OXNARD SCHOOL DISTRICT

VENTURA COUNTY

AUDIT REPORT

For the Fiscal Year Ended
June 30, 2019

OXNARD SCHOOL DISTRICT
For the Fiscal Year Ended June 30, 2019
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Oxnard School District
Oxnard, California

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

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

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Peter Glenn, CPA | Paul J. Kaymark, CPA | Michael Klein, CPA, CMA, EA

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The supplementary information on pages 67 to 70 and the schedule of expenditures of federal awards on page 71 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The information on page 66 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 1, 2019, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nigro + Nigro, PC.

Murrieta, California
December 1, 2019

This discussion and analysis of Oxnard School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's overall financial status decreased from last year as the net position decreased by 32.7% to $(72.3) million.
- Total governmental revenues were $229.2 million, $17.8 million less than expenses.
- The total cost of basic programs was $247.1 million. Because a portion of these costs was paid for with charges, fees, and intergovernmental aid, the net cost that required taxpayer funding was $212.5 million.
- Average daily attendance (ADA) in grades K-8 decreased by 367, or 2.3%.
- Governmental funds decreased by $56.3 million, or 40.3%, primarily due to spending out of the Building Fund.
- Reserves for the General Fund increased by $0.7 million, or 7.2%.

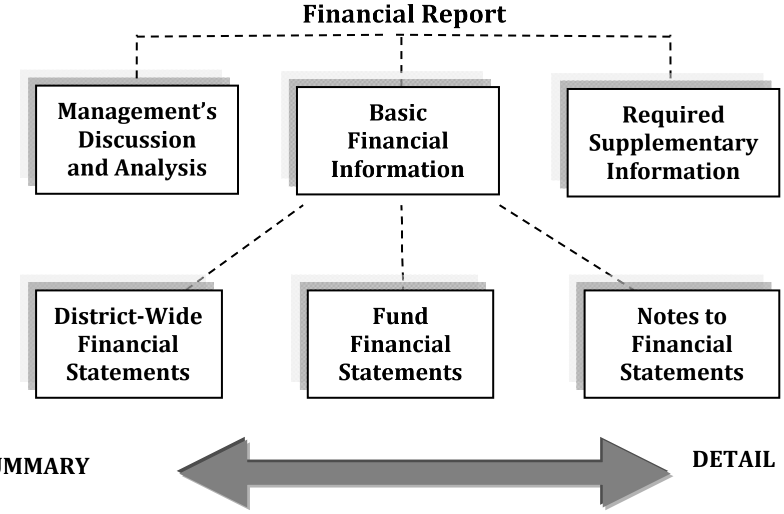
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
  - The *fiduciary funds* statement provides information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Oxnard School District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District, except fiduciary activities	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; The District's funds do not currently contain non-financial assets, though they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Statements
The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.

- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements
The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others, namely, the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was lower on June 30, 2019, than it was the year before – decreasing 32.7% to $(72.3) million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		Variance Increase
	2019	2018	(Decrease)
Assets			
Current assets	$ 103,924,208	$ 155,304,763	$ (51,380,555)
Capital assets	383,818,206	335,722,802	48,095,404
Total assets	487,742,414	491,027,565	(3,285,151)
Deferred outflows of resources	73,729,156	71,232,609	2,496,547
Liabilities			
Current liabilities	25,124,975	20,312,193	4,812,782
Long-term liabilities	375,343,434	390,067,050	(14,723,616)
Net pension liability	212,470,715	197,475,901	14,994,814
Total liabilities	612,939,124	607,855,144	5,083,980
Deferred inflows of resources	20,846,671	8,883,404	11,963,267
Net position			
Net investment in capital assets	119,569,362	115,747,958	3,821,404
Restricted	38,748,804	34,968,555	3,780,249
Unrestricted	(230,632,391)	(205,194,887)	(25,437,504)
Total net position	$ (72,314,225)	$ (54,478,374)	$ (17,835,851)

Changes in net position, governmental activities. The District's total revenues increased 2.7% to $229.2 million (See Table A-2). The increase is due primarily to property taxes and federal and state aid.

The total cost of all programs and services increased 2.7% to $247.1 million. The District's expenses are predominantly related to educating and caring for students, 79.4%. The purely administrative activities of the District accounted for just 6% of total costs. A significant contributor to the increase in costs was from pupil services.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Table A-2: Statement of Activities

	Governmental Activities		Variance Increase (Decrease)
	2019	2018	
Revenues			
Program Revenues:			
Charges for services	$ 1,201,114	$ 2,379,744	$ (1,178,630)
Operating grants and contributions	33,177,329	35,806,358	(2,629,029)
Capital grants and contributions	218,678	119,843	98,835
General Revenues:			
Property taxes	43,897,297	38,495,384	5,401,913
Federal and state aid not restricted	148,971,153	144,176,095	4,795,058
Other general revenues	1,750,727	2,235,767	(485,040)
Total Revenues	229,216,298	223,213,191	6,003,107
Expenses			
Instruction-related	162,591,930	165,377,326	(2,785,396)
Pupil services	33,611,073	30,108,180	3,502,893
Administration	14,795,269	12,671,018	2,124,251
Plant services	17,802,310	19,952,659	(2,150,349)
All other activities	18,251,567	14,827,806	3,423,761
Total Expenses	247,052,149	242,936,989	4,115,160
Increase (decrease) in net position	(17,835,851)	(19,723,798)	1,887,947
Net Position	$ (72,314,225)	$ (54,478,374)	$ (17,835,851)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $83.5 million, which is below last year's ending fund balance of $139.8 million. The primary cause of the decreased fund balance is spending out of the Building Fund for Measure "D" projects.

Table A-3: The District's Fund Balances

	Fund Balances				
	July 1, 2018	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2019
Fund					
General Fund	$ 28,434,828	$ 218,816,747	$ 223,874,640	$ (2,330,338)	$ 21,046,597
Child Development Fund	3,492	1,363,063	1,153,189	-	213,366
Cafeteria Fund	281,177	10,922,454	11,153,637	330,338	380,332
Deferred Maintenance Fund	-	9,716	1,631,004	2,000,000	378,712
Special Reserve Fund (Other Than Capital Outlay)	125,648	2,920	-	-	128,568
Building Fund	78,089,088	1,257,652	51,660,474	-	27,686,266
Capital Facilities Fund	7,718,500	1,519,961	673,601	-	8,564,860
County School Facilities Fund	9,390,279	218,678	-	-	9,608,957
Bond Interest and Redemption Fund	15,723,677	15,609,344	15,836,211	-	15,496,810
	$ 139,766,689	$ 249,720,535	$ 305,982,756	$ -	$ 83,504,468

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories

- Revenues – increased by $2.2 million primarily to reflect federal and state budget actions.
- Salaries and benefits costs – increased $5.8 million due to negotiated increases.
- Other costs – increased approximately $17.1 million to re-budget carryover funds and revise operational cost estimates.

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by about $11.0 million, the actual results for the year show that expenditures exceeded revenues by roughly $5.1 million. Actual revenues were $13.0 million more than anticipated, and expenditures were $7.1 million less than budgeted. The excess amount consists primarily of restricted categorical program dollars that were not spent as of June 30, 2019, that will be carried over into the 2019-20 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2018-19 the District had invested $54.3 million in new capital assets. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was approximately $6.2 million.

Table A-4: Capital Assets at Year End, net of Depreciation

	Governmental Activities 2019	Governmental Activities 2018	Variance Increase (Decrease)
Land	$ 36,289,804	$ 36,289,804	$ -
Improvement of sites	17,185,172	17,671,357	(486,185)
Buildings	211,512,918	209,410,925	2,101,993
Equipment	4,314,344	4,783,712	(469,368)
Construction in progress	114,515,968	67,567,004	46,948,964
Total	$ 383,818,206	$ 335,722,802	$ 48,095,404

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-Term Debt
At year-end the District had $375 million in general obligation bonds, certificates of participation, energy retrofit agreement, compensated absences, early retirement incentive, and other postemployment benefits – a decrease of 3.8% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements).

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		Variance Increase
	2019	2018	(Decrease)
General obligation bonds	$ 283,506,993	$ 288,175,184	$ (4,668,191)
Certificates of participation	11,102,864	11,415,536	(312,672)
Energy retrofit agreement	3,376,539	3,668,670	(292,131)
Compensated absences	1,968,822	1,687,627	281,195
Early retirement incentive	3,228,004	4,035,005.00	(807,001)
Other postemployment benefits	72,160,212	81,085,028	(8,924,816)
Total	$ 375,343,434	$ 390,067,050	$ (14,723,616)

FACTORS BEARING ON THE DISTRICT'S FUTURE

The Legislature passed the final budget package on June 13, 2019. The Governor signed the *2019-20 Budget Act* and 15 other budget-related bills on June 27, 2019.

Major Features of the 2019-20 Spending Plan

Makes $5.9 Billion in Additional Unfunded Liability Payments
Teachers, administrators, and other certificated employees of school districts earn pension benefits from the California State Teachers' Retirement System (CalSTRS). Other school district employees, such as clerical staff, also earn pension benefits administered by California Public Employees' Retirement System (CalPERS). The state and school districts each have full responsibility for their respective CalPERS' unfunded liabilities associated with their own employees. In the case of CalSTRS, the state and school districts share responsibility for the system's total unfunded liability (about one-third is the responsibility of the state and two-thirds of the districts).

The spending plan allocates $5.9 billion General Fund to pay down unfunded pension liabilities on behalf of both the state and school districts (some of which is counted toward the state's Proposition 2 debt payment requirements). In particular, the spending plan dedicates:

- ***$3.6 Billion to Address State's Unfunded Liabilities.*** The spending plan uses $2.5 billion in General Fund monies to pay down the state's CalPERS unfunded liability. The spending plan also devotes $1.1 billion General Fund to reduce the state's share of the CalSTRS unfunded liability, as part of the state's Proposition 2 debt payment requirements.
- ***$2.3 Billion to Address School Districts' Unfunded Liabilities.*** The spending plan also devotes $1.6 billion General Fund to reduce the school districts' share of the CalSTRS unfunded liability and $660 million General Fund to address the school districts' CalPERS unfunded liability.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

K-14 Education

Provides a Few Notable Ongoing Proposition 98 Augmentations
Under the spending plan, Proposition 98 funding for 2019-20 increases $2.9 billion (3.7 percent) from the revised 2018-19 level. The spending plan devotes the largest share of this increase—$2 billion—to school districts to cover changes in student attendance and provide a 3.26 percent cost-of-living adjustment (COLA) for the Local Control Funding Formula (general purpose per-student funding). The budget also provides two augmentations related to special education: (1) $493 million for school districts based on the number of three- and four-year old children identified with disabilities affecting their education and (2) $153 million for special education agencies with average or below average per-pupil funding rates.

