



**Oxnard Union
High School District**

ANNUAL FINANCIAL REPORT

JUNE 30, 2005

OXNARD UNION HIGH SCHOOL DISTRICT
OF VENTURA COUNTY
OXNARD, CALIFORNIA
JUNE 30, 2005

GOVERNING BOARD

| <u>MEMBER</u> | <u>OFFICE</u> | <u>TERM EXPIRES</u> |
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| | |
|--------------------|--|
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OXNARD UNION HIGH SCHOOL DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Oxnard Union High School District
Oxnard, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxnard Union High School District (the "District") as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 2004-05 *Standards and Procedures for Audits of California K-12 Local Educational Agencies*, prescribed in the California Code of Regulations, Title 5, Section 19810 and following. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxnard Union High School District, as of June 30, 2005, and the respective changes in financial positions, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements referred to above include only the primary government of the District, which consists of all funds that comprise the District's legal entity. The financial statements do not include financial data for the District's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial date of the District's primary government, as discussed in Note 1. As a result, the primary government financial statements do not purport to and do not, present fairly the financial position of the reporting entity of the District, as of June 30, 2005, and the changes in its financial position, for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2005, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information, such as management's discussion and analysis on pages 4 through 14 and budgetary comparison information on page 50, are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Vannink, Tin, Day & Co., LLP

Rancho Cucamonga, California
October 27, 2005



**Oxnard Union
High School District**

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This section of Oxnard Union High School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2005, with comparative information from 2003-04 information. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

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

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

Total General Fund Revenue increased by 10.5% from the previous fiscal year. The following table shows major revenue sources for fiscal year 2004-05 compared with fiscal year 2003-04.

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2005

General Fund Revenue Comparison-Amount

| | 2005 | 2004 | Increase (Decrease) |
|-----------------------|----------------------|----------------------|------------------------|
| Revenue Limit Sources | \$ 84,460,432 | \$ 78,640,256 | \$ 5,820,176 |
| Federal Revenues | 8,493,585 | 6,870,635 | 1,622,950 |
| Other State Revenues | 12,024,942 | 9,153,540 | 2,871,402 |
| Other Local Revenues | 8,473,022 | 8,038,874 | 434,148 |
| | <u>\$113,451,981</u> | <u>\$102,703,305</u> | <u>\$ 10,748,676</u> |

Total General Fund Expenditures increased by 10.4% from the previous fiscal year. The following table shows expenditures for fiscal year 2004-05 compared with fiscal year 2003-04.

General Fund Expenditure Comparison-Unrestricted and Restricted

| | 2004-05 | | 2003-04 | | Change | |
|-----------------------|-----------------------|---------------------|-----------------------|---------------------|----------------------|-------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent Change |
| Certificated salaries | \$ 54,597,207 | 47.6% | \$ 52,109,798 | 50.7% | \$ 2,487,409 | -3.08% |
| Classified salaries | 15,669,802 | 13.7% | 15,125,829 | 14.7% | 543,973 | -1.05% |
| Employee benefits | 29,543,053 | 25.7% | 22,841,870 | 22.2% | 6,701,183 | 3.54% |
| Books and supplies | 4,540,141 | 4.0% | 4,479,176 | 4.4% | 60,965 | -0.40% |
| Services and other | 9,711,367 | 8.5% | 8,479,455 | 8.2% | 1,231,912 | 0.22% |
| Other outgo | (218,126) | -0.2% | (431,559) | -0.4% | 213,433 | 0.23% |
| Capital outlay | 922,730 | 0.8% | 266,678 | 0.3% | 656,052 | 0.54% |
| | <u>\$ 114,766,174</u> | <u>100.0%</u> | <u>\$ 102,871,247</u> | <u>100.0%</u> | <u>\$ 11,894,927</u> | <u>0.00%</u> |

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

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

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2005

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

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

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

THE DISTRICT AS A WHOLE

Net Assets

The District's net assets were \$144,607,905 for the fiscal year ended June 30, 2005. Of this amount, \$11,718,069 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the District's governmental activities.

Table 1

| | Governmental Activities | |
|--|-------------------------|----------------------|
| | 2005 | 2004 |
| Assets | | |
| Current and other assets | \$ 44,262,786 | \$ 58,499,427 |
| Capital assets | 174,140,790 | 156,995,913 |
| Total Assets | <u>218,403,576</u> | <u>215,495,340</u> |
| Liabilities | | |
| Current liabilities | 10,020,451 | 10,077,254 |
| Long-term debt | 63,775,220 | 60,044,713 |
| Total Liabilities | <u>73,795,671</u> | <u>70,121,967</u> |
| Net Assets | | |
| Invested in capital assets, net of related debt | 109,651,957 | 96,880,359 |
| Restricted | 23,237,879 | 34,050,428 |
| Unrestricted | 11,718,069 | 14,442,586 |
| Total Net Assets | <u>\$144,607,905</u> | <u>\$145,373,373</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

Changes in Net Assets

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

Table 2

| | Governmental Activities | |
|------------------------------------|-------------------------|----------------------|
| | 2005 | 2004 |
| Revenues | | |
| Program revenues: | | |
| Charges for services | \$ 2,822,533 | \$ 2,298,632 |
| Operating grants and contributions | 27,443,517 | 22,336,947 |
| Capital grants and contributions | 130,885 | 20,880,993 |
| General revenues: | | |
| State revenue limit sources | 53,362,231 | 46,063,820 |
| Property taxes | 39,225,256 | 39,317,549 |
| Other general revenues | 10,565,366 | 9,838,211 |
| Total Revenues | <u>133,549,788</u> | <u>140,736,152</u> |
| Expenses | | |
| Instruction-related | 93,508,796 | 79,043,028 |
| Student support services | 15,652,626 | 14,102,311 |
| Administration | 6,252,433 | 7,356,869 |
| Maintenance and operations | 13,152,853 | 10,468,939 |
| Other | 5,748,548 | 13,502,991 |
| Total Expenses | <u>134,315,256</u> | <u>124,474,138</u> |
| Change in Net Assets | <u>\$ (765,468)</u> | <u>\$ 16,262,014</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2005

Governmental Activities

As reported in the *Statement of Activities* on page 16, the cost of all of our governmental activities this year was \$134,315,256. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$39,225,256 because the cost was paid by those who benefited from the programs \$2,822,533 or by other governments and organizations who subsidized certain programs with grants and contributions \$27,574,402. We paid for the remaining "public benefit" portion of our governmental activities with, \$64,693,065 in State funds and with other revenues, like interest and general entitlements.

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

Table 3

| | Total Cost of Services | |
|----------------------------|------------------------|----------------------|
| | 2005 | 2004 |
| Instruction-related | \$ 75,350,165 | \$ 44,035,066 |
| Student support services | 7,085,694 | 6,837,832 |
| Administration | 4,565,586 | 5,691,970 |
| Maintenance and operations | 11,291,663 | 9,616,059 |
| Other | 5,625,213 | 12,776,639 |
| Totals | \$103,918,321 | \$ 78,957,566 |

The District projected a decrease in the General Fund balance of approximately \$2.0 million but achieved a \$1.8 million decrease. Revenues were \$.6 million more than final revised budgeted and expenditures were \$.5 million more than budgeted.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$37.4 million, which is a decrease of \$13.9 million from last year.

The primary reason for this decrease is due to an increase in the County Schools Facilities Fund expenditures for modernization projects and other non-major activities.

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

General Fund Budgetary Highlights

The District is required to adopt its budget by June 30, each year. This was prior to adoption of the State budget in late July 2004. Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. These revisions occur at the First Interim and Second Interim reporting periods. The final amendment to the budget was included with the Unaudited Actuals and was adopted on September 14, 2005. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 50).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, the District had \$174.1 million in a broad range of capital assets (net of accumulative depreciation), including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$17.1 million, or 11%, from last year.

Table 4

| | Governmental Activities | |
|----------------------------|-------------------------|----------------------|
| | 2005 | 2004 |
| Land | \$ 27,535,321 | \$ 22,432,460 |
| Construction in process | 45,203,404 | 31,640,770 |
| Buildings and improvements | 100,015,219 | 101,598,500 |
| Furniture and equipment | 1,386,846 | 1,324,183 |
| Totals | \$174,140,790 | \$156,995,913 |

This years additions of \$23.8 million included local facility modernization projects at various schools, vehicles, cafeteria equipment and classroom equipment; such as computers.

Several capital projects are planned for the 2005-06 and 2006-07 years. We anticipate capital additions to be \$21.4 million for the 2005-06 and 2006-07 years. We present more detailed information about our capital assets in Note 4 to the financial statements.

