.4	78,640	76.6
Other State revenue	13,090	10.8	12,025	10.6	9,153	8.9
Other local revenue	3,811	3.1	2,960	2.6	2,401	2.3
Tuition and transfers in	5,906	4.9	5,513	4.9	5,638	5.5
Total Revenues	121,177	100.0	113,452	100.0	102,703	100.0
<b>EXPENDITURES</b>						
Salaries and Benefits						
Certificated salaries	57,378	47.4	54,597	48.2	52,110	50.7
Classified salaries	15,838	13.1	15,670	13.8	15,126	14.7
Employee benefits	31,633	26.1	29,543	26.0	22,842	22.2
Total Salaries and Benefits	104,849	86.6	99,810	88.0	90,078	87.6
Books and supplies	5,144	4.2	4,540	4.0	4,479	4.4
Contracts and operating expenses	11,188	9.2	9,711	8.6	8,349	8.1
Capital outlay	917	0.8	923	0.8	267	0.3
Tuition and transfers out	(607)	(0.5)	(218)	(0.2)	(302)	(0.3)
Total Expenditures	121,491	100.3	114,766	101.2	102,871	100.1
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(314)	(0.3)	(1,314)	(1.2)	(168)	(0.1)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	691	0.6	210	0.2	264	0.3
Other sources	-	0.0	5,100	4.5	-	0.0
Operating transfers out	(801)	(0.7)	(5,770)	(5.1)	(64)	(0.1)
Total Other Financing Sources (Uses)	(110)	(0.1)	(460)	(0.4)	200	0.2
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	(424)	(0.4)	(1,774)	(1.6)	32	0.1
<b>FUND BALANCE, BEGINNING</b>	16,159		17,933		17,901	
<b>FUND BALANCE, ENDING</b>	\$ 15,735		\$ 16,159		\$ 17,933	

See accompanying note to supplementary information - unaudited.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTE TO SUPPLEMENTARY INFORMATION - UNAUDITED JUNE 30, 2006**

---

### **NOTE 1 - PURPOSE OF SCHEDULES**

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

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance is 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 Balance.

#### **Statements of Revenue, Expenditures, and Changes in Fund Balance by Object**

These statements present the revenues and expenditures for the major funds, the non-major funds, and the Special Reserve Capital Outlay sub-funds categorized by object.

#### **General Fund Selected Financial Information - Unaudited**

This schedule provides a comparison of revenues and expenditures as a percentage of total revenue for the General Fund for the past three years.

*This page left blank intentionally.*

---

---

***INDEPENDENT AUDITORS' REPORTS***

---

---

*This page left blank intentionally.*





**INDEPENDENT AUDITORS' 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High School District as of and for the year ended June 30, 2006, which collectively comprise the Oxnard Union High School District's basic financial statements and have issued our report thereon dated October 27, 2006. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Oxnard Union High School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Oxnard Union High School District in a separate letter dated October 27, 2006.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Oxnard Union High School District's financial statements are free of 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*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Oxnard Union High School District in a separate letter dated October 27, 2006.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*VaurineK, Trine, Daye Co., LLP*

Rancho Cucamonga, California  
October 27, 2006



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Governing Board  
Oxnard Union High School District  
Oxnard, California

**Compliance**

We have audited the compliance of Oxnard Union High School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2006. Oxnard Union High School District's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Oxnard Union High School District's management. Our responsibility is to express an opinion on Oxnard Union High School District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of Oxnard Union High School District's compliance with those requirements.

In our opinion, Oxnard Union High School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2006.

**Internal Control Over Compliance**

The management of Oxnard Union High School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Oxnard Union High School District's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vavrinek, Trine, Day & Co., LLP*

Rancho Cucamonga, California

October 27, 2006



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board  
 Oxnard Union High School District  
 Oxnard, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High School District as of and for the year ended June 30, 2006, and have issued our report thereon dated October 27, 2006. 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 *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2005-06*, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Compliance with the requirements of laws, regulations, contracts, and grants listed below is the responsibility of Oxnard Union High School District's management. 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 in Controller's Audit Guide	Procedures Performed
Attendance Accounting:		
Attendance reporting	8	Yes
Kindergarten continuance	3	Not Applicable
Independent study	22	Yes
Continuation education	10	Yes
Adult education	9	Yes
Regional occupational centers and programs	6	Not Applicable
Instructional Time:		
School districts	4	Yes
County offices of education	3	Not Applicable
Community day schools	9	No, see below
Morgan-Hart Class Size Reduction	7	Yes