Pays a Portion of Districts' Pension Costs for the Next Two Years
The spending plan also provides additional monies to school districts outside of the Proposition 98 funding requirement by paying a portion of districts' pension costs for the next two years. School districts' pension contribution rates for both CalPERS and CalSTRS have been rising and are set to continue increasing for at least the next few years. For CalSTRS, the budget provides $606 million for the state to pay a portion of districts' costs (reducing district contribution rates by about 1 percent of payroll in 2019-20 and 2020-21). Similarly, the budget provides $244 million for the state to cover a portion of districts' CalPERS costs (reducing district rates by about 1 percent of payroll in 2019-20 and 2020-21). Although district pension rates will continue to rise, the increases will be slower than previously projected.

All of these factors were considered in preparing the Oxnard School District budget for the 2019-20 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the Districts accountability for the money it receives. If you have questions about this report or need additional information contact Ms. Janet Penahoat, Assistant Superintendent of Budget and Fiscal Services, Oxnard School District, 1051 South A Street, Oxnard, California 93030 or at (805) 385-1501.

OXNARD SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Total Governmental Activities
ASSETS	
Cash	$ 95,077,014
Investments	6,773
Accounts receivable	8,672,375
Stores inventories	165,452
Prepaid expenditures	2,594
Capital assets:	
Non-depreciable assets	150,805,772
Depreciable assets	301,596,422
Less accumulated depreciation	(68,583,988)
Total assets	487,742,414
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	1,748,433
Deferred outflows related to pensions	71,657,378
Deferred outflows related to OPEB	323,345
Total deferred outflows of resources	73,729,156
LIABILITIES	
Accounts payable	24,607,370
Unearned revenues	517,605
Long-term liabilities other than pensions:	
Due within one year	8,661,740
Due after one year	366,681,694
Net pension liability	212,470,715
Total liabilities	612,939,124
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	7,653,608
Deferred inflows related to OPEB	13,193,063
Total deferred inflows of resources	20,846,671
NET POSITION	
Net investment in capital assets	119,569,362
Restricted for:	
Capital projects	18,173,817
Debt service	15,496,810
Categorical programs	5,078,177
Unrestricted	(230,632,391)
Total net position	$ (72,314,225)

OXNARD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
Instructional Services:					
Instruction	$ 138,239,687	$ 221,774	$ 15,091,956	$ 218,678	$ (122,707,279)
Instruction-Related Services:					
Supervision of instruction	7,026,640	5,219	1,258,884	-	(5,762,537)
Instructional library, media and technology	2,640,616	82	9,265	-	(2,631,269)
School site administration	14,684,987	358	324,168	-	(14,360,461)
Pupil Support Services:					
Home-to-school transportation	5,455,521	234	113,130	-	(5,342,157)
Food services	11,374,324	90,445	10,016,776	-	(1,267,103)
All other pupil services	16,781,228	46,043	1,808,597	-	(14,926,588)
General Administration:					
Data processing	2,331,396	-	(4)	-	(2,331,400)
All other general administration	12,463,873	7,660	1,245,103	-	(11,211,110)
Plant Services	17,802,310	626,659	816,674	-	(16,358,977)
Community Services	1,175,066	11,299	139,000	-	(1,024,767)
Interest on Long-term Debt	11,759,014	-	-	-	(11,759,014)
Other Outgo	5,317,487	191,341	2,353,780	-	(2,772,366)
Total governmental activities	$ 247,052,149	$ 1,201,114	$ 33,177,329	$ 218,678	(212,455,028)

General Revenues:	
Property taxes	43,897,297
Federal and state aid not restricted to specific purposes	148,971,153
Interest and investment earnings	726,623
Miscellaneous	1,024,104
Total general revenues	194,619,177
Change in net position	(17,835,851)
Net position - July 1, 2018	(54,478,374)
Net position - June 30, 2019	$ (72,314,225)

OXNARD SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 28,917,554	$ 31,750,629	$ 15,376,462	$ 19,032,369	$ 95,077,014
Investments	6,773	-	-	-	6,773
Accounts receivable	6,097,791	387,301	121,173	2,066,110	8,672,375
Due from other funds	1,230,821	-	-	-	1,230,821
Inventories	129,361	-	-	36,091	165,452
Prepaid expenditures	-	2,594	-	-	2,594
Total Assets	$ 36,382,300	$ 32,140,524	$ 15,497,635	$ 21,134,570	$ 105,155,029
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 10,424,142	$ 4,454,258	$ 825	$ 757,522	$ 15,636,747
Due to other funds	4,265,388	-	-	1,230,821	5,496,209
Unearned revenue	517,605	-	-	-	517,605
Total Liabilities	15,207,135	4,454,258	825	1,988,343	21,650,561
Fund Balances					
Nonspendable	149,361	2,594	-	36,297	188,252
Restricted	4,484,479	27,683,672	15,496,810	18,731,218	66,396,179
Committed	-	-	-	378,712	378,712
Assigned	6,570,661	-	-	-	6,570,661
Unassigned	9,970,664	-	-	-	9,970,664
Total Fund Balances	21,175,165	27,686,266	15,496,810	19,146,227	83,504,468
Total Liabilities and Fund Balances	$ 36,382,300	$ 32,140,524	$ 15,497,635	$ 21,134,570	$ 105,155,029

OXNARD SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Total fund balances - governmental funds			$ 83,504,468
Amounts reported for governmental activities in the statement of net position are different because capital assets used for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $452,402,194 and the accumulated depreciation is ($65,583,988).			383,818,206
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:			(4,705,235)
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:			
	Certificates of participation payable	11,102,864	
	Energy retrofit agreement	3,376,539	
	Compensated absences payable	1,968,822	
	Early Retirement Incentives	3,228,004	
	General obligation bonds payable	283,506,993	(303,183,222)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as a deferred outflow of resources. The remaining deferred amounts on refunding at the end of the period were:			1,748,433
The net pension liability is not due and payable in the current reporting period, and therefore is not reported as a liability in the fund financial statements.			(212,470,715)
The net OPEB liability is not due and payable in the current reporting period, and therefore is not reported as a liability in the fund financial statements.			(72,160,212)
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported. Deferred inflows and outflows relating to OPEB for the period were:			
	Deferred outflows of resources		323,345
	Deferred inflows of resources		(13,193,063)
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported. Deferred inflows and outflows relating to pensions for the period were:			
	Deferred outflows of resources		71,657,378
	Deferred inflows of resources		(7,653,608)
Total net position - governmental activities			$ (72,314,225)

OXNARD SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 170,082,603	$ -	$ -	$ -	$ 170,082,603
Federal sources	9,554,582	-	-	9,652,798	19,207,380
Other state sources	28,350,602	-	107,998	2,479,160	30,937,760
Other local sources	10,831,880	1,257,652	15,501,346	1,901,914	29,492,792
Total Revenues	218,819,667	1,257,652	15,609,344	14,033,872	249,720,535
EXPENDITURES					
Current:					
Instruction	142,114,760	-	-	935,635	143,050,395
Instruction-Related Services:					
Supervision of instruction	6,867,081	-	-	157,495	7,024,576
Instructional library, media and technology	2,323,645	-	-	-	2,323,645
School site administration	14,470,372	-	-	-	14,470,372
Pupil Support Services:					
Home-to-school transportation	5,316,387	-	-	-	5,316,387
Food services	43,704	-	-	10,557,278	10,600,982
All other pupil services	17,151,944	-	-	-	17,151,944
Community Services	1,037,222	-	-	-	1,037,222
General Administration Services:					
Data processing services	2,158,299	-	-	-	2,158,299
Other general administration	11,226,336	-	-	33,429	11,259,765
Plant Services	15,091,536	-	-	243,731	15,335,267
Transfer of Indirect Costs	(617,440)	-	-	617,440	-
Capital Outlay	820,869	51,660,474	-	1,592,767	54,074,110
Intergovernmental Transfers	5,317,487	-	-	-	5,317,487
Debt Service:					
Principal	292,131	-	4,597,107	315,400	5,204,638
Interest	260,307	-	11,239,104	158,256	11,657,667
Total Expenditures	223,874,640	51,660,474	15,836,211	14,611,431	305,982,756
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,054,973)	(50,402,822)	(226,867)	(577,559)	(56,262,221)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	-	-	2,330,338	2,330,338
Interfund transfers out	(2,330,338)	-	-	-	(2,330,338)
Total Other Financing Sources and Uses	(2,330,338)	-	-	2,330,338	-
Net Change in Fund Balances	(7,385,311)	(50,402,822)	(226,867)	1,752,779	(56,262,221)
Fund Balances, July 1, 2018	28,560,476	78,089,088	15,723,677	17,393,448	139,766,689
Fund Balances, June 30, 2019	$ 21,175,165	$ 27,686,266	$ 15,496,810	$ 19,146,227	$ 83,504,468

OXNARD SCHOOL DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2019

Total net change in fund balances - governmental funds			$ (56,262,221)
Amounts reported for governmental *activities* in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:			
	Expenditures for capital outlay	54,299,771	
	Depreciation expense	(6,198,581)	48,101,190
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:			5,204,638
The amounts paid to the refunded bond escrow agent in excess of the refunded bond at the time of payment are recorded as deferred amounts on the refunding and are amortiazed over the life of the liability. Deferred amounts on refunding exceeded the amount amortized during the year by:			(212,508)
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:			(5,786)
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:			68,881
In the statement of activities, compensated absences are measured by the amounts *earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually *paid*). This year, vacation leave earned exceeded the amounts paid by:			(281,195)
In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current resources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.			(855,827)
In governmental funds, if debt is issued at a premium or discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium is amortized as interest over the life of the debt. Net amortization of premium or discount for the period is:			924,184
In the government-wide statements, expenses must be accrued in connections with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, in addition to compensated absences and long-term debt. Examples include special termination benefits such as early retirement incentives financed over time. This year, expenses for such obligations were:			807,001
In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:			(2,030,528)
In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:			(13,293,680)
Change in net position of governmental activities			$ (17,835,851)