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

Long-Term Debt

At the end of this year, the District had \$50.9 million in bonds outstanding versus \$51.9 million last year, a decrease of 2%. Long-term debt consisted of:

Table 5

| | Governmental Activities | |
|-------------------------------|-------------------------|----------------------|
| | 2005 | 2004 |
| General obligation bonds | \$ 50,876,783 | \$ 51,975,369 |
| Certificates of participation | 5,400,000 | 5,630,000 |
| Municipal leases | 8,005,720 | 2,500,000 |
| Capitalized lease obligations | 206,330 | 10,185 |
| Other | 1,480,085 | 1,808,344 |
| Totals | \$ 65,968,918 | \$ 61,923,898 |

The District's rating for 2003 Refunding General Obligation Bonds was "AAA." The State limits the amount of General Obligation Debt that our District can issue to 2.5% of the assessed value of all taxable property within the District's boundaries. The District's outstanding General Obligation Debt of \$50.9 million is significantly below this \$546 million statutorily - imposed limit.

Other obligations include compensated absences payable, postemployment benefits (not including health benefits). We present more detailed information regarding our long-term liabilities in Note 9 of the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2004-05 ARE NOTED BELOW:

- Maintained the three percent State recommended reserve for economic uncertainties during on-going State budget crisis.
- Continued the \$53 million High Schools Modernization project.
- Purchased 55 acres for a Camarillo expansion school at a cost of \$5,100,000.
- Purchased building for Adult Education expansion in Oxnard for approximately \$810,000.
- Began projects to improve the overall appearance and safety at our sites, including landscaping and fencing projects.

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The State of California is projecting a continued budget deficit that would have negative impacts on School District budgets throughout the State.
- The rising cost of insurance continues to be a major concern for the District.
- As of June 30, 2005, the District has an actuarially determined unfunded liability for retiree medical benefits in the amount of \$75 million. As of June 30, 2005, the District has set aside \$19.6 million (26% of total liability). The District continues to implement strategies to control and continue to fund this liability.
- A unification effort is underway to unify the high schools in Camarillo with the local elementary District.
- The District passed a \$135 million bond in November 2004 for the construction of two high schools and continuation of modernization projects over the next 20 years. As of June 30, 2005, none of these bonds have been sold.

State Assumptions

- 4.23% COLA on all programs
- 1.129% Deficit factor
- No new equalization aid
- Summer School and hourly core program cap remains at 5%
- PERS reduction is 3.904%
- PERS restoration is 15.1% of PERS reduction
- STRS shift (as proposed by the Governor) = 2% increase to STRS expenditures
- Continuation of final apportionment deferment started in 2002-2003
- Lottery funds, unrestricted, at \$117 per ADA
- Lottery funds, restricted, at \$21 per ADA
- Base revenue limit (before deficit cut) at \$5,997.10 per ADA
- Hourly program reimbursement rate at \$3.68
- Community Day School 5th/6th Hour enhancement at \$4,954.48 per ADA
- 3% of Total General Fund required district contribution for Routine Restricted Maintenance

Local Assumptions

- 1.75% ADA growth (14,733 Projected 2005-06 District-retained P2 ADA)
- 2.00% increase for Step and Column
- SUI rate decreases from .65% to .45%
- Medical Health benefit cost increased by 2.67% (October-June) from \$8,489 to \$9,030 a year for each employee (HMO PPO blended rate before employee contribution)

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2005

- Other Health and Welfare costs decreased by 1.3% from \$1,524 to \$1,504
- Employee and retiree Health and Welfare contributions unchanged at \$1,800/year (PPO) and \$624/year (HMO) from 2004-05
- Teacher Student ratio 27:1
- ASBs continue to pay for 50% of the cost of the ASB bookkeepers
- Continue athletic transportation fee (estimated revenue \$150,000)
- High School grade 9 class size reduction budgeted at \$180 per eligible pupil. May revise estimates \$191 District will revise budget after adoption
- AB 825 – Categorical Flexibility not budgeted at Adoption
- Staff Buyback Days revenue and expenditures budgeted to unrestricted general fund, not Professional Development Block Grant (\$580,400)
- May revise proposals for six new programs not included in District budget
- Governor's proposal to shift county mental health services for SPED pupils to education not included in District adopted budget

Other Comments

- State recommended reserve for economic uncertainties remains 3%
- Unobligated Reserve (in addition to 3% reserve) will be \$4,669,500
- Current Unrestricted General Fund surplus is \$31,734

Special Revenue Funds Assumptions

- Adult Education receives growth and 4.23% COLA
- Adult Education base revenue limit is \$2,389.22
- Adult Education ADA is projected to be 1,650
- Deferred Maintenance budgeted at ½ of 1% (from RRM funds). Expect 100% funding by State

Capital Facility Funds Assumptions

- School site modernization projects planned from 2001-02 through 2005-06 continue with almost \$8 million budgeted in 2005-06
- Continue building new visitor side restroom facilities at Oxnard High stadium
- Five new portables classrooms and restroom at Oxnard High School
- Seven new portables classrooms at PHS
- Continue expansion of home side bleachers at Camarillo High stadium
- Improvements to Adult Education facility located on Hueneme Road

OXNARD UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

OXNARD UNION HIGH SCHOOL DISTRICT

STATEMENT OF NET ASSETS JUNE 30, 2005

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Deposits and investments | \$ 35,946,715 |
| Receivables | 6,774,882 |
| Prepaid expenses | 14,383 |
| Stores inventories | 180,335 |
| Other current assets | 224,957 |
| Capital assets | |
| Land and construction in progress | 72,738,725 |
| Other capital assets | 171,546,848 |
| Less: Accumulated depreciation | <u>(70,144,783)</u> |
| Capital assets, net of accumulated depreciation | <u>174,140,790</u> |
| Total Assets | <u>217,282,062</u> |
| LIABILITIES | |
| Accounts payable | 4,862,665 |
| Interest payable | 1,203,017 |
| Deferred revenue | 639,557 |
| Current portion of long-term obligations | 2,193,698 |
| Noncurrent portion of long-term obligations | <u>63,775,220</u> |
| Total Liabilities | <u>72,674,157</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 109,651,957 |
| Restricted for: | |
| Debt service | 3,944,990 |
| Capital projects | 13,907,849 |
| Educational programs | 2,040,180 |
| Other activities | 3,402,243 |
| Unrestricted | <u>11,660,686</u> |
| Total Net Assets | <u>\$ 144,607,905</u> |

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

OXNARD UNION HIGH SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2005

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Assets Governmental Activities |
|---|----------------------|--------------------------------------|--|--|--|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities | | | | | |
| Instruction | \$ 77,067,752 | \$ 203,168 | \$ 13,260,273 | \$ 130,885 | \$ (63,473,426) |
| Instruction-related activities: | | | | | |
| Supervision of instruction | 2,265,962 | 6,795 | 1,816,687 | - | (442,480) |
| Instructional library, media and technology | 1,874,903 | 3,311 | 731,546 | - | (1,140,046) |
| School site administration | 12,300,179 | 50,883 | 1,955,083 | - | (10,294,213) |
| Pupil services: | | | | | |
| Home-to-school transportation | 1,412,594 | - | 932,400 | - | (480,194) |
| Food services | 5,704,449 | 2,273,881 | 2,608,614 | - | (821,954) |
| All other pupil services | 8,535,583 | 35,090 | 2,716,947 | - | (5,783,546) |
| General administration: | | | | | |
| Data processing | 1,168,532 | - | 38,100 | - | (1,130,432) |
| All other general administration | 5,083,901 | 225,391 | 1,423,356 | - | (3,435,154) |
| Plant services | 13,152,853 | 21,476 | 1,839,714 | - | (11,291,663) |
| Ancillary services | 1,787,359 | - | - | - | (1,787,359) |
| Community services | 203,394 | - | - | - | (203,394) |
| Interest on long-term debt | 3,165,549 | - | - | - | (3,165,549) |
| Other (outgo) | 592,246 | 2,538 | 120,797 | - | (468,911) |
| Total Governmental Activities | \$134,315,256 | \$ 2,822,533 | \$ 27,443,517 | \$ 130,885 | (103,918,321) |
| General revenues and subventions | | | | | |
| Property taxes, levied for general purposes | | | | | 34,670,063 |
| Property taxes, levied for debt service | | | | | 3,930,850 |
| Taxes levied for other specific purposes | | | | | 624,343 |
| Federal and State aid not restricted to specific purposes | | | | | 53,362,231 |
| Interest and investment earnings | | | | | 873,667 |
| Interagency revenues | | | | | 300,678 |
| Miscellaneous | | | | | 9,391,021 |
| Subtotal, General Revenues | | | | | 103,152,853 |
| Changes in Net Assets | | | | | (765,468) |
| Net Assets - Beginning | | | | | 145,373,373 |
| Net Assets - Ending | | | | | \$144,607,905 |