	Procedures in Controller's Audit Guide	Procedures Performed
Instructional Materials:		
General requirements	12	Yes
K-8 only	1	Not Applicable
9-12 only	1	Yes
Ratios of Administrative Employees to Teachers	1	Yes
Early retirement incentive	4	Not Applicable
Gann limit calculation	1	Yes
School Construction Funds:		
School District bonds	3	Yes
State school facilities funds	1	Yes
Alternative pension plans	2	Yes, see below
Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000)	2	Yes
State Lottery Funds (California State Lottery Act of 1984)	2	Yes
California School Age Families Education (Cal-SAFE) Program	3	Yes
School Accountability Report Card	3	Yes
Class Size Reduction Program (including in Charter Schools):		
General requirements	7	Not Applicable
Option one classes	3	Not Applicable
Option two classes	4	Not Applicable
District or charter schools with only one school serving K-3	4	Not Applicable
Charter Schools:		
Contemporaneous records of attendance	1	Not Applicable
Non classroom-based instruction/independent study	15	Not Applicable
Additional Non classroom-based instruction	1	Not Applicable
Determination of funding for non classroom-based instruction	3	Not Applicable
Annual instruction minutes classroom based	3	Not Applicable

We did not perform testing for Community Day Schools, because the program did not meet the threshold at which testing is required. We also did not perform Step 2 for Alternative Pension Plans, because the District did not offer such a plan to permanent, full-time employees.

Based on our audit, we found that for the items tested, the Oxnard Union High School District complied with the State laws and regulations referred to above. Further, based on our audit, for items not tested, nothing came to our attention to indicate that the Oxnard Union High School District had not complied with the laws and regulations. Our audit does not provide a legal determination on Oxnard Union High School District's compliance with the State laws and regulations referred to above.

This report is intended solely for the information and use of the governing board, audit committee, management, the California Department of Education, the State Controller's Office, the California Department of Finance, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Viviane K. Trine, Day & Co., LLP*

Rancho Cucamonga, California  
October 27, 2006

---

---

***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

---

---

*This page left blank intentionally.*



# OXNARD UNION HIGH SCHOOL DISTRICT

## SUMMARY OF AUDITORS' RESULTS FOR THE YEAR ENDED JUNE 30, 2006

---

### FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Qualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

### FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	
Identification of major programs:	<u>No</u>

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>No Child Left Behind, Title I, Part A</u>
<u>84.367</u>	<u>No Child Left Behind, Title II, Part A</u>
<u>84.027</u>	<u>Individuals with Disabilities Education Act</u>
<u>93.778</u>	<u>Medi-Cal Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 371,474</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

### STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unqualified</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2006**

---

None reported.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2006**

---

None reported.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2006**

---

None reported.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2006**

---

There were no audit findings reported in the prior year's schedule of financial statement findings.

***This page left blank intentionally.***



Governing Board  
Oxnard Union High School District  
Oxnard, California

In planning and performing our audit of the financial statements of Oxnard Union High School District, for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the combined and combining 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 October 27, 2006 on the government-wide financial statements of Oxnard Union High School District.

### ***INTERNAL CONTROLS***

#### ***Cash Collections – Adult Education***

##### **Finding**

During the audit of cash collections at the Adult Education office, we noted that collections from January 25 through February 16, 2006, were not transmitted to the County Treasury until March 3, 2006.

##### **Recommendation**

In order to maximize interest earnings on cash deposits and to provide internal control protections, the balance in the bank clearing account should be transmitted to the County Treasury weekly.

#### ***Cash Collections - Pacifica High School Cafeteria***

##### **Finding**

During the test period of February 6 to 17, 2006, we noted that cash deposits for cafeteria sales varied significantly from the reports generated from the point of sale system. The total overage for the two-week period was approximately \$550. There was an overage of \$327 for one day alone.

##### **Recommendation**

The point of sale system should be fully utilized to maintain proper cash collection and inventory information. All sales should be posted to the system. Cash collections should be balanced to sales reported each day. Periodic physical inventory counts should be reconciled to inventory balances maintained by the system.

## ***ASSOCIATED STUDENT BODY ACCOUNTS***

### ***Frontier Continuation High School***

#### **Findings**

During the audit of the student body accounts, we noted the following:

- Petty Cash has disappeared from the ASB Bookkeeper's locked drawer.
- The controls and procedures in place at the student store are not sufficient to safeguard cash receipts and merchandise. The weekly cash deposits had numerous overages and shortages when compared to the inventory count for the week. Although the overages and shortages were documented by the site, no procedures had been put in place to address them.

#### ***Recommendation***

The procedural changes at the site should include the following:

- The site should obtain a more secure location for the petty cash fund. The possibilities include changing the lock on the existing desk, using a locking file cabinet, or installing a safe.
- Daily overages in the register usually mean that merchandise was sold and not rung up on the register. To enhance the accountability and accounting of the student store activity, the importance of ringing all merchandise sales up should be emphasized to all who work the register. Daily cash shortages can be attributable to incorrect change being handed out, misplaced funds, or theft. If differences are of a substantial amount, an investigation should be conducted to try and pinpoint the reason.

### ***Rio Mesa High School***

#### **Finding**

During the audit of the year-end financial statements for the ASB, we noted various clubs with negative ending balances.

#### **Recommendation**

Financial transactions for each club and activity should be monitored for negative balances. The ASB clerk should provide each advisor with financial statements monthly in order for him or her to review all receipts and disbursements in the accounts for which he or she is responsible. An expenditure should not be approved if it will bring the club's or activity's account to a negative balance.

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

*Vavrinek, Trine, Day & Co., LLP*  
Rancho Cucamonga, California  
October 27, 2006