OXNARD SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2019

	Trust Fund	Agency Funds	
	Retiree Benefits Fund	Student Body Funds	Total
Assets			
Cash	$ 5,576,720	$ 160,840	$ 5,737,560
Accounts receivable	61,108	-	61,108
Due from other funds	4,265,388	-	4,265,388
Inventory	-	42,153	42,153
Total Assets	9,903,216	$ 202,993	10,106,209
Liabilities			
Due to student groups	$ -	$ 202,993	$ 202,993
Total Liabilities	-	$ 202,993	202,993
Net Position			
Restricted	$ 9,903,216		$ 9,903,216

OXNARD SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

	Trust Fund
	Retiree Benefits Fund
ADDITIONS	
Interest	$ 154,832
In-district contributions	4,265,388
Total Additions	4,420,220
DEDUCTIONS	
Operating expenditures	3,928,421
Total Deductions	3,928,421
Net Increase (Decrease)	491,799
Net position - July 1, 2018	9,411,417
Net position - June 30, 2019	$ 9,903,216

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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, and agencies that are not legally separate from the District. For Oxnard School District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also 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 District has identified no organizations that are required to be reported as component units.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental* and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds
The District reports the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund. The District also maintains a Special Reserve Fund for Other Than Capital Outlay Projects. The fund does not meet the criteria to be reported as a special revenue fund. Because that fund does not meet the definition of a special revenue fund under GASB 54, the activity in that fund is being reported within the General Fund.

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

Debt Service Funds: Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code* sections 15125-15262).

Non-Major Governmental Funds
The District maintains the following non-major governmental funds:

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

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* sections 38090 and 38093).

Deferred Maintenance Fund: This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

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

Capital Facilities Fund: This fund is used to primarily account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* sections 17620-17626 and *Government Code* Section 65995 et seq.).

County School Facilities Fund: This fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

Fiduciary Funds
Fiduciary funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The District maintains the following fiduciary funds:

Retiree Benefit Fund: This fund exists to account separately for amounts held in trust from salary reduction agreements, other irrevocable contributions for employees' retirement benefit payments, or both.

Agency Funds: The District maintains a separate agency fund for each school that operates an Associated Student Body (ASB) Fund, whether it is organized or not.

2. Measurement Focus, Basis of Accounting
The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resource or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

2. Measurement Focus, Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The agency fund has no measurement focus and utilizes the accrual basis of accounting for reporting its assets and liabilities.

3. 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. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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 budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings and Improvements	25-40 years
Land Improvements	14-30 years
Furniture and Equipment	5-15 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

4. Unearned Revenue

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

6. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

7. Postemployment Benefits Other Than Pensions (OPEB)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

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

9. Fund Balances
The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, and Net Position (continued)

10. Net Position
Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets -** This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted -** This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position -** This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Minimum Fund Balance Policy
The District has adopted a formal minimum fund balance policy, as recommended by GASB Statement No. 54; the District follows the guidelines recommended in the Criteria and Standards of Assembly Bill (AB) 1200, which recommend a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of total General Fund expenditures and other financing uses.

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

G. Property Tax Calendar
The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

I. New GASB Pronouncements

During the 2018-19 fiscal year, the following GASB Pronouncements became effective:

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. New GASB Pronouncements (continued)

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

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

J. Future Accounting Pronouncements
Other GASB pronouncements, which will be effective in future periods, are as follows:

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

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

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

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

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

4. In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

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

   The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

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

   This Statement also addresses arrangements – often characterized as leases – that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities.

   Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

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

   The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2019, are reported at fair value and consisted of the following:

	Governmental Activities/ Funds	Fiduciary Funds
Pooled Funds:		
Cash in county treasury	$ 95,056,808	$ 5,576,720
Total Pooled Funds	95,056,808	5,576,720
Deposits:		
Cash on hand and in banks	-	160,840
Cash in revolving funds	20,206	-
Total Deposits	20,206	160,840
Total Cash	$ 95,077,014	$ 5,737,560

	Rating	Governmental Activities/ Funds
Investments:		
US Bank - First American Government Obligation Bond	AAAm	$ 6,773

Pooled Funds
In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2019, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits
Custodial credit risk 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. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, 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, 2019, none of the District's bank balance was exposed to custodial credit risk because it was insured by the FDIC.

Investments - Interest Rate Risk
The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Education. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment.

Maturities of investments held at June 30, 2019, consisted of the following:

		Maturity		
	Fair Value	Less Than One Year	One Year Through Five Years	Fair Value Measurement
Investment maturities:				
U.S. Bank				
First American Government Obligation Fund	$ 6,773	$ 6,773	$ -	Level 2

Investments - Credit Risk
The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by State Government Code Section 53600. At June 30, 2019, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

Investments - Concentration of Credit Risk
The District does not place limits on the amount it may invest in any one issuer. At June 30, 2019, the District had the following investment that represented more than five percent of the District's net investments.

U.S. Bank - First American Government Obligation Fund	100%

NOTE 2 – CASH AND INVESTMENTS (continued)

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

The following provides a summary of the hierarchy used to measure fair value:

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

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

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

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

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2019, consisted of the following:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds	Retiree Benefits Fund
Federal Government:						
Categorical aid programs	$ 3,644,238	$ -	$ -	$ 1,220,187	$ 4,864,425	$ -
State Government:						
Child nutrition	-	-	-	524,405	524,405	-
Lottery	784,061	-	-	-	784,061	-
Categorical aid programs	1,059,369	-	-	109,744	1,169,113	-
Local:						
Interest	332,635	387,301	121,173	203,202	1,044,311	61,108
Other local	277,488	-	-	8,572	286,060	-
Totals	$ 6,097,791	$ 387,301	$ 121,173	$ 2,066,110	$ 8,672,375	$ 61,108

NOTE 4 – INTERFUND ACTIVITIES

A. Balances Due To/From Other Funds

Balances due/to other funds at June 30, 2019, consisted of the following:

General Fund due to Retiree Benefit Fund for retireee benefit monthly costs that are all transferred at year end	$ 4,265,388
Capital Facilities Fund due to General Fund for the 3% admin fee charged on developer fees collected during the year	25,797
Cafeteria Special Revenue Fund due to General Fund for indirect costs and publication charges to General Fund	1,144,007
Child Development Fund due to General Fund for indirect costs and publication charges to General Fund	61,017
Total	$ 5,496,209

B. Transfers To/From Other Funds

Transfers to/from other funds during the year ended June 30, 2019, consisted of the following:

General Fund transfer to Cafeteria Special Revenue Fund to cover revolving cash ending balance	$ 330,338
General Fund transfer to Deferred Maintenance Fund as a contribution per LCAP 2018-2019 and an unspent carryover amount for 2017-18	2,000,000
Total	$ 2,330,338

NOTE 5 – FUND BALANCES

At June 30, 2019, fund balances of the District's governmental funds were classified as follows:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving cash	$ 20,000	$ -	$ -	$ 206	$ 20,206
Stores inventories	129,361	-	-	36,091	165,452
Prepaid expenditures	-	2,594	-	-	2,594
Total Nonspendable	149,361	2,594	-	36,297	188,252
Restricted:					
Categorical programs	4,484,479	-	-	213,366	4,697,845
Food service	-	-	-	344,035	344,035
Capital projects	-	27,683,672	-	18,173,817	45,857,489
Debt service	-	-	15,496,810	-	15,496,810
Total Restricted	4,484,479	27,683,672	15,496,810	18,731,218	66,396,179
Committed:					
Deferred maintenance program	-	-	-	378,712	378,712
Total Committed	-	-	-	378,712	378,712
Assigned:					
16/17 Projects Balance	1,412,835	-	-	-	1,412,835
Textbooks	1,600,000	-	-	-	1,600,000
Bus Replacement	150,000	-		-	150,000
Other than capital outlay reserve	128,568				128,568
Other assignments	3,279,258	-	-	-	3,279,258
Total Assigned	6,570,661	-	-	-	6,570,661
Unassigned:					
Reserve for economic uncertainties	6,558,516	-	-	-	6,558,516
Remaining unassigned balances	3,412,148	-	-	-	3,412,148
Total Unassigned	9,970,664	-	-	-	9,970,664
Total	$ 21,175,165	$ 27,686,266	$ 15,496,810	$ 19,146,227	$ 83,504,468

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

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

	Balance, July 1, 2018	Additions	Retirements	Balance, June 30, 2019
Capital assets not being depreciated:				
Land	$ 36,289,804	$ -	$ -	$ 36,289,804
Construction in progress	67,567,004	50,382,798	3,433,834	114,515,968
Total capital assets not being depreciated	103,856,808	50,382,798	3,433,834	150,805,772
Capital assets being depreciated:				
Improvement of sites	29,760,200	403,021	-	30,163,221
Buildings	254,008,892	6,722,125	-	260,731,017
Equipment	10,570,098	225,661	93,575	10,702,184
Total capital assets being depreciated	294,339,190	7,350,807	93,575	301,596,422
Accumulated depreciation for:				
Improvement of sites	(12,088,843)	(889,206)	-	(12,978,049)
Buildings	(44,597,967)	(4,620,132)	-	(49,218,099)
Equipment	(5,786,386)	(689,243)	(87,789)	(6,387,840)
Total accumulated depreciation	(62,473,196)	(6,198,581)	(87,789)	(68,583,988)
Total capital assets being depreciated, net	231,865,994	1,152,226	5,786	233,012,434
Governmental activity capital assets, net	$ 335,722,802	$ 51,535,024	$ 3,439,620	$ 383,818,206

Depreciation expense is allocated to the following functions in the statement of activities:

Instruction	$ 3,408,533
Instructional Supervision and Administration	124,518
Instructional Library, Media and Technology	61,575
School Site Administration	310,616
Home-to-School Transportation	61,575
Food Services	247,670
All other Pupil Services	124,519
Community Services	61,575
All Other General Administration	186,095
Centralized Data Processing	61,575
Plant Services	1,550,330
	$ 6,198,581

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS

Changes in long-term debt for the year ended June 30, 2019, were as follows:

	Balance, July 1, 2018	Additions	Deductions	Balance, June 30, 2019	Amount Due Within One Year
General Obligation Bonds:					
Principal repayments	$ 266,898,773	$ -	$ 4,597,107	$ 262,301,666	$ 5,952,573
Accreted interest component	5,195,458	1,225,828	370,000	6,051,286	345,000
Unamortized issuance premium	16,112,209	-	928,996	15,183,213	928,996
Unamortized issuance discount	(31,256)	-	(2,084)	(29,172)	(2,084)
Total - Bonds	288,175,184	1,225,828	5,894,019	283,506,993	7,224,485
Certificates of Participation					
Principal repayments	11,489,400	-	315,400	11,174,000	328,900
Unamortized issuance discount	(73,864)	-	(2,728)	(71,136)	(2,727)
Total - Certificates of Participation	11,415,536	-	312,672	11,102,864	326,173
Energy Retrofit Agreement	3,668,670	-	292,131	3,376,539	304,081
Compensated Absences	1,687,627	281,195	-	1,968,822	-
Early retirement incentive	4,035,005	-	807,001	3,228,004	807,001
Other Postemployment Benefits (OPEB)	81,085,028	10,654,196	19,579,012	72,160,212	-
Totals	$ 390,067,050	$ 12,161,219	$ 26,884,835	$ 375,343,434	$ 8,661,740

Payments for general obligation bonds are made by the Bond Interest and Redemption Fund. Certificates of participation payments are made by Capital Facilities Funds. Accumulated vacation, retirement incentives, other postemployment benefits, and net pension liabilities will be paid for by the fund for which the employee worked. Lease payments for the Energy Retrofit Agreement will be paid for by the General Fund.

A. General Obligation Bonds

General Obligation Bonds - Measure M6

On November 7, 2006, the District received authorization to issue $64 million in general obligation bonds. The Bonds were authorized in order to replace portable classrooms and relieve student overcrowding by building and equipping new classrooms and educational facilities.

General Obligation Bonds - Measure R

Bonds were authorized at an election of the registered voters of the District held on November 6, 2012 at which more than 55 percent of the voters authorized the issuance and sale of general obligation bonds not to exceed $90 million. The bonds are general obligations of the District. The bonds will be issued to finance the acquisition, construction, and modernization of school facilities and to pay costs of the issuance of the bonds.

Election 2016 – Measure D

On November 8, 2016, the voters of the District approved Measure D authorizing the District to issue up to $142.5 million general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities.

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

A. General Obligation Bonds (continued)

Prior-Year Defeasance of Debt
In prior years, the District defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2019, $17,090,000 of bonds outstanding are considered defeased. The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2019, deferred amounts on refunding were $1,748,433.

2016 General Obligation Refunding Bonds
On September 27, 2016, the District issued $16,360,000 of General Obligation Refunding Bonds, Series 2016. The bonds bear fixed interest rates ranging between 1.25% and 4.00% with annual maturities from February 1, 2017, through August 1, 2026. The net proceeds of $18,353,202 (after premiums and issuance costs) were used to advance refund a portion of the District's outstanding Election of 2006 Series B General Obligation Bonds.

The County is obligated to levy ad valorem taxes upon all property within the District for the payment of interest and principal of the bonds.

A summary of the District's outstanding general obligation bonds is below:

Bond	Interest Rate	Date of Issue	Maturity Date	Amount of Original Issue	Outstanding, July 1, 2018	Additions	Redeemed During Year	Outstanding, June 30, 2019
Measure M6 (2006)								
Series B	3.0% to 5.74%	7/11/2008	7/1/2033	$ 31,997,467	$ 8,452,467	$ -	$ 1,375,000	$ 7,077,467
Measure R (2012)								
Series A	2.0% to 5.0%	12/27/2012	8/1/2043	18,390,000	17,070,000	-	155,000	16,915,000
Series B	3.375% to 5.0%	5/30/2013	8/1/2043	25,500,000	25,500,000	-	-	25,500,000
Series C	3.625% to 5.75%	11/5/2014	8/1/2044	15,750,000	15,750,000	-	-	15,750,000
Series D	2.0% to 5.25%	8/4/2015	8/1/2040	30,360,000	29,440,000	-	-	29,440,000
Measure D (2016)								
Series A	3.5% to 5.0%	3/30/2018	8/1/2046	81,000,000	81,000,000	-	-	81,000,000
Series B	3.0 to 5.0%	3/29/2019	8/1/2041	13,996,626	13,996,626	-	-	13,996,626
Refunding Issues								
1997 Ref.	3.5% to 7.8%	3/7/1997	8/1/2019	19,890,672	129,680	-	67,107	62,573
2001 Ref., Ser. A	3.9% to 5.75%	8/15/2001	8/1/2030	20,920,000	11,825,000	-	820,000	11,005,000
2010 Ref.	2.0% to 5.0%	3/7/2011	8/1/2023	10,750,000	6,130,000	-	1,110,000	5,020,000
2011 Ref.	2.0% to 5.0%	7/14/2011	8/1/2027	7,275,000	5,400,000	-	30,000	5,370,000
2012 Ref.	2.0% to 5.0%	7/2/2012	8/1/2033	12,240,000	11,900,000	-	100,000	11,800,000
2014 Ref.	4.0% to 5.0%	6/19/2014	8/1/2027	11,835,000	10,125,000	-	795,000	9,330,000
2015 Ref.	2.0% to 5.0%	5/6/2015	8/1/2036	14,305,000	14,125,000	-	-	14,125,000
2016 Ref.	1.25% to 4.0%	9/27/2016	8/1/2026	16,360,000	16,055,000	-	145,000	15,910,000
					$ 266,898,773	$ -	$ 4,597,107	$ 262,301,666
			Accreted Interest:					
				1997 Ref.	$ 107,736	$ 397,040	$ 370,000	$ 134,776
				2006, Ser.B	5,087,722	707,701	-	5,795,423
				2016. Ser. B.	-	121,087	-	121,087
					$ 5,195,458	$ 1,225,828	$ 370,000	$ 6,051,286

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

A. General Obligation Bonds (continued)

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2019, are as follows:

Fiscal Year	Principal	Interest	Total
2019-2020	$ 5,952,573	$ 11,079,627	$ 17,032,200
2020-2021	5,250,000	10,727,319	15,977,319
2021-2022	5,410,000	10,736,238	16,146,238
2022-2023	6,054,412	10,566,544	16,620,956
2023-2024	6,529,480	10,325,425	16,854,905
2024-2029	39,572,586	51,209,747	90,782,333
2029-2034	43,906,063	51,942,458	95,848,521
2034-2039	49,982,419	28,713,247	78,695,666
2039-2044	59,384,133	16,063,825	75,447,958
2044-2048	40,260,000	3,481,375	43,741,375
Total	$ 262,301,666	$ 204,845,805	$ 467,147,471

B. Certificates of Participation

2010 Refunding

On January 19, 2010, the District issued $5,285,900 of Refunding Certificates of Participation pursuant to a lease agreement with the Public Property Financing Corporation of California for the purpose of refunding the 1997 certificates. The certificates were sold bearing stated interest rate of 4.75 percent maturing between August 1, 2011 and August 1, 2026. At June 30, 2019, the principal balance outstanding was $3,174,000.

2016 Certificates of Participation

On April 7, 2016, the District issued $8,000,000 of Certificates of Participation through the Public Property Financing Corporation of California. The certificates bear an initial interest rate of 2.00% with a 5.00% step-up interest rate that commences August 1, 2021. The certificates were issued as term certificates due August 1, 2045, with annual mandatory sinking fund payments due on August 1 of each year beginning in 2022 until maturity. The proceeds of the certificates are being used to finance the acquisition and improvement of real property for use by the District as educational facilities. At June 30, 2019, the principal balance outstanding was $8,000,000.

The annual requirements to amortize all outstanding certificates are as follows:

Fiscal Year	Principal	Interest	Total
2019-2020	$ 328,900	$ 302,954	$ 631,854
2020-2021	347,200	286,896	634,096
2021-2022	365,200	389,977	755,177
2022-2023	562,900	487,709	1,050,609
2023-2024	595,100	459,744	1,054,844
2024-2029	2,444,700	1,872,829	4,317,529
2029-2034	1,400,000	1,464,000	2,864,000
2034-2039	1,785,000	1,057,875	2,842,875
2039-2044	2,270,000	507,000	2,777,000
2044-2046	1,075,000	120,875	1,195,875
Total	$ 11,174,000	$ 6,949,859	$ 18,123,859

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

C. Energy Retrofit Agreement

On July 17, 2012, the District entered into an equipment lease/purchase agreement with Banc of America Public Capital Corp. for the acquisition of an energy efficiency program and corresponding equipment. The acquisition amount was $4,797,640 with a contract rate of 2.98% and total payments of $6,140,842.

Annual payments on the lease agreement are shown below:

Fiscal Year	Principal	Interest	Total
2019-2020	$ 304,081	$ 98,372	$ 402,453
2020-2021	317,808	89,209	407,017
2021-2022	333,284	79,624	412,908
2022-2023	350,490	69,565	420,055
2023-2024	369,416	58,980	428,396
2024-2028	1,701,460	117,771	1,819,231
	$ 3,376,539	$ 513,521	$ 3,890,060

D. Early Retirement Incentive

The District has established a supplemental early retirement incentive program (SERP) whereby certain qualified employees may retire early and receive a portion of their salary paid out as an annuity. The total future payments owing at June 30, 2019, for these obligations are shown below:

Future Years	Amount
2019-2020	$ 807,001
2020-2021	807,001
2021-2022	807,001
2022-2023	807,001
	$ 3,228,004

E. Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2019, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

Pension Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 71,257,281	$ 323,345	$ (13,193,063)	$ 6,387,843
MPP Program	902,931	-	-	(91,527)
Total	$ 72,160,212	$ 323,345	$ (13,193,063)	$ 6,296,316

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

E. Other Postemployment Benefits (OPEB) Liability (continued)

The details of each plan are as follows:

District Plan

Plan Description
Oxnard School District's single-employer defined benefit provides post-employment benefits other than pensions (OPEB) to employees who meet certain criteria. The District provides post-employment healthcare benefits to eligible retirees and their covered eligible dependents and pays a portion of the cost. All active employees who retire directly from the District and meet the eligibility criteria may participate. The District has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided
The postretirement health plans and the District's obligation vary by employee group as described below.