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

OXNARD UNION HIGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2005

| | General Fund | Capital Facilities Fund | County School Facilities Fund |
|--|----------------------|-------------------------------|--|
| ASSETS | | | |
| Deposits and investments | \$ 12,310,138 | \$ 6,205,414 | \$ 3,438,797 |
| Receivables | 5,453,784 | 360,677 | 34,220 |
| Due from other funds | 947,256 | 48,364 | 77,758 |
| Prepaid expenses | 14,383 | - | - |
| Stores inventory | 124,402 | - | - |
| Total Assets | <u>\$ 18,849,963</u> | <u>\$ 6,614,455</u> | <u>\$ 3,550,775</u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | 1,954,895 | 70,801 | 2,479,513 |
| Due to other funds | 96,500 | 6,913 | - |
| Deferred revenue | 639,557 | - | - |
| Total Liabilities | <u>2,690,952</u> | <u>77,714</u> | <u>2,479,513</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Other reservations | 2,188,965 | - | - |
| Unreserved: | | | |
| Designated | 8,740,144 | - | - |
| Undesignated, reported in: | | | |
| General Fund | 5,229,902 | - | - |
| Special revenue funds | - | - | - |
| Debt service funds | - | - | - |
| Capital projects funds | - | 6,536,741 | 1,071,262 |
| Total Fund Balances | <u>16,159,011</u> | <u>6,536,741</u> | <u>1,071,262</u> |
| Total Liabilities and Fund Balances | <u>\$ 18,849,963</u> | <u>\$ 6,614,455</u> | <u>\$ 3,550,775</u> |

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

| Special Reserve Capital Outlay Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|---|---|
| \$ 6,509,399 | \$ 7,482,967 | \$ 35,946,715 |
| 40,055 | 886,146 | 6,774,882 |
| - | 48,136 | 1,121,514 |
| - | - | 14,383 |
| - | 55,933 | 180,335 |
| <u>\$ 6,549,454</u> | <u>\$ 8,473,182</u> | <u>\$ 44,037,829</u> |
| 1,039 | 356,417 | 4,862,665 |
| 248,581 | 769,520 | 1,121,514 |
| - | - | 639,557 |
| <u>249,620</u> | <u>1,125,937</u> | <u>6,623,736</u> |
| - | 57,383 | 2,246,348 |
| - | - | 8,740,144 |
| - | - | 5,229,902 |
| - | 3,344,860 | 3,344,860 |
| - | 3,944,990 | 3,944,990 |
| 6,299,834 | 12 | 13,907,849 |
| <u>6,299,834</u> | <u>7,347,245</u> | <u>37,414,093</u> |
| <u>\$ 6,549,454</u> | <u>\$ 8,473,182</u> | <u>\$ 44,037,829</u> |

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OXNARD UNION HIGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2005

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

| | | |
|--|----------------|------------------------------|
| Total Fund Balance - Governmental Funds | | \$ 37,414,093 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. | | |
| The cost of capital assets is | \$ 244,285,573 | |
| Accumulated depreciation is | (70,144,783) | |
| Net Capital Assets | | 174,140,790 |
| Expenditures relating to issuance of debt of next fiscal year were recognized in modified accrual basis, but should not be recognized in accrual basis. | | 224,957 |
| In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term debt is recognized when it is incurred. | | (1,203,017) |
| Long-term liabilities at year end consist of: | | |
| Bonds payable | 50,876,783 | |
| Accrued interest on the bonds | | |
| Certificates of participation | 5,400,000 | |
| Municipal lease | 8,035,000 | |
| Discount on municipal lease | (29,280) | |
| Compensated absences (vacations) | 629,085 | |
| Special termination benefits payable | 851,000 | |
| Capital leases | 206,330 | |
| Total Long-Term Liabilities | | (65,968,918) |
| Total Net Assets - Governmental Activities | | <u><u>\$ 144,607,905</u></u> |

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

OXNARD UNION HIGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2005

| | General Fund | Capital Facilities Fund | County School Facilities Fund |
|--|----------------------|-------------------------------|--|
| REVENUES | | | |
| Revenue limit sources | \$ 84,460,432 | \$ - | \$ - |
| Federal sources | 8,493,585 | - | - |
| Other State sources | 12,024,942 | - | - |
| Other local sources | 8,473,022 | 5,787,963 | 131,017 |
| Total Revenues | 113,451,981 | 5,787,963 | 131,017 |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 71,221,035 | - | - |
| Instruction related activities: | | | |
| Supervision of instruction | 2,261,790 | - | - |
| Instructional library, media, and technology | 1,874,903 | - | - |
| School site administration | 9,057,347 | - | - |
| Pupil services: | | | |
| Home-to school transportation | 1,526,078 | - | - |
| Food services | - | - | - |
| All other pupil services | 8,316,333 | - | - |
| General administration: | | | |
| Data processing | 1,168,532 | - | - |
| All other general administration | 4,513,057 | 151,649 | - |
| Plant services | 11,649,227 | 302,325 | - |
| Facility acquisition and construction | 599,873 | 562,146 | 15,328,587 |
| Ancillary services | 1,787,359 | - | - |
| Community services | 203,394 | - | - |
| Other outgo | 587,246 | - | - |
| Debt service | | | |
| Principal | - | 305,995 | - |
| Interest and other | - | 110,615 | - |
| Total Expenditures | 114,766,174 | 1,432,730 | 15,328,587 |
| Excess (Deficiency) of Revenues Over Expenditures | (1,314,193) | 4,355,233 | (15,197,570) |
| Other Financing Sources (Uses) | | | |
| Transfers in | 210,099 | 61,672 | 6,639,461 |
| Other sources | 5,100,000 | 302,325 | - |
| Transfers out | (5,769,934) | (155,958) | - |
| Net Financing Sources (Uses) | (459,835) | 208,039 | 6,639,461 |
| NET CHANGE IN FUND BALANCES | (1,774,028) | 4,563,272 | (8,558,109) |
| Fund Balance - Beginning | 17,933,039 | 1,973,469 | 9,629,371 |
| Fund Balance - Ending | \$ 16,159,011 | \$ 6,536,741 | \$ 1,071,262 |

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

| Special Reserve Capital Outlay Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|---|---|
| \$ - | \$ 3,550,896 | \$ 88,011,328 |
| - | 2,890,694 | 11,384,279 |
| - | 812,369 | 12,837,311 |
| 137,611 | 6,937,159 | 21,466,772 |
| <u>137,611</u> | <u>14,191,118</u> | <u>133,699,690</u> |
| - | 2,170,261 | 73,391,296 |
| - | 4,172 | 2,265,962 |
| - | - | 1,874,903 |
| - | 986,734 | 10,044,081 |
| - | - | 1,526,078 |
| - | 5,469,242 | 5,469,242 |
| - | 219,250 | 8,535,583 |
| - | - | 1,168,532 |
| - | 741,454 | 5,406,160 |
| - | 1,556,968 | 13,508,520 |
| 5,229,016 | 1,279,767 | 22,999,389 |
| - | - | 1,787,359 |
| - | - | 203,394 |
| 5,000 | - | 592,246 |
| - | 1,375,185 | 1,681,180 |
| 223,241 | 2,914,249 | 3,248,105 |
| <u>5,457,257</u> | <u>16,717,282</u> | <u>153,702,030</u> |
| <u>(5,319,646)</u> | <u>(2,526,164)</u> | <u>(20,002,340)</u> |
| 5,100,000 | 1,027,309 | 13,038,541 |
| 645,000 | - | 6,047,325 |
| (473,188) | (6,639,461) | (13,038,541) |
| <u>5,271,812</u> | <u>(5,612,152)</u> | <u>6,047,325</u> |
| (47,834) | (8,138,316) | (13,955,015) |
| 6,347,668 | 15,485,561 | 51,369,108 |
| <u>\$ 6,299,834</u> | <u>\$ 7,347,245</u> | <u>\$ 37,414,093</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE DISTRICT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2005

| | | |
|--|--------------------|----------------------------|
| Total Net Change in Fund Balances - Governmental Funds | | \$ (13,955,015) |
| Amounts Reported for Governmental Activities in the Statement of Activities are Different Because: | | |
| Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statements of activities. | | |
| This is the amount by which capital outlay exceeds depreciation in the period. | | |
| Capital outlays | \$ 23,777,818 | |
| Depreciation expense | <u>(6,483,039)</u> | 17,294,779 |
| Loss on disposal of capital assets is reported in the government-wide statement of net assets, but is not recorded in the governmental funds. | | (149,902) |
| In the statement of activities, certain operating expenses - compensated absences (vacations) and special termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds. However, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). In previous years, the District offered early termination benefits, payable in future periods. During the current year, payments of \$294,000 were made towards the existing plan. Vacation earned was less than the amounts used by \$34,259. | | 328,259 |
| Proceeds received from the municipal lease is a revenue in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities. | | (5,745,000) |
| Proceeds received from the capital lease is a revenue in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities. | | (302,325) |
| Payment of issue costs of debt is an expenditure in the governmental funds, but it should be recorded as prepaid expense and amortized on the statement of net assets. | | 205,237 |
| Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities. | | 1,135,000 |
| Repayment of certificates of participation principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities. | | 230,000 |
| Repayment of capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities. | | 106,180 |
| Repayment of municipal lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities. | | 210,000 |
| The accretion of interest on capital appreciation bonds is not recognized in the governmental funds, but it increases long-term liabilities in the statement of net assets and increases interest expense in the statement of activities. | | (36,414) |
| Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of two factors. | | (86,267) |
| Change in Net Assets of Governmental Activities | | <u><u>\$ (765,468)</u></u> |