The Plan provides medical, dental, and vision benefits for retirees. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. Article 4 of the Trust By-Laws grants the authority to establish and amend the benefit terms to the Trust Board.

Employees Covered by Benefit Terms
At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	243
Active employees	683
Total	926

Total OPEB Liability
The District's total OPEB liability of $71,257,281 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs
The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Inflation	2.75 percent
Salary scale	2.75 percent
Expected return on assets	3.5 percent
Healthcare cost trend rates	4.00 percent

Discount Rate
The discount rate used to measure the total OPEB liability was 3.5 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

E. Other Postemployment Benefits (OPEB) Liability (continued)

District Plan (continued)

Discount Rate (continued)
Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The discount rate in the prior valuation dated October 2, 2018 was 3.8 percent.

Mortality Rates
Following are the tables the mortality assumptions are based upon.

2009 CalSTRS Mortality
The mortality assumptions are based on the 2009 CalSTRS Mortality table created by CalSTRS. CalSTRS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

2009 CalPERS Retiree and Active Mortality for Miscellaneous Employees
The mortality assumptions are based on the 2009 CalPERS Retiree and Active Mortality for Miscellaneous Employees tables created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Following are the tables the retirement and turnover assumptions are based upon.

2009 CalSTRS Retirement Rates
The retirement assumptions are based on the 2009 CalSTRS Retirement Rates table created by CalSTRS. CalSTRS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

2009 CalPERS Retirement Rates for School Employees
The retirement assumptions are based on the 2009 CalPERS Retirement Rates for School Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

2009 CalSTRS Termination Rates
The turnover assumptions are based on the 2009 CalSTRS Termination Rates table created by CalSTRS. CalSTRS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

2009 CalPERS Termination Rates for School Employees
The turnover assumptions are based on the 2009 CalPERS Termination Rates for School Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

E. Other Postemployment Benefits (OPEB) Liability (continued)

District Plan (continued)

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Balance at July 1, 2018	$ 89,501,987	$ 9,411,417	$ 80,090,570
Changes for the year:			
Service cost	4,987,643	-	4,987,643
Interest	3,428,314	-	3,428,314
Expected income	-	364,036	(364,036)
Differences between expected and actual experience	(14,858,061)	-	(14,858,061)
Contributions - employer	-	4,265,388	(4,265,388)
Investment gains and losses		(209,205)	209,205
Benefit payments	(3,928,421)	(3,928,421)	-
Change in assumptions	1,654,667	-	1,654,667
Other changes	374,367	-	374,367
Net changes	(8,341,491)	491,798	(8,833,289)
Balance at June 30, 2019	$ 81,160,496	$ 9,903,215	$ 71,257,281

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

Discount Rate	Net OPEB Liability
1% decrease (2.5%)	$ 67,137,859
Current discount rate (3.5%)	$ 71,257,281
1% increase (4.5%)	$ 74,315,792

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.00%)	$ 67,137,859
Current rate (4.00%)	$ 71,257,281
1% increase (5.00%)	$ 74,315,792

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

E. Other Postemployment Benefits (OPEB) Liability (continued)

District Plan (continued)

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

For the year ended June 30, 2019, the District recognized OPEB expense of $6,387,843. In addition, at June 30, 2019, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (12,828,172)
Changes of assumptions	-	(364,891)
Differences between projected and actual return investments	323,345	-
Total	$ 323,345	$ (13,193,063)

The deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent fiscal year. The deferred outflows of resources related to the differences between expected and actual experience in the measurement of the total OPEB liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 6.79 years.

The amount reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	$ 93,835	$ (1,757,913)
2021	93,835	(1,757,913)
2022	93,834	(1,757,913)
2023	41,841	(1,757,913)
2024	-	(2,495,974)
Thereafter	-	(3,665,437)
Total	$ 323,345	$ (13,193,063)

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

E. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program

Plan Description
The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

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

Benefits Provided
The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. The MPP Program is closed to new entrants as members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2019, 5,984 retirees participated in the MPP Program. The number of retired members who will participate in the program in the future is unknown because eligibility cannot be predetermined.

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

Total OPEB Liability
At June 30, 2019, the District reported a liability of $902,931 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2018, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total OPEB liability to June 30, 2018. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined.

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

E. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program (continued)

Total OPEB Liability (continued)
The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	Percentage Share of MPP Program		
	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018	Change Increase/ (Decrease)
Measurement Date	June 30, 2018	June 30, 2017	
Proportion of the Net OPEB Liability	0.235894%	0.236377%	-0.000483%

For the year ended June 30, 2019, the District reported OPEB expense of $(91,527).

Actuarial Assumptions and Other Inputs
The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

NOTE 7 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

E. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program (continued)

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

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

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

Discount Rate	MPP OPEB Liability
1% decrease (2.87%)	$ 998,685
Current discount rate (3.87%)	$ 902,931
1% increase (4.87%)	$ 816,468

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 823,380
Current rate (3.7% Part A and 4.1% Part B)	$ 902,931
1% increase (4.7% Part A and 5.1% Part B)	$ 988,482

NOTE 8 – PENSION PLANS

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

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 144,320,917	$ 51,288,112	$ 7,653,608	$ 22,000,046
CalPERS	68,149,798	20,369,266	-	14,434,166
Total	$ 212,470,715	$ 71,657,378	$ 7,653,608	$ 36,434,212

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

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

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

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

NOTE 8 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS)

Benefits Provided (continued)
The STRP provisions and benefits in effect at June 30, 2019, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	16.28%	16.28%
Required State Contribution Rate	9.828%	9.828%

Contributions
Required member District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven year period.

The contribution rates for each program for the year ended June 30, 2019, are presented above and the District's total contributions were $13,722,835.

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

District's proportionate share of net pension liability	$	144,320,917
State's proportionate share of the net pension liability associated with the District		82,630,475
Total	$	226,951,392

NOTE 8 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2019	**Fiscal Year Ending June 30, 2018**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2018	June 30, 2017	
Proportion of the Net Pension Liability	0.157029%	0.148516%	0.008513%

For the year ended June 30, 2019, the District recognized pension expense of $22,000,046. In addition, the District recognized pension expense and revenue of $2,817,682 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 13,722,835	$ -
Net change in proportionate share of net pension liability	14,697,101	-
Difference between projected and actual earnings on pension plan investments	-	5,557,267
Changes of assumptions	22,420,643	-
Differences between expected and actual experience	447,533	2,096,341
Total	$ 51,288,112	$ 7,653,608

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years.

NOTE 8 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 8,369,404
2021	6,285,625
2022	2,493,368
2023	6,233,806
2024	5,334,267
Thereafter	1,195,199
Total	$ 29,911,669

Actuarial Methods and Assumptions
The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.1%
Consumer Price of Inflation	2.75%
Wage Growth	3.5%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS' general investment consultant (Pension Consulting Alliance–PCA) as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study.

NOTE 8 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions (continued)

For each future valuation, CalSTRS' consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	47%	6.30%
Fixed Income	12%	0.30%
Real Estate	13%	5.20%
Private Equity	13%	9.30%
Risk Mitigating Strategies	9%	2.90%
Inflation Sensitive	4%	3.80%
Cash/Liquidity	2%	(1.00)%

Discount Rate

The discount rate used to measure the total pension liability was 7.1%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.1%) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 211,413,255
Current discount rate (7.10%)	144,320,917
1% increase (8.10%)	88,694,859

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954 and 22955.1 of the Education Code and Public Resources Code Section 6217.5. In addition, for the 2018-19 fiscal year, California Senate Bill No. 90 (SB 90) was signed into law on June 27, 2019, and appropriated supplemental contributions of $2,246,000,000. Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $13,173,686.

NOTE 8 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS)

Plan Description
Qualified employees are eligible to participate in the Schools Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publically available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/employers/actuarial-services/gasb.

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

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

	Schools Pool (CalPERS)	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Monthly Benefits as a Percentage of Eligible Compensation	1.1%-2.5%	1.0%-2.5%
Required Employee Contribution Rate	7.00%	6.50%
Required Employer Contribution Rate	18.062%	18.062%

NOTE 8 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Contributions
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the total District contributions were $6,600,413.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $14,434,166. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2019	**Fiscal Year Ending June 30, 2018**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2018	June 30, 2017	
Proportion of the Net Pension Liability	0.255595%	0.251870%	0.003725%

For the year ended June 30, 2019, the District recognized pension expense of $14,434,166. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,600,413	$ -
Net change in proportionate share of net pension liability	1,937,764	-
Difference between projected and actual earnings on pension plan investments	558,981	-
Changes of assumptions	6,804,457	-
Differences between expected and actual experience	4,467,651	-
Total	$ 20,369,266	$ -

NOTE 8 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4 years.

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 8,186,885
2021	5,767,652
2022	39,758
2023	(225,441)
2024	-
Thereafter	-
Total	$ 13,768,853

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

Valuation Date	June 30, 2017
Experience Study	1997-2015
Actuarial Cost Method	Entry age normal
Discount Rate	7.15%
Consumer Price of Inflation	2.75%
Wage Growth	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

NOTE 8 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)
In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administration expenses.

The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	(0.92%)

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 99,222,846
Current discount rate (7.15%)	68,149,798
1% increase (8.15%)	42,370,255

On-Behalf Payments
The State of California normally makes no contributions to CalPERS on behalf of the District. However, for the 2018-19 fiscal year, California Senate Bill No. 90 (SB 90) was signed into law on June 27, 2019, and appropriated contributions of $904,000,000.

NOTE 8 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

On-Behalf Payments (continued)
Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $2,310,583.