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

OXNARD UNION HIGH SCHOOL DISTRICT

FIDUCIARY FUNDS STATEMENT OF NET ASSETS JUNE 30, 2005

| | <u>Agency Funds</u> |
|--------------------------|-------------------------|
| ASSETS | |
| Deposits and investments | \$ 1,072,952 |
| Stores inventory | 42,799 |
| Total Assets | <u>\$ 1,115,751</u> |
| LIABILITIES | |
| Accounts payable | 30,100 |
| Due to student groups | 1,085,651 |
| Total Liabilities | <u>\$ 1,115,751</u> |

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

Component Units

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

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

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

Other Related Entities

Joint Powers Agencies and Public Entity Risk Pools The District is associated with one joint powers agencies and two public entity risk pools. These organizations do not meet the criteria for inclusion as component units of the District. Additional information is presented in Note 15 to the financial statements. These organizations are:

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Discretely Presented Component Units

The Oxnard Union High School District Health Benefits Plan (the "Plan") is a legally separate, tax-exempt component unit of the District. The Plan is to provide health and welfare benefits for retired employees of the District and their dependents on an insured or self-funded basis through a voluntary employee benefit association for the District. Although the District does not control the timing or amount of receipts and disbursements from the Plan, the majority of resources held by the Plan can only be used by, or of the benefit of, the District retirees and administrative costs. The Plan is considered a component unit of the District and audited financial statements have not been completed, as of June 30, 2005. During the year ended, June 30, 2005, the Plan Administrators reported approximately \$19.5 million in assets.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

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

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

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

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Non-Major Governmental Funds

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

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

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

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

Special Reserve Fund Non - Capital Fund The Special Reserve Non - Capital Fund is used to provide for the accumulation of General Fund monies for general operating purposes.

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

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

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

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

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

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

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Basis of Accounting - Measurement Focus

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

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

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

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

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

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year-end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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

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

Cash and Cash Equivalents

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

Investments

Investments held at June 30, 2005, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Restricted Assets

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

Prepaid Expenditures

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

Stores Inventories

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

Capital Assets and Depreciation

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

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

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

Interfund Balances

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves and Designations

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

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The government-wide financial statements reports \$23,237,879 of restricted net assets, of which \$5,985,170 is restricted by enabling legislation.

Interfund Activity

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

Estimates

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

Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

Property Tax

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Changes in Accounting Principles

In March 2003, the Governmental Accounting Standards Board (GASB) issued GASBS No. 40, *Deposit and Investment Risk Disclosures an Amendment of GASB Statement No. 3*. This Statement addressed common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in the Statement also should be disclosed. As such, the District has made the applicable required disclosures.

New Accounting Pronouncements

In November 2003, GASB issued GASBS No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement establishes guidance for accounting and reporting for impairment of capital assets and for insurance recoveries, whether associated with an impaired capital asset or not. This Statement is effective for periods beginning after December 31, 2004, or during the 2005-06 fiscal year. The District has not implemented GASBS No. 42. The impact of its implementation is not known.

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

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

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

In December 2004, GASB issued GASBS No. 46, *Net Assets Restricted by Enabling Legislation*. This Statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government, such as citizens, public interest groups, or the judiciary, can compel a government to honor. The Statement states that the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. Although the determination that a particular restriction is not legally enforceable may cause a government to review the enforceability of other restrictions, it should not necessarily lead a government to the same conclusion for all enabling legislation restrictions.

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Finally, this Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2005. The District has not implanted GASBS No. 46 and the impact of the Statement is not known.

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2005, are classified in the accompanying financial statements as follows:

| | |
|--------------------------------|----------------------|
| Governmental activities | \$ 35,946,715 |
| Fiduciary funds | 1,072,952 |
| Total Deposits and Investments | <u>\$ 37,019,667</u> |

Deposits and investments as of June 30, 2005, consists of the following:

| | |
|--------------------------------|----------------------|
| Cash on hand and in banks | \$ 1,074,552 |
| Cash in revolving | 11,450 |
| Investments | 35,933,665 |
| Total Deposits and Investments | <u>\$ 37,019,667</u> |

Policies and Practices

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

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

Weighted Average Maturity

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

| Investment Type | Fair Value | Weighted Average Maturity In Years |
|---------------------------|----------------------|------------------------------------|
| U.S. Treasuries | \$ 439,279 | 14 |
| Mutual Funds | 596,485 | None |
| Money Market Mutual Funds | 198,367 | None |
| County Pool | 34,621,303 | 0.725 |
| Total | <u>\$ 35,855,434</u> | |

Credit Risk

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

| Investment Type | Fair Value | Minimum Legal Rating | Not Required To Be Rated | Rating as of Year End |
|-------------------------------------|---------------------|----------------------|--------------------------|-----------------------|
| U.S. Treasuries | \$ 439,279 | N/A | \$ 439,279 | N/A |
| First American Treasury Obligations | 596,485 | AAA | - | AAA |
| Money Market Mutual Funds | 198,367 | AAA | - | AAA |
| County Pool | 34,621,303 | N/A | 34,621,303 | N/A |
| Total | <u>\$35,855,434</u> | | <u>\$35,060,582</u> | |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2005, the District's bank balance of \$1,068,184 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the investment in the certificates of participation and municipal lease trustee accounts of \$623,212 the District has a custodial credit risk exposure of \$623,212 because the related securities are uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2005, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

| | General Fund | Capital Facilities Fund | County School Facilities Fund | Special Reserve Capital Outlay Fund | Non-Major Governmental Funds | Total |
|---------------------|---------------------|-------------------------------|--|---|------------------------------------|---------------------|
| Federal Government | | | | | | |
| Categorical aid | \$ 2,079,667 | \$ - | \$ - | \$ - | \$ 563,930 | \$ 2,643,597 |
| State Government | | | | | | |
| Apportionment | 138,041 | - | - | - | 84,559 | 222,600 |
| Categorical aid | 1,302,062 | - | - | - | - | 1,302,062 |
| Lottery | 845,078 | - | - | - | - | 845,078 |
| Local Government | | | | | | |
| Interest | 175,432 | 39,297 | 34,220 | 40,055 | 51,371 | 340,375 |
| Other Local Sources | 913,504 | 321,380 | - | - | 186,286 | 1,421,170 |
| Total | <u>\$ 5,453,784</u> | <u>\$ 360,677</u> | <u>\$ 34,220</u> | <u>\$ 40,055</u> | <u>\$ 886,146</u> | <u>\$ 6,774,882</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

| | Balance July 1, 2004 | Additions | Deductions | Balance June 30, 2005 |
|---|-------------------------|----------------------|---------------------|--------------------------|
| Governmental Activities | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 22,432,460 | \$ 5,102,861 | \$ - | \$ 27,535,321 |
| Construction in progress | 31,640,770 | 16,246,021 | 2,683,387 | 45,203,404 |
| Total Capital Assets | | | | |
| Not Being Depreciated | 54,073,230 | 21,348,882 | 2,683,387 | 72,738,725 |
| Capital Assets being depreciated | | | | |
| Land improvements | 27,353,550 | 2,694,697 | - | 30,048,247 |
| Buildings and improvements | 135,860,827 | 1,370,928 | - | 137,231,755 |
| Furniture and equipment | 4,072,720 | 1,046,698 | 852,572 | 4,266,846 |
| Total Capital Assets | | | | |
| Being Depreciated | 167,287,097 | 5,112,323 | 852,572 | 171,546,848 |
| Less Accumulated Depreciation | | | | |
| Land improvements | 13,332,739 | 1,783,252 | - | 15,115,991 |
| Buildings and improvements | 48,283,138 | 3,865,654 | - | 52,148,792 |
| Furniture and equipment | 2,748,537 | 834,133 | 702,670 | 2,880,000 |
| Total Accumulated | | | | |
| Depreciation | 64,364,414 | 6,483,039 | 702,670 | 70,144,783 |
| Governmental Activities Capital Assets, Net | <u>\$156,995,913</u> | <u>\$ 19,978,166</u> | <u>\$ 2,833,289</u> | <u>\$174,140,790</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|---|---------------------|
| Governmental Activities | |
| Instruction | \$ 3,695,332 |
| School site administration | 2,256,098 |
| Home-to-school transportation | 162,076 |
| Food services | 259,321 |
| Plant services | 110,212 |
| Total Depreciation Expenses Governmental Activities | <u>\$ 6,483,039</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances consist of amounts owed between funds at June 30, 2005. Interfund receivable and payable balances at June 30, 2005, between major and non-major governmental funds are as follows:

| Due To | Due From | | | | Total |
|-------------------------------|------------------|-------------------------|-------------------------------------|------------------------------|---------------------|
| | General Fund | Capital Facilities Fund | Special Reserve Capital Outlay Fund | Non-Major Governmental Funds | |
| General Fund | \$ - | \$ 6,913 | \$ 248,581 | \$ 691,762 | \$ 947,256 |
| Capital Facilities Fund | 48,364 | - | - | - | 48,364 |
| County School Facilities Fund | - | - | - | 77,758 | 77,758 |
| Non-Major Governmental Funds | 48,136 | - | - | - | 48,136 |
| Total | <u>\$ 96,500</u> | <u>\$ 6,913</u> | <u>\$ 248,581</u> | <u>\$ 769,520</u> | <u>\$ 1,121,514</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

Operating Transfers

Interfund transfers for the year ended June 30, 2005, consisted of the following:

| Transfers Out | Transfers In | | | | | Total |
|--|-------------------|-------------------------|-------------------------------|-------------------------------------|------------------------------|----------------------|
| | General Fund | Capital Facilities Fund | County School Facilities Fund | Special Reserve Capital Outlay Fund | Non-Major Governmental Funds | |
| General Fund | \$ - | \$ 61,672 | \$ - | \$ 5,100,000 | \$ 608,262 | \$ 5,769,934 |
| Capital Facilities Fund | - | - | - | - | 155,958 | 155,958 |
| Special Reserve Capital Outlay Fund | 210,099 | - | - | - | 263,089 | 473,188 |
| Non-Major Governmental Funds | - | - | 6,639,461 | - | - | 6,639,461 |
| Total | <u>\$ 210,099</u> | <u>\$ 61,672</u> | <u>\$ 6,639,461</u> | <u>\$ 5,100,000</u> | <u>\$ 1,027,309</u> | <u>\$ 13,038,541</u> |
| The General Fund transferred to the Special Reserve Capital Outlay Fund | | | | | | \$ 5,100,000 |
| The General Fund transferred to the Capital Facilities Fund | | | | | | 61,672 |
| The General Fund transferred to the Adult Education Fund | | | | | | 4,840 |
| The General Fund transferred to the Deferred Maintenance Fund | | | | | | 603,422 |
| The Special Reserve - Capital Outlay Fund transferred to the Certificates of Participation Debt Service Fund | | | | | | 263,089 |
| The Special Reserve - Capital Outlay Fund transferred to the General Fund | | | | | | 210,099 |
| The Building Fund transferred to the County School Facilities Fund | | | | | | 6,639,461 |
| The Capital Facilities Fund transferred to the Special Reserve - Capital Outlay Fund | | | | | | 155,958 |
| Total | | | | | | <u>\$ 13,038,541</u> |

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

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2005, consisted of the following:

| | General Fund | Capital Facilities Fund | County Schools Facilities Fund | Special Reserve Capital Outlay Fund | Non-Major Governmental Funds | Total Governmental Activities |
|-----------------------|--------------------|-------------------------|--------------------------------|-------------------------------------|------------------------------|-------------------------------|
| Vendor payables | \$1,225,965 | \$ 70,801 | \$2,478,360 | \$ 1,039 | \$ 307,384 | \$ 4,083,549 |
| State apportionment | 500,794 | - | - | - | - | 500,794 |
| Salaries and benefits | 228,136 | - | 1,153 | - | 49,033 | 278,322 |
| Total | <u>\$1,954,895</u> | <u>\$ 70,801</u> | <u>\$2,479,513</u> | <u>\$ 1,039</u> | <u>\$ 356,417</u> | <u>\$ 4,862,665</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2005, consists of the following:

| | General Fund |
|------------------------------|-------------------|
| Federal financial assistance | \$ 65,614 |
| State categorical aid | 529,000 |
| Other local | 44,943 |
| Total | <u>\$ 639,557</u> |

NOTE 8 - TAX AND REVENUE ANTICIPATION NOTES (TRANS)

At July 1, 2004, the District had outstanding Tax and Revenue Anticipation Notes in the amount of \$2,505,000, which matured on July 6, 2004.

NOTE 9 - LONG-TERM LIABILITIES

Long-Term Debt Summary

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

| | Balance Beginning of Year | Additions Accretion and Adjustments | Deductions | Balance End of Year | Due One Year |
|-------------------------------|---------------------------------|---|---------------------|------------------------|---------------------|
| General obligation bonds | \$ 51,975,369 | \$ 36,414 | \$ 1,135,000 | \$ 50,876,783 | \$ 1,175,000 |
| Certificates of participation | 5,630,000 | - | 230,000 | 5,400,000 | 285,000 |
| Municipal leases | 2,500,000 | 5,745,000 | 210,000 | 8,035,000 | 350,000 |
| Municipal lease discount | - | (30,500) | (1,220) | (29,280) | - |
| Accumulated vacation - net | 663,344 | - | 34,259 | 629,085 | - |
| Supplemental early retirement | 1,145,000 | - | 294,000 | 851,000 | 283,000 |
| Capital leases | 10,185 | 302,325 | 106,180 | 206,330 | 100,698 |
| | <u>\$ 61,923,898</u> | <u>\$ 6,053,239</u> | <u>\$ 2,008,219</u> | <u>\$ 65,968,918</u> | <u>\$ 2,193,698</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

General Obligations Refunding Bonds

| Issue Date | Maturity Date | Interest Rate | Original Issue | Outstanding July 1, 2004 | Interest Accretion | Redeemed | Outstanding June 30, 2005 |
|--------------|---------------|---------------|----------------------|--------------------------|--------------------|---------------------|---------------------------|
| January 1999 | 8/1/2027 | 4.6-5.8 | \$ 10,199,913 | \$ 8,970,369 | \$ 36,414 | \$ 225,000 | \$ 8,781,783 |
| May 2001 | 8/1/2030 | 4.0-6.2 | 31,705,000 | 29,165,000 | - | 565,000 | 28,600,000 |
| May 2003 | 8/1/2027 | 2.0-4.5 | 14,180,000 | 13,840,000 | - | 345,000 | 13,495,000 |
| | | | <u>\$ 56,084,913</u> | <u>\$ 51,975,369</u> | <u>\$ 36,414</u> | <u>\$ 1,135,000</u> | <u>\$ 50,876,783</u> |

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

1999 Series A

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

| Year Ending June 30, | Principal | Interest | Principal Accretion | Total |
|-------------------------|---------------------|---------------------|------------------------|----------------------|
| 2006 | \$ 240,000 | \$ 472,855 | \$ 38,569 | \$ 751,424 |
| 2007 | 250,000 | 460,165 | 40,851 | 751,016 |
| 2008 | 265,000 | 446,560 | 43,269 | 754,829 |
| 2009 | 290,000 | 431,861 | 45,830 | 767,691 |
| 2010 | 305,000 | 415,930 | 48,543 | 769,473 |
| 2011-2015 | 1,805,000 | 1,801,011 | 289,365 | 3,895,376 |
| 2016-2020 | 2,430,000 | 1,210,998 | 385,754 | 4,026,752 |
| 2021-2025 | 2,719,144 | 404,550 | 510,996 | 3,634,690 |
| 2026-2027 | 477,639 | - | 125,130 | 602,769 |
| Total | <u>\$ 8,781,783</u> | <u>\$ 5,643,930</u> | <u>\$ 1,528,307</u> | <u>\$ 15,954,020</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

2001 Series A

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 2006 | \$ 580,000 | \$ 1,666,665 | \$ 2,246,665 |
| 2007 | 605,000 | 1,639,883 | 2,244,883 |
| 2008 | 630,000 | 1,611,647 | 2,241,647 |
| 2009 | 665,000 | 1,582,052 | 2,247,052 |
| 2010 | 705,000 | 1,550,026 | 2,255,026 |
| 2011-2015 | 4,155,000 | 7,163,999 | 11,318,999 |
| 2016-2020 | 5,525,000 | 5,874,397 | 11,399,397 |
| 2021-2025 | 7,535,000 | 3,987,463 | 11,522,463 |
| 2026-2030 | 8,090,000 | 1,366,170 | 9,456,170 |
| 2031 | 110,000 | 3,410 | 113,410 |
| Total | <u>\$ 28,600,000</u> | <u>\$ 26,445,712</u> | <u>\$ 55,045,712</u> |