C. Social Security
As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

D. Payables to the Pension Plans
At June 30, 2019, the District reported payables of $202,179 and $32,594 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2019.

NOTE 9 – JOINT VENTURES

The Oxnard School District participates in one joint powers agreement (JPA) entity, the Ventura County Schools Self-Funding Authority (VCSSFA). The relationship between the Oxnard School District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The VCSSFA provides workers compensation, property and liability coverage for its member school districts through a varying combination of self-insurance and excess coverage. The JPA is governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPA independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPA.

Condensed audited financial information for the fiscal year ended June 30, 2019, is as follows:

	VCSSFA
Assets	$ 128,939,865
Deferred Outflows of Resources	430,267
Liabilities	53,989,890
Deferred Inflows of Resources	145,889
Net Assets	$ 75,234,353
Revenues	$ 26,936,338
Expenses	24,474,102
Operating Income	2,462,236
Non-Operating Income	2,857,461
Change in Net Assets	$ 5,319,697

NOTE 10 – RISK MANAGEMENT

Property and Liability and Workers' Compensation
The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2019, the District participated in the Ventura County Schools Self-Funding Authority public entity risk pool for property and liability insurance coverage and workers' compensation coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation
For fiscal year 2018-19, the District participated in the Ventura County Schools Self-Funding Authority public entity risk pool for workers' compensation, with excess coverage provided by the SCRMA public entity risk pool. The District maintains a $100,000 Self-Insured Retention (SIR) amount.

Employee Medical Benefits
The District has contracted with Gold Coast Benefits Trust to provide employee health and welfare benefits.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants
The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

B. Litigation
The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2019.

C. Construction Commitments
At June 30, 2019, the District had commitments with respect to unfinished capital projects of approximately $1.5 million to be paid from bond proceeds and developer fees.

Required Supplementary Information

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OXNARD SCHOOL DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
LCFF Sources	$ 171,405,311	$ 170,075,684	$ 170,082,603	$ 6,919
Federal Sources	9,076,398	12,201,962	9,554,582	(2,647,380)
Other State Sources	14,415,195	14,434,329	28,350,602	13,916,273
Other Local Sources	8,682,012	9,073,350	10,828,960	1,755,610
Total Revenues	203,578,916	205,785,325	218,816,747	13,031,422
Expenditures				
Current:				
Certificated Salaries	81,702,985	87,427,510	88,683,199	(1,255,689)
Classified Salaries	30,660,701	29,833,655	30,823,092	(989,437)
Employee Benefits	44,056,362	44,975,785	61,621,470	(16,645,685)
Books and Supplies	13,443,678	16,742,050	10,067,801	6,674,249
Services and Other Operating Expenditures	21,620,426	30,594,579	26,777,674	3,816,905
Transfers of Indirect Costs	(666,872)	(681,913)	(617,440)	(64,473)
Capital Outlay	300,008	2,504,843	648,919	1,855,924
Other Outgo	2,736,397	4,794,692	5,317,487	(522,795)
Debt Service	-	561,397	552,438	8,959
Total Expenditures	193,853,685	216,752,598	223,874,640	(7,122,042)
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,725,231	(10,967,273)	(5,057,893)	5,909,380
Other Financing Sources and Uses				
Interfund Transfers Out	(2,256,278)	(3,130,606)	(2,330,338)	800,268
Excess (Deficiency) of Revenues and Other Expenditures and Other Financing Uses	7,468,953	(14,097,879)	(7,388,231)	6,709,648
Fund Balances, July 1, 2018	36,042,180	30,873,302	28,434,828	(2,438,474)
Fund Balances, June 30, 2019	$ 43,511,133	$ 16,775,423	21,046,597	$ 4,271,174
Fund Balances included in the Statement of Revenues, Expenditures and Changes in Fund Balances:				
Special Revenue Fund for Other than Capital Outlay			128,568	
Reported General Fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balances:			$ 21,175,165	

OXNARD SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability

For the Fiscal Year Ended June 30, 2019

Last Ten Fiscal Years*

	2018	2017	2016	2015	2014
CalSTRS					
District's proportion of the net pension liability	0.1570%	0.1485%	0.1547%	0.1500%	0.1270%
District's proportionate share of the net pension liability	$ 144,320,917	$ 137,347,794	$ 125,365,550	$ 100,986,000	$ 74,214,990
State's proportionate share of the net pension liability associated with the District	82,630,475	$ 81,253,795	71,378,879	53,410,318	44,814,665
Totals	$ 226,951,392	$ 218,601,589	$ 196,744,429	$ 154,396,318	$ 119,029,655
District's covered-employee payroll	$ 83,459,653	$ 80,537,440	$ 76,798,239	$ 70,452,489	$ 63,059,794
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	172.92%	170.54%	163.24%	69.76%	84.97%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
CalPERS					
District's proportion of the net pension liability	0.2556%	0.2519%	0.2531%	0.2457%	0.2290%
District's proportionate share of the net pension liability	$ 68,149,798	$ 60,128,107	$ 49,987,407	$ 36,216,423	$ 25,974,371
District's covered-employee payroll	$ 33,887,773	$ 32,092,252	$ 30,393,939	$ 27,191,989	$ 23,660,479
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	201.10%	187.36%	164.47%	133.19%	109.78%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

Notes to Schedule:

* *This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

OXNARD SCHOOL DISTRICT
Schedule of Pension Contributions
For the Fiscal Year Ended June 30, 2019

Last Ten Fiscal Years*

	2019	2018	2017	2016	2015
CalSTRS					
Contractually required contribution	$ 13,722,835	$ 12,043,228	$ 10,131,610	$ 8,240,451	$ 6,256,181
Contributions in relation to the contractually required contribution	13,722,835	12,043,228	10,131,610	8,240,451	6,256,181
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 84,292,597	$ 83,459,652	$ 80,537,440	$ 76,798,239	$ 70,452,489
Contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS					
Contractually required contribution	$ 6,600,413	$ 5,263,110	$ 4,456,972	$ 3,600,770	$ 3,200,769
Contributions in relation to the contractually required contribution	6,600,413	5,263,110	4,456,972	3,600,770	3,200,769
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 36,543,090	$ 33,887,773	$ 32,092,252	$ 30,393,939	$ 27,191,989
Contributions as a percentage of covered-employee payroll	18.062%	15.531%	13.888%	11.847%	11.771%

* *This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

OXNARD SCHOOL DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2019

Last 10 Fiscal Years*

	2019	2018
Total OPEB liability		
Service cost	$ 4,987,643	$ 4,854,154
Interest	3,428,314	3,335,606
Changes of assumptions	-	(2,267,105)
Differences between expected and actual experience	(14,858,061)	-
Changes of assumptions or other inputs	1,654,667	-
Expected benefit payments	-	(3,630,866)
Benefit payments	(3,928,421)	85,492
Other changes	374,367	-
Net change in total OPEB liability	(8,341,491)	2,377,281
Total OPEB liability - beginning	89,501,987	87,124,706
Total OPEB liability - ending	$ 81,160,496	$ 89,501,987
Plan fiduciary net position		
Contributions - employer	$ 4,265,388	$ 4,339,503
Net investment income	154,831	79,553
Benefit payments	(3,928,421)	(3,630,865)
Administrative expense	-	85,492
Net change in plan fiduciary net position	491,798	873,683
Plan fiduciary net position - beginning	9,411,417	8,537,734
Plan fiduciary net position - ending	$ 9,903,215	$ 9,411,417
District's net OPEB liability - ending	$ 71,257,281	$ 80,090,570
Plan fiduciary net position as a percentage of the total OPEB liability	12.20%	10.52%
Covered-employee payroll	$ 114,428,198	$ 112,683,361
Net OPEB liability as a percentage of covered-employee payroll	62.27%	71.08%

Notes to Schedule:

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

OXNARD SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
For the Fiscal Year Ended June 30, 2019

	2018	2017
District's proportion of net OPEB liability	0.2359%	0.2364%
District's proportionate share of net OPEB liability	$ 902,931	$ 994,457
Covered-employee payroll	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	0.40%	0.01%

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

This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

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

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

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

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

Change in benefit terms – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Change of assumptions **-** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Schedule of District Contributions

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

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

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

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the average working life. A discount rate of 3.5 percent was used in the valuation. The interest rate used in the prior valuation was 3.8 percent.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

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

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

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

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Supplementary Information

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The Oxnard School District was established in 1873, and consists of an area comprising approximately 28 square miles in the southern portion of Ventura County encompassing a portion of the City of Oxnard. The District operates twelve elementary schools (K-5), three intermediate schools (6-8), five K-8 schools, and one preschool. There were no boundary changes during the year.

GOVERNING BOARD

Member	Office	Term Expires
Mrs. Veronica Robles-Solis	President	November, 2022
Ms. Monica Madrigal Lopez	Clerk	November, 2020
Mrs. Debra Cordes	Member	November, 2022
Dr. Jesus Vega	Member	November, 2022
Mr. Denis O'Leary	Member	November, 2020

DISTRICT ADMINISTRATORS

Karling Aguilera-Fort,
Superintendent

Ms. Janet Penanhoat,
Assistant Superintendent, Business and Fiscal Services

Dr. Ana DeGenna,
Assistant Superintendent, Educational Services

Dr. Jesus Vaca,
Assistant Superintendent, Human Resources and Support Services

OXNARD SCHOOL DISTRICT
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2019

	Second Period Report Certificate No. (E6849738)	**Annual Report** Certificate No. (97D6823E)
Regular ADA:		
Grades TK-3	6,854.55	6,858.36
Grades 4-6	5,209.83	5,204.43
Grades 7-8	3,548.36	3,544.94
Total Regular ADA	15,612.74	15,607.73
Special Education - Nonpublic, Nonsectarian Schools:		
Grades 7-8	4.75	5.54
Total Special Education, Nonpublic, Nonsectarian Schools	4.75	5.54
Total ADA	15,617.49	15,613.27

OXNARD SCHOOL DISTRICT
Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2019

Grade Level	Required	2018-2019 Actual Minutes	Number of Days Traditional Calendar*	Status
Kindergarten	36,000	48,845	179	Complied
Grade 1	50,400	53,605	179	Complied
Grade 2	50,400	53,605	179	Complied
Grade 3	50,400	53,605	179	Complied
Grade 4	54,000	54,455	179	Complied
Grade 5	54,000	54,455	179	Complied
Grade 6	54,000	60,561	179	Complied
Grade 7	54,000	60,561	179	Complied
Grade 8	54,000	60,561	179	Complied

*The California Department of Education has approved the request for one emergency day on November 9, 2018 for all schools in Oxnard School District. This school closure day may be used to meet the instructional time requirements pursuant to California Education Code sections 46200, 46201, 46207, and/or 46208.

OXNARD SCHOOL DISTRICT

Schedule of Financial Trends and Analysis

For the Fiscal Year Ended June 30, 2019

General Fund	(Budget) 2020 [2]	2019	2018	2017
Revenues and other financing sources	$ 195,082,887	$ 218,816,747	$ 202,297,565	$ 202,291,346
Expenditures	195,929,087	223,874,640	213,298,207	200,381,171
Other uses and transfers out	1,830,606	2,330,338	461,555	324,349
Total outgo	197,759,693	226,204,978	213,759,762	200,705,520
Change in fund balance (deficit)	(2,676,806)	(7,388,231)	(11,462,197)	1,585,826
Ending fund balance	$ 18,369,791	$ 21,046,597	$ 28,434,828	$ 39,897,025
Available reserves [1]	$ 6,602,477	$ 9,970,664	$ 9,298,798	$ 20,119,090
Available reserves as a percentage of total outgo	3.3%	4.4%	4.4%	10.0%
Total long-term debt	$ 579,152,409	$ 587,814,149	$ 587,542,951	$ 573,721,153
Average daily attendance at P-2	15,245	15,617	15,984	16,173

The General Fund balance has decreased by $18,850,428 over the past two years. The fiscal year 2019-19 adopted budget projects a decrease of $2,676,806. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in two of the past three years, and anticipates incurring an operating deficit during the 2019-20 fiscal year. Long-term debt has increased by $13,971,909 over the past two years.

Average daily attendance has decreased by 556 over the past two years. ADA is expected to decrease by 372 in fiscal year 2019-19.

[1] Available reserves consist of all unassigned fund balances in the General Fund.

[2] Revised Final Budget September, 2019.

[3] The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

OXNARD SCHOOL DISTRICT

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

For the Fiscal Year Ended June 30, 2019

	General Fund *
June 30, 2019, annual financial and budget report fund balance	$ 20,482,005
Adjustments and reclassifications:	
Increase (decrease) in total fund balance:	
Accounts receivable understated	564,592
June 30, 2019, audited financial statement fund balance	$ 21,046,597

* The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

OXNARD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Especially Needy	10.553	13526	$ 1,303,986	
National School Lunch Program	10.555	13523	6,357,295	
USDA Donated Foods	10.555	N/A	768,362	
Summer Food Service Program Operations	10.559	13004	146,434	
Total Child Nutrition Cluster				$ 8,576,077
Fresh Fruit and Vegetable Program	10.582	14968		169,673
Child and Adult Food Care Program	10.588	13393	697,265	
Cash in Lieu of Commodities	10.558	13393	51,773	
Total Child and Adult Food Care Program				749,038
Total U.S.Department of Agriculture				9,494,788
U.S. Department of Education:				
Magnet Schools Assistance Program	84.165A	N/A		354,712
Passed through California Dept. of Education (CDE):				
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329		3,805,935
Title II, Part A, Supporting Effective Instruction State Grant	84.367	14341		552,296
English Language Acquisition Grants:				
Title III, Immigrant Education Program	84.365	15146	34,328	
Title III, Limited English Proficiency	84.365	14346	809,964	
Total English Language Acquisition Grants Cluster				844,292
Passed through Ventura County SELPA:				
Individuals with Disabilities Education Act (IDEA):				
Local Assistance Entitlement	84.027	13379	3,006,867	
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	4,235	
IDEA Preschool Grants, Part B, Section 619	84.173	13430	137,646	
Total Special Education (IDEA) Cluster				3,148,748
Total U.S.Department of Education				8,705,983
U.S. Department of Health & Human Services:				
Passed through California Dept. of Education:				
Medicaid Cluster:				
Medi-Cal Billing Option	93.778	10013	47,301	
Medi-Cal Administrative Activities (MAA)	93.778	10060	1,164,268	
Total Medicaid Cluster				1,211,569
Total U.S. Department of Health & Human Services				1,211,569
Total Expenditures of Federal Awards				$ 19,412,340

Of the Federal expenditures presented in the schedule, the District provided no Federal awards to subrecipients.

NOTE 1 – PURPOSE OF SCHEDULES

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 participated in the Incentives for Longer Instructional Day and Longer Instructional Year. The District has not met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

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.

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 Expenditures of Federal Awards

The 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2019.

	CFDA Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		$ 19,207,380
Differences between Federal Revenues and Expenditures:		
Medi-Cal Billing Option	93.778	(269,832)
Medi-Cal Administrative Activities	93.778	632,801
Child and Adult Food Care Program	10.555	(158,009)
Total Schedule of Expenditures of Federal Awards		$ 19,412,340

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Other Independent Auditors' Reports

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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*

Board of Trustees
Oxnard School District
Oxnard, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Oxnard School District's basic financial statements, and have issued our report thereon dated December 1, 2019.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Oxnard School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Oxnard School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oxnard School District's internal control.

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

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Peter Glenn, CPA | Paul J. Kaymark, CPA | Michael Klein, CPA, CMA, EA

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Compliance and Other Matters
As part of obtaining reasonable assurance about whether Oxnard 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*.

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

Nigro + Nigro, PC.

Murrieta, California
December 1, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
Oxnard School District
Oxnard, California

Report on Compliance for Each Major Federal Program
We have audited Oxnard School District's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Oxnard School District's major federal programs for the year ended June 30, 2019. Oxnard School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of Oxnard School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oxnard School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program
In our opinion, Oxnard School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Peter Glenn, CPA | Paul J. Kaymark, CPA | Michael Klein, CPA, CMA, EA

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Other Matters
The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2019-001. Our opinion on each major federal program is not modified with respect to this matter.

Oxnard School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Oxnard School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance
Management of Oxnard School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Oxnard School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2019-001 that we consider to be a significant deficiency.

Oxnard School District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Oxnard School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Nigro + Nigro, PC.

Murrieta, California
December 1, 2019

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Oxnard School District
Oxnard, California

Report on State Compliance
We have audited Oxnard School District's compliance with the types of compliance requirements described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Oxnard School District's state government programs as noted on the following page for the fiscal year ended June 30, 2019.

Management's Responsibility
Management is responsible for compliance with state laws, regulations, and the terms and conditions of its State programs.

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of Oxnard School District's state programs based on our audit of the types of compliance requirements referred to on the following page. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to on the following page that could have a direct and material effect on a state program occurred. An audit includes examining, on a test basis, evidence about Oxnard School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (see below)
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes

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Description	Procedures Performed
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for independent study because the ADA was under the level that requires testing.

Unmodified Opinion on Compliance with State Programs
In our opinion, Oxnard School District complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2019.

Other Matters
The results of our auditing procedures disclosed an instance of noncompliance with the compliance requirements referred to previously, which is required to be reported in accordance with the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* and which is described in the accompanying schedule of findings and questioned costs as Finding 2019-002. Our opinion on each state program is not modified with respect to this matter.

District's Response to Finding
Oxnard School District's response to the compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Oxnard School District's response was not subjected to the auditing procedures in the audit of compliance and, accordingly, we express no opinion on the response.

Nigro + Nigro, PC.

Murrieta, California
December 1, 2019

Findings and Questioned Costs

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SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None noted
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516	Yes

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.010	Title I Grants to Local Education Agencies
93.778	Medical Assistance Program

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

State Awards

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

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.* Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

Five Digit Code	AB 3627 Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no financial statement findings in 2018-19.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

Finding 2019-001: Documentation of Employee Time and Effort (50000) (30000)

Program Identification:

Federal Agency: U.S. Department of Health and Human Services
Pass-through Entity: California Department of Education
Program Name: Medi-Cal & MAA Cluster:
MAA (CFDA No. 93.778)
Medi-Cal Billing Option (CFDA No. 93.778)

Criteria: 2 CFR Section 225 requires that employees funded through multiple cost objectives complete a personnel activity report (PAR) or equivalent documentation. The PAR or equivalent documentation must reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated, be prepared at least monthly and coincide with one or more pay periods, and be signed by the employee.

Condition: The District charged salary costs to Medicare Administrative Activities for an employee that is split-funded but did not provide documentation of time and effort that fulfills the requirement of 2 CFR section 225. This is not a repeat finding and appears to be isolated.

Questioned Costs: $23,289.35. This is the amount paid for salary and benefits that was lacking documentation.

Effect: Over the course of the 2018-19 fiscal year, the District charged MAA $23,289.35 but could not support those charges through time and effort accounting.

Cause: The District's allocation of the employees' time spent on the cost objective was not supported by adequate personnel activity reports.

Recommendation: We recommend that the District ensure that the portion of employee salaries charged to Medi-Cal and MAA programs be reflective of each employee's actual activity and ensure that it is properly documented. We further recommend that the District follow the California School Accounting Manual Procedure 905 on Documenting Wages and Salaries moving forward.

Views of Responsible Officials: In 2016, as a result of a Federal Program Monitoring (FPM) review, the District reviewed and revised its timekeeping procedures for all federally-funded employees, and employees who are funded through multiple cost objectives. The responsibility for issuing and collecting semi-annual certifications and personal activity reports (PARs) was shared between staff in Educational Services and Business Services. Due to a 2017 change of staff who were responsible for issuing and collecting these reports, the PAR function was not communicated, and some employees that should have completed a PAR were not notified or asked to do so. The District will be reviewing its timekeeping procedures and processes, in order to be in compliance with Federal and State guidelines for time and effort reporting.

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

Finding 2019-002: CALPADS Unduplicated Pupil Counts (40000)

Criteria: Supplemental and concentration grant amounts are calculated based on the percentage of "unduplicated pupils" enrolled in the LEA on Census Day (first Wednesday in October). The percentage equals:

- Unduplicated count of pupils who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth. "Unduplicated count" means that each pupil is counted only once even if the pupil meets more than one of these criteria (*EC* sections 2574(b)(2) and 42238.02(b)(1)).