2003 Series A

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|---------------------|----------------------|
| 2006 | \$ 355,000 | \$ 508,804 | \$ 863,804 |
| 2007 | 375,000 | 501,504 | 876,504 |
| 2008 | 390,000 | 493,854 | 883,854 |
| 2009 | 405,000 | 485,296 | 890,296 |
| 2010 | 420,000 | 475,126 | 895,126 |
| 2011-2015 | 2,400,000 | 2,160,675 | 4,560,675 |
| 2016-2020 | 2,950,000 | 1,666,557 | 4,616,557 |
| 2021-2025 | 3,625,000 | 985,666 | 4,610,666 |
| 2026-2027 | 2,575,000 | 177,413 | 2,752,413 |
| Total | <u>\$ 13,495,000</u> | <u>\$ 7,454,895</u> | <u>\$ 20,949,895</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Certificates of Participation

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

During the 2000-01 fiscal year, the District issued Certificates of Participation in the amount of \$1,860,000, to refund the outstanding balance of the 1993-94 Certificates of Participation. The 2000 certificates mature during the 2019-2020 fiscal year with interest rates ranging from 6.40 percent to 7.50 percent. The future debt service requirements of the 2000 Certificates of Participation issuance is as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|-------------------|---------------------|
| 2006 | \$ 75,000 | \$ 79,477 | \$ 154,477 |
| 2007 | 80,000 | 75,902 | 155,902 |
| 2008 | 85,000 | 72,055 | 157,055 |
| 2009 | 85,000 | 68,039 | 153,039 |
| 2010 | 90,000 | 63,860 | 153,860 |
| 2011-2015 | 545,000 | 242,805 | 787,805 |
| 2016-2020 | 625,000 | 79,795 | 704,795 |
| Total | <u>\$ 1,585,000</u> | <u>\$ 681,933</u> | <u>\$ 2,266,933</u> |

In April 2003, the District issued the 2003 Refunding Certificates of Participation aggregating \$3,970,000. The 2003 certificates were sold to yield from 2.0 percent to 4.3 percent interest. The certificates mature in November 2019. The future debt service requirements of the 2003 Certificate of Participation issuance is as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2006 | \$ 210,000 | \$ 129,675 | \$ 339,675 |
| 2007 | 210,000 | 125,475 | 335,475 |
| 2008 | 210,000 | 121,144 | 331,144 |
| 2009 | 220,000 | 116,300 | 336,300 |
| 2010 | 220,000 | 110,608 | 330,608 |
| 2011-2015 | 1,210,000 | 433,843 | 1,643,843 |
| 2016-2020 | 1,535,000 | 173,104 | 1,708,104 |
| Total | <u>\$ 3,815,000</u> | <u>\$ 1,210,149</u> | <u>\$ 5,025,149</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Municipal Leases

On September 18, 2003, the District entered into a lease agreement to finance the construction of the swimming pool at Rio Mesa High School. The lease carries an interest rate of four percent. The lease will be fully paid in September 2013. The lease will be paid by the Special Reserve Capital Outlay Fund. The future payments on the leases are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|-------------------|---------------------|
| 2006 | \$ 215,000 | \$ 87,300 | \$ 302,300 |
| 2007 | 225,000 | 78,500 | 303,500 |
| 2008 | 235,000 | 69,300 | 304,300 |
| 2009 | 245,000 | 59,700 | 304,700 |
| 2010 | 250,000 | 49,800 | 299,800 |
| 2011-2014 | 1,120,000 | 91,600 | 1,211,600 |
| Total | <u>\$ 2,290,000</u> | <u>\$ 436,200</u> | <u>\$ 2,726,200</u> |

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2006 | \$ 135,000 | \$ 214,600 | \$ 349,600 |
| 2007 | 140,000 | 224,519 | 364,519 |
| 2008 | 145,000 | 220,319 | 365,319 |
| 2009 | 155,000 | 215,969 | 370,969 |
| 2010 | 160,000 | 211,319 | 371,319 |
| 2011-2015 | 930,000 | 974,877 | 1,904,877 |
| 2016-2020 | 1,175,000 | 787,687 | 1,962,687 |
| 2021-2025 | 1,475,000 | 520,887 | 1,995,887 |
| 2026-2029 | 1,430,000 | 164,250 | 1,594,250 |
| Total | <u>\$ 5,745,000</u> | <u>\$ 3,534,427</u> | <u>\$ 9,279,427</u> |

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

Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2005, amounted to \$629,085. Accumulated vacation will be paid by the fund for which the employee worked.

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Early Retirement Program

During the 2002-03 and 2003-04 fiscal years, the District offered an early retirement incentive to certificated employees. Depending on the retiree's age and years of service to the District, the retiree will receive a predetermined amount annually for up to six years. Twenty-four employees opted to participate. The Plan is funded by the General Fund on a pay-as-you-go basis.

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

| Year Ending June 30, | Retirement Payment |
|-------------------------|-----------------------|
| 2006 | \$ 283,000 |
| 2007 | 222,000 |
| 2008 | 222,000 |
| 2009 | 92,000 |
| 2010 | 32,000 |
| Total | <u>\$ 851,000</u> |

Capital Leases

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

| | Relocatable Buildings |
|----------------------------|--------------------------|
| Balance, Beginning of Year | \$ 10,744 |
| Additions | 332,424 |
| Payments | (121,552) |
| Balance, End of Year | <u>\$ 221,616</u> |

The capital leases have minimum lease payments as follows:

| Year Ending June 30, | Lease Payment |
|---|-------------------|
| 2006 | \$ 110,808 |
| 2007 | 110,808 |
| Total | 221,616 |
| Less: Amount Representing Interest | (15,286) |
| Present Value of Minimum Lease Payments | <u>\$ 206,330</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 10 - FUND BALANCES

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

| | General Fund | Capital Facilities Fund | County School Facilities Fund | Special Reserve Capital Outlay Fund | Non-Major Governmental Funds | Total |
|------------------------|-----------------|-------------------------------|--|---|------------------------------------|---------------|
| Reserved | | | | | | |
| Revolving cash | \$ 10,000 | \$ - | \$ - | \$ - | \$ 1,450 | \$ 11,450 |
| Stores inventory | 124,402 | - | - | - | 55,933 | 180,335 |
| Prepaid expenditures | 14,383 | - | - | - | - | 14,383 |
| Restricted programs | 2,040,180 | - | - | - | - | 2,040,180 |
| Total Reserved | 2,188,965 | - | - | - | 57,383 | 2,246,348 |
| Unreserved | | | | | | |
| Designated | | | | | | |
| Economic uncertainties | 3,535,100 | - | - | - | - | 3,535,100 |
| Other designation | 5,205,044 | - | - | - | - | 5,205,044 |
| Total Designated | 8,740,144 | - | - | - | - | 8,740,144 |
| Undesignated | 5,229,902 | 6,536,741 | 1,071,262 | 6,299,834 | 7,289,862 | 26,427,601 |
| Total Unreserved | 13,970,046 | 6,536,741 | 1,071,262 | 6,299,834 | 7,289,862 | 35,167,745 |
| Total | \$ 16,159,011 | \$ 6,536,741 | \$ 1,071,262 | \$ 6,299,834 | \$ 7,347,245 | \$ 37,414,093 |

NOTE 11 - POSTEMPLOYMENT BENEFITS

The District provides postemployment health care benefits, in accordance with District employment contracts, to all employees who retire from the District on or after attaining age 55 with at least 15 years of service. Currently, 425 retirees meet those eligibility requirements in the program. The District contributes 100 percent of the amount of premiums incurred by retirees and their dependents for those who retired during or prior to 1991. Those who retired after 1991 contribute \$150 per month toward the cost of the preferred provider plan of \$52 per month for the health maintenance organization. Expenditures for postemployment benefits are recognized on a pay-as-you-go basis, premiums are paid. During the year, expenditures of \$3,184,156 were recognized for retirees' health care benefits.

The District had an actuarial study completed. The accumulated future liability as of June 30, 2005, amounts to \$74,913,634 for all current and future retirees as determined by the actuarial study. The accrued liability for retirees age 65 and over amounts to \$52,854,271.

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE 12 - RISK MANAGEMENT

Description

The District's risk management activities are recorded in the General Fund. Employee health programs are administered by the General Fund through payments made to Coastal Schools Employee Benefits Organization, a public entity risk pool. The Oxnard Union High School District also participates in the Ventura County Schools Self-Funding Authority public entity risk pool (JPA) for the workers' compensation, property and liability programs. Refer to Note 15 for additional information regarding the JPAs.

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

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

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

Employee Medical Benefits

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

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

STRS

Plan Description

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

Funding Policy

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2004-2005 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to STRS for the fiscal years ending June 30, 2005, 2004, and 2003, were \$4,542,277, \$4,386,006, and \$4,378,154, respectively, and equal 100 percent of the required contributions for each year.

PERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

OXNARD UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2004-2005 was 9.952 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2005, 2004, and 2003, were \$1,626,258, \$1,631,998, and \$436,571, respectively, and equal 100 percent of the required contributions for each year.

On Behalf Payments

The State of California makes contributions to STRS and PERS on behalf of the District. These payments consist of State General Fund contributions to STRS in the amount of \$2,489,332 (4.517 percent of salaries subject to STRS). No contributions were made to PERS for the year ended June 30, 2005. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures, however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the Annual Financial and Budget Report. These amounts have not been included in the budget amounts reported in the General Fund Budgetary Schedule. These amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2005.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2005.

REQUIRED SUPPLEMENTARY INFORMATION

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OXNARD UNION HIGH SCHOOL DISTRICT

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2005

| | Budgeted Amounts (GAAP Basis) | | Actual (GAAP Basis) | Variances - Positive (Negative) Final to Actual |
|--|----------------------------------|----------------------|------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Revenue limit sources | \$ 83,836,243 | \$ 84,460,433 | \$ 84,460,432 | \$ (1) |
| Federal sources | 7,031,166 | 8,436,017 | 8,493,585 | 57,568 |
| Other State sources | 739,481 | 9,613,227 | 12,024,942 | 2,411,715 |
| Other local sources | 7,651,045 | 7,855,845 | 8,473,022 | 617,177 |
| Total Revenues [1] | 105,913,268 | 110,365,522 | 113,451,981 | 3,086,459 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 67,279,124 | 69,765,000 | 71,221,035 | (1,456,035) |
| Instruction-related activities: | | | | |
| Supervision of instruction | 1,912,491 | 2,426,388 | 2,261,790 | 164,598 |
| Instructional library, media, and technology | 1,699,047 | 1,787,716 | 1,874,903 | (87,187) |
| School site administration | 7,486,790 | 8,708,699 | 9,057,347 | (348,648) |
| Pupil services: | | | | |
| Home-to-school transportation | 1,167,815 | 1,301,675 | 1,526,078 | (224,403) |
| All other pupil services | 7,515,436 | 7,921,153 | 8,316,333 | (395,180) |
| General administration: | | | | |
| Data processing | 1,163,781 | 1,191,555 | 1,168,532 | 23,023 |
| All other general administration | 5,210,935 | 4,613,951 | 4,513,057 | 100,894 |
| Plant services | 11,420,571 | 11,797,348 | 11,649,227 | 148,121 |
| Facility acquisition and construction | 151,200 | 178,885 | 599,873 | (420,988) |
| Ancillary services | 1,589,023 | 1,602,217 | 1,787,359 | (185,142) |
| Community services | 203,337 | 145,858 | 203,394 | (57,536) |
| Other outgo | 205,000 | 308,805 | 587,246 | (278,441) |
| Total Expenditures [1] | 107,004,550 | 111,749,250 | 114,766,174 | (3,016,924) |
| Excess (Deficiency) of Revenues Over Expenditures | (1,091,282) | (1,383,728) | (1,314,193) | 69,535 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | 210,099 | 210,099 |
| Other sources | - | 5,100,000 | 5,100,000 | - |
| Transfers out | (607,730) | (5,761,511) | (5,769,934) | (8,423) |
| Net Financing Sources (Uses) | (607,730) | (661,511) | (459,835) | 201,676 |
| NET CHANGE IN FUND BALANCES | (1,699,012) | (2,045,239) | (1,774,028) | 271,211 |
| Fund Balance - Beginning | 16,028,762 | 16,337,291 | 17,933,039 | - |
| Fund Balance - Ending | \$ 14,329,750 | \$ 14,292,052 | \$ 16,159,011 | \$ 271,211 |

[1] Actual revenues and expenditures include an adjustment for on-behalf payments in accordance with GASB 24. By not including the adjustment, actual revenues would be \$110,962,649. Actual expenditures would be \$112,276,842, which exceeded the budgeted expenditures by \$527,592.

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SUPPLEMENTARY INFORMATION

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OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|----------------|---|-------------------------|
| U.S. DEPARTMENT OF EDUCATION | | | |
| Passed through the California Department of Education (CDE): | | | |
| Elementary and Secondary Education Act | | | |
| Title I, Part A | 84.010 | 04329 | \$ 2,332,339 |
| Title I, Program Improvement | 84.010A | 14581 | 140,000 |
| Title II, Part A - Improving Teacher Quality | 84.367A | 04341 | 982,842 |
| Title II, Part D - Technology | 84.318 | 04334 | 79,556 |
| Title III - Immigrant Education [1] | 84.365A | 04346 | 64,002 |
| Title III - Limited English Proficient [1] | 84.365A | 00084 | 290,137 |
| Title IV - Safe and Drug Free Schools | 84.186 | 04347 | 70,947 |
| Title V - Innovative Strategies | 84.298A | 04354 | 59,701 |
| PL 101-476, Individuals with Disabilities Education Act | | | |
| Local Assistance [1] | 84.027 | 03379 | 2,091,127 |
| Workability II, Transition Partnership | 84.158 | 00006 | 143,090 |
| Advanced Placement Testing Fees | 84.330 | 13917 | 141,645 |
| Mathematics Professional Development | 84.276 | 03894 | 456 |
| Carl Perkins Vocational and Applied Technology Educational Act of 1998 | | | |
| Title I, Part C - Secondary, Section 131 | 84.048 | 03578 | 35,238 |
| Title I, Part C - Post Secondary Section 132 | 84.048 | 03924 | 409,069 |
| Passed through Ventura County Superintendent of Schools Office: | | | |
| School to Career | 84.278 | 00009 | 8,488 |
| ESEA, Title I, Part C - Migrant Education [1] | 84.011 | 03174 | 1,124,106 |
| ESEA, Title I, Part C - Migrant Education, Summer School [1] | 84.011 | 00005 | 97,734 |
| Total U.S. Department of Education | | | <u>8,070,477</u> |
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Passed through the CDE: | | | |
| National School Lunch Program | 10.555 | 13391 | 1,876,316 |
| Especially Needy Breakfast | 10.553 | 13526 | 764,830 |
| Meal Supplements | 10.555 | 13755 | 686 |
| Food Distribution | 10.550 | 13534 | 213,624 |
| Total U.S. Department of Agriculture | | | <u>2,855,456</u> |

[1] Major Program.

[2] Pass-Through Entity Identifying Number Not Applicable.

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|----------------|---|-------------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Passed through the CDE: | | | |
| Medi-Cal Billing Option | 93.575 | 00013 | \$ 70,919 |
| Medi-Cal Administrative Activities | 93.778 | 00013 | <u>205,792</u> |
| Total U.S. Department of Health and Human Services | | | <u>276,711</u> |
| U.S. DEPARTMENT OF DEFENSE | | | |
| Junior Reserve Officer Training Corps - Air Force | 12.000 | [2] | 112,570 |
| Junior Reserve Officer Training Corps - Navy | 12.000 | [2] | <u>69,068</u> |
| Total U.S. Department of Defense | | | <u>181,638</u> |
| Total Expenditures of Federal Awards | | | <u>\$11,384,282</u> |

[1] Major Program.

[2] Pass-Through Entity Identifying Number Not Applicable.

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2005

| | Revised Second Period Report | Revised Annual Report |
|---------------------------|---------------------------------------|-----------------------------|
| HIGH SCHOOL | | |
| Regular classes | 13,421 | 13,260 |
| Continuation education | 251 | 243 |
| Opportunity schools | 79 | 83 |
| Home and hospital | 22 | 27 |
| Community day school | 57 | 63 |
| Special education | 685 | 682 |
| Total Elementary | 14,515 | 14,358 |
| CLASSES FOR ADULTS | | |
| Concurrently enrolled | 51 | 50 |
| Not concurrently enrolled | 1,492 | 1,514 |
| Total Class for Adults | 1,543 | 1,564 |
| Grand Total | 16,058 | 15,922 |
| | | Hours of Attendance |
| SUMMER SCHOOL | | |
| High school | | 418,644 |

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME FOR THE YEAR ENDED JUNE 30, 2005

| Grade Level | 1982-83 | 1986-87 | 2004-05 | Number of Days | | Status |
|---------------|-------------------|------------------------|-------------------|-------------------------|------------------------|----------|
| | Actual Minutes | Minutes Requirement | Actual Minutes | Traditional Calendar | Multitrack Calendar | |
| Grades 9 - 12 | 59,712 | 64,800 | 65,166 | 180 | N/A | Complied |

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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

| | Capital Facilities | Special Reserve Capital |
|--|-----------------------|-------------------------------|
| FUND BALANCE | | |
| Balance, June 30, 2005, Unaudited Actuals | \$ 6,225,096 | \$ 5,975,136 |
| Increase in: | | |
| Receivables | 311,645 | - |
| Cash with Fiscal Agent | - | 324,698 |
| Total Fund Balance, June 30, 2005, Audited Financial Statement | <u>\$ 6,536,741</u> | <u>\$ 6,299,834</u> |