- Divided by total enrollment in the LEA (*EC* sections 2574(b)(1) and 42238.02(b)(5)). All pupil counts are based on Fall 1 certified enrollment reported in the CALPADS as of Census Day.

Condition: During our testing of the English Learner (EL) and Free and Reduced Price Meal (FRPM) eligible students reported in the CALPADS 1.17 and 1.18 reports, we noted 5 students who were incorrectly classified as EL or FRPM eligible. We noted errors in four of the schools we tested, for a total of 5 exceptions out of a sample size of 302. This finding also occurred in 2017-18 testing of the unduplicated pupil count and was reported as finding 2018-001.

Cause: The District did not change the status of 3 students for purposes of free and reduced meals when their application did not support the designation. Similarly, 2 students did not qualify to be designated as English Learner based on documentation.

Effect: We extrapolated the error rate across the four sites where errors occurred based on CALPADs reported unduplicated pupil counts at Harrington, Marina West, Curren and Juan Lagunas Elementary schools as follows:

		Adjusted based on eligibility for:		
School Site	CALPADS Reported	FRPM	EL	Adjusted Total
Harrington Elementary	531	(9)	-	522
Marina West Elementary	513	(9)	-	504
Curren Elementary	846	(7)	(7)	832
Juan Lagunas Soria Elementary	626	-	(10)	616
Aggregate remaining school sites	9,960	-	-	9,960
District-wide	13,371	(25)	(17)	13,329

The enrollment count of 16,133 was not impacted as a result of the procedures performed.

We utilized the California Department of Education's (CDE) audit penalty calculator to determine the estimated cost of the finding to be $71,109.

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS (continued)

Finding 2019-002: CALPADS Unduplicated Pupil Counts (40000) (continued)

Recommendation: We recommend that the District implement a procedure to review the CALPADS information prior to the reports' submission to the California Department of Education.

Views of Responsible Officials:

Classification of FRPM-eligible Students
Beginning in 2018-19 the District implemented the Community Eligibility Provision (CEP) for Free and Reduced-Price meals. CEP is based on a "base year" of direct certification of families from other County and State agencies, such as CalFresh, CalWORKS, and Medi-Cal. As a result of implementing CEP, the District discontinued the use of Meal Application forms as a means to determine family income and FRPM-eligibility; and relied on "base year" data from 2017-18 as well as direct certifications. For the 2019-20 fiscal year, the district has collected household income information from all students via a new "Local Control Funding Formula Data Collection" form. The data collected will provide the verification for reporting the students identified as low socio-economic status for that portion of the Unduplicated Pupil Count.

Classification of EL Students
The District began a new data-tracking process in 2017-18. ELLevations provides the District a means of tracking and monitoring all students identified as EL, IFEP, and RFEP, including the evidence measures used, such as home language surveys, proficiency tests (CELDT and ELPAC), and records provided from previous districts. In addition, the District is now using the state TOMS system to verify EL status of students coming in from other districts. The District will analyze how this data-tracking affects the reporting of English Learners to CALPADS, and ensure that the English Learner Services and Information Technology departments work together to ensure proper classification and reporting of English Learners.

Original Finding No.	Finding	Code	Recommendation	Current Status
Finding 2018-001 CALPADS Unduplicated Pupil Counts	Supplemental and concentration grant amounts are calculated based on the percentage of "unduplicated pupils" enrolled in the LEA on Census Day (first Wednesday in October). The percentage equals: • Unduplicated count of pupils who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth. "Unduplicated count" means that each pupil is counted only once even if the pupil meets more than one of these criteria (*EC* sections 2574(b)(2) and 42238.02(b)(1)). • Divided by total enrollment in the LEA (*EC* sections 2574(b)(1) and 42238.02(b)(5)). All pupil counts are based on Fall 1 certified enrollment reported in the CALPADS as of Census Day. During our testing of the English Learner (EL) and Free and Reduced Price Meal (FRPM) eligible students reported in the CALPADS 1.17 and 1.18 reports, we noted 6 students who were incorrectly classified as EL or FRPM eligible. One student was classified as an EL student, but did not have evidence as being an EL student in accordance with the District's policy. Five students were classified as FRPM eligible, but did not have documentation to support their designation.	40000	We recommend that the Director of Child Nutrition review the export of student data prior to the upload of data to the CALPADS reporting module.	Implemented; however, see Finding 2019-002.

To the Board of Education
Oxnard School District
Oxnard, California

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

However, during our audit we noted matters that are an opportunity for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 1, 2019, on the financial statements of Oxnard School District.

ATTENDANCE

Observation: During inquiry, we noted that one of three teachers sampled at **Curren School and Rose Avenue School** had not certified their reported attendance on a contemporaneous basis. No errors in reported ADA were noted as a result of this.

> ***Recommendation:*** When teachers are taking attendance, the rosters are required to be printed out and signed by the teacher on a weekly basis to indicate their review and agreement of the attendance reported. We recommend that the rosters be signed and dated on a weekly basis as required by CDE to create a valid contemporaneous record. Alternatively, the District may seek approval for digital signatures, but a digital system must first be approved by the CDE.

ASSOCIATED STUDENT BODY (ASB) FUNDS

Observation: During inquiry and procedures at **Chavez School** and **Frank Intermediate**, we noted that the Student Council did not prepare an annual operating budget.

> ***Recommendation:*** A budget is an important tool to monitor the financial activities of the ASB. After preparation of an annual operating budget, the Student Council should adopt the budget and document it in the minutes.

Observation: During inquiry at **Chavez School**, we noted that the ASB bookkeeper is currently a signor on the bank account. At **Soria School**, the assistant principal prepares the checks and is a signor on the bank account. This demonstrates a lack of segregation of duties in the check issuing process.

> ***Recommendation:*** Good internal controls include segregating duties so that one person is not handling a transaction from beginning to end. This is a critical part of a system of checks and balances. Those who record the transaction should be separate from those who authorize and execute the transaction. We therefore recommend that the bookkeeper be removed as an authorized signor on the ASB bank account and the assistant principal not create checks if they are also authorizing them.

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ASSOCIATED STUDENT BODY (ASB) FUNDS

Observation: In our test of cash disbursements, we noted that some disbursements selected in our sample were not approved by the District representative, the ASB advisor, and/or the student representative prior to funds being disbursed. We noted exceptions at Chavez, Haydock and Soria schools as well as Frank Intermediate. Additionally, we noted at **Curren School** that both disbursements selected in our sample were not approved by the District representative, the ASB advisor, and the student representative.

> ***Recommendation:*** Education Code Section 48933(b) requires all expenditures from ASB funds be authorized by a student representative, an advisor, and a district representative prior to disbursing the funds. As a "best practice", approval by required parties should be obtained before the actual commitment to purchase the items in order to ensure the expense is a proper use of student-body funds and falls within budgetary guidelines.

Observation: During our testing of cash receipts, we found that some of the deposits tested lacked sufficient supporting documentation at **Chavez, Curren** and **Soria** schools as well as **Fremont** and **Frank Intermediate**.

> ***Recommendation:*** Without supporting documentation, we could not verify whether all cash collected had been deposited intact and into the correct ASB account. Sound internal controls for handling cash discourage theft of ASB funds and protect those who handle the cash. It is important to tie all proceeds to the specific fundraiser from which they were generated and to ensure that all proceeds from an event are turned in and properly accounted for. We recommend that before any events are held, control procedures should be established that will allow for the reconciliation between money collected and fundraiser sales.

Observation: During our cash receipts testing some of the cash receipts that we sampled were not deposited in a timely manner. This occurred at **Chavez**, **Haydock** and **Soria** Schools as well as **Fremont Intermediate**.

> ***Recommendation:*** We recommend that the site emphasize to the advisors and teachers that deposits should be made to the bookkeeper on a weekly basis or more often as needed. Money should never be left over the weekend or holidays because many thefts often occur during these times.

Observation: During our testing at **Fremont Intermediate**, we identified that bank reconciliations were not prepared timely. The bank reconciliations for August through October were done 12/19 and January's statement was reconciled 3/22. Timely and accurate bank reconciliations are prudent and necessary to ensure that the accounting records match the amounts held on deposit.

> ***Recommendation:*** We recommend the bookkeeper perform monthly bank reconciliations within two weeks after the statement arrives. Furthermore, the Principal or ASB Advisor should review the bank reconciliation and initial and date the bank statement and reconciliation as evidence they were reviewed. Review of the bank reconciliations by someone other than the ASB Bookkeeper is an important internal control to detect errors and possible questionable or suspicious activity.

DISTRICT OFFICE

Observation: During our testing of cash receipts, we noted that some receipts from the sites did not come with point of sale documentation. We also noted that retiree healthcare payments are not receipted. Without supporting documentation, we could not verify whether all cash collected had been deposited intact and into the correct account.

> ***Recommendation*:** Sound internal controls for handling cash discourage theft and protect those who handle the cash. We recommend that all cash deposited be accompanied with supporting documentation.

Observation: During our inquiry, we noted that bank reconciliations are not being approved by a supervisor. Review of the bank reconciliations by someone other than the reconciler is an important control to detect errors and possible questionable or suspicious activity.

> ***Recommendation:*** We recommend that an additional person performs a monthly review of the bank reconciliation and indicate their review by placing their initials on the reconciliation.

***Observation*:** Capital assets represent one of the largest investments of the District; control and accountability are of significant concern. Generally accepted accounting principles (GAAP), Education Code Section 35168, and District Board Policy require the District to maintain records that properly account for capital assets. Capital asset records serve as a management tool and have an important bearing on management decisions, such as long-range acquisition and abandonment projections. The need for data on capital assets is an important aspect to the District.

***Condition*:** The District adds the annual cost of projects to the work in progress account and then relieves this account when projects have been completed. However, there is insufficient detail of the construction in progress account that carries forward beyond the current year.

> ***Recommendation*:** We recommend the District track all prior period construction in progress amounts until the project has been completed and maintain a detail to substantiate the total in addition to the amounts being added and removed.

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

Nigro + Nigro, PC.

Murrieta, California
December 1, 2019