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2005

| | (Budget) 2006 ¹ | 2005 | 2004 | 2003 |
|--|-------------------------------|----------------|----------------|----------------|
| GENERAL FUND | | | | |
| Revenues | \$ 113,492,121 | \$ 113,451,981 | \$ 102,703,305 | \$ 100,617,105 |
| Other sources and transfers in | - | 5,310,099 | 264,770 | - |
| Total Revenues and Other Sources | 113,492,121 | 118,762,080 | 102,968,075 | 100,617,105 |
| Expenditures | 112,659,938 | 114,766,174 | 102,871,247 | 97,074,379 |
| Other uses and transfers out | 605,984 | 5,769,934 | 64,315 | 722,875 |
| Total Expenditures and Other Uses | 113,265,922 | 120,536,108 | 102,935,562 | 97,797,254 |
| INCREASE (DECREASE) IN FUND BALANCE | \$ 226,199 | \$ (1,774,028) | \$ 32,513 | \$ 2,819,851 |
| ENDING FUND BALANCE | \$ 16,385,210 | \$ 16,159,011 | \$ 17,933,039 | \$ 17,900,526 |
| AVAILABLE RESERVES ^{2,3} | \$ 16,385,210 | \$ 9,320,988 | \$ 9,338,865 | \$ 8,988,424 |
| AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO | 14.5% | 7.9% | 9.1% | 9.2% |
| LONG-TERM DEBT | N/A | \$ 65,968,918 | \$ 61,912,898 | \$ 60,015,613 |
| AVERAGE DAILY ATTENDANCE AT P-2 ⁴ | 14,733 | 14,515 | 14,180 | 13,778 |

The General Fund balance has decreased by \$1,741,515 over the past two years. The fiscal year 2005-2006 budget projects an increase of \$226,199 (1.4 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2005-2006 fiscal year. Total long-term debt has increased by \$5,953,305 over the past two years.

Average daily attendance has increased by 737 over the past two years. Additional growth of 218 ADA is anticipated during fiscal year 2005-2006.

¹ Budget 2006 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund and Special Reserve Fund (other than capital outlay).

³ On-behalf payments of \$2,489,332 have been excluded from the calculation of available reserves for the fiscal year ended June 30, 2005.

⁴ Excludes Adult Education and ROP ADA.

See accompanying note to supplementary information.

OXNARD UNION HIGH SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2005

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirement, whichever is greater, as required by Education Code Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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SUPPLEMENTARY INFORMATION - UNAUDITED

OXNARD UNION HIGH SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET - UNAUDITED JUNE 30, 2005

| | Adult Education Fund | Cafeteria Fund | Deferred Maintenance Fund |
|--|----------------------------|---------------------|---------------------------------|
| ASSETS | | | |
| Deposits and investments | \$ 885,660 | \$ 698,556 | \$ 1,360,409 |
| Receivables | 69,585 | 783,054 | 9,782 |
| Due from other funds | 14 | 39,887 | 8,235 |
| Stores inventory | - | 55,933 | - |
| Total Assets | \$ 955,259 | \$ 1,577,430 | \$ 1,378,426 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | 211,560 | 119,981 | 24,506 |
| Due to other funds | 212,500 | 557,020 | - |
| Total Liabilities | 424,060 | 677,001 | 24,506 |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Other reservations | - | 57,383 | - |
| Unreserved: | | | |
| Undesignated, reported in: | | | |
| Special revenue funds | 531,199 | 843,046 | 1,353,920 |
| Debt service funds | - | - | - |
| Capital projects funds | - | - | - |
| Total Fund Balances | 531,199 | 900,429 | 1,353,920 |
| Total Liabilities and Fund Balances | \$ 955,259 | \$ 1,577,430 | \$ 1,378,426 |

See accompanying note to supplementary information - unaudited.

| Special Reserve Non-Capital Fund | Foundation Fund | Building Fund | Bond Interest and Redemption Fund | COP Debt Service Fund | Total Non-Major Governmental Funds |
|---|----------------------------|--------------------------|--|--------------------------------------|---|
| \$ 552,225 | \$ 60,443 | \$ - | \$ 3,357,890 | \$ 567,784 | \$ 7,482,967 |
| 3,761 | 411 | 12 | 19,541 | - | 886,146 |
| - | - | - | - | - | 48,136 |
| - | - | - | - | - | 55,933 |
| <u>\$ 555,986</u> | <u>\$ 60,854</u> | <u>\$ 12</u> | <u>\$ 3,377,431</u> | <u>\$ 567,784</u> | <u>\$ 8,473,182</u> |
| - | 145 | - | 225 | - | 356,417 |
| - | - | - | - | - | 769,520 |
| - | 145 | - | 225 | - | 1,125,937 |
| - | - | - | - | - | 57,383 |
| 555,986 | 60,709 | - | - | - | 3,344,860 |
| - | - | - | 3,377,206 | 567,784 | 3,944,990 |
| - | - | 12 | - | - | 12 |
| <u>555,986</u> | <u>60,709</u> | <u>12</u> | <u>3,377,206</u> | <u>567,784</u> | <u>7,347,245</u> |
| <u>\$ 555,986</u> | <u>\$ 60,854</u> | <u>\$ 12</u> | <u>\$ 3,377,431</u> | <u>\$ 567,784</u> | <u>\$ 8,473,182</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2005

| | Adult Education Fund | Cafeteria Fund | Deferred Maintenance Fund |
|--|----------------------------|-------------------|---------------------------------|
| REVENUES | | | |
| Revenue limit sources | \$ 3,550,896 | \$ - | \$ - |
| Federal sources | 35,238 | 2,855,456 | - |
| Other State sources | - | 177,819 | 591,172 |
| Other local sources | 311,735 | 2,537,819 | 25,069 |
| Total Revenues | <u>3,897,869</u> | <u>5,571,094</u> | <u>616,241</u> |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 2,170,261 | - | - |
| Instruction-related activities: | | | |
| Supervision of instruction | 4,172 | - | - |
| School site administration | 983,721 | - | - |
| Pupil services: | | | |
| Food services | - | 5,469,242 | - |
| All other pupil services | 219,250 | - | - |
| General administration: | | | |
| All other general administration | 262,871 | 478,583 | - |
| Plant services | 234,112 | - | 1,322,856 |
| Facility acquisition and construction | 837,004 | 442,763 | - |
| Debt service | | | |
| Principal | 10,185 | - | - |
| Interest and other | 559 | - | - |
| Total Expenditures | <u>4,722,135</u> | <u>6,390,588</u> | <u>1,322,856</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(824,266)</u> | <u>(819,494)</u> | <u>(706,615)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 4,840 | - | 603,422 |
| Transfers out | - | - | - |
| Net Financing Sources (Uses) | <u>4,840</u> | <u>-</u> | <u>603,422</u> |
| NET CHANGE IN FUND BALANCES | <u>(819,426)</u> | <u>(819,494)</u> | <u>(103,193)</u> |
| Fund Balance - Beginning | <u>1,350,625</u> | <u>1,719,923</u> | <u>1,457,113</u> |
| Fund Balance - Ending | <u>\$ 531,199</u> | <u>\$ 900,429</u> | <u>\$ 1,353,920</u> |

See accompanying note to supplementary information - unaudited.

| Special Reserve Non-Capital Fund | Foundation Fund | Building Fund | Bond Interest and Redemption Fund | COP Debt Service Fund | Total Non-Major Governmental Funds |
|---|----------------------------|--------------------------|--|--------------------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,550,896 |
| - | - | - | - | - | 2,890,694 |
| - | - | - | 43,378 | - | 812,369 |
| 12,080 | 4,698 | 74,684 | 3,942,659 | 28,415 | 6,937,159 |
| 12,080 | 4,698 | 74,684 | 3,986,037 | 28,415 | 14,191,118 |
| - | - | - | - | - | 2,170,261 |
| - | - | - | - | - | 4,172 |
| - | 3,013 | - | - | - | 986,734 |
| - | - | - | - | - | 5,469,242 |
| - | - | - | - | - | 219,250 |
| - | - | - | - | - | 741,454 |
| - | - | - | - | - | 1,556,968 |
| - | - | - | - | - | 1,279,767 |
| - | - | - | 1,135,000 | 230,000 | 1,375,185 |
| - | - | - | 2,697,475 | 216,215 | 2,914,249 |
| - | 3,013 | - | 3,832,475 | 446,215 | 16,717,282 |
| 12,080 | 1,685 | 74,684 | 153,562 | (417,800) | (2,526,164) |
| - | - | - | - | 419,047 | 1,027,309 |
| - | - | (6,639,461) | - | - | (6,639,461) |
| - | - | (6,639,461) | - | 419,047 | (5,612,152) |
| 12,080 | 1,685 | (6,564,777) | 153,562 | 1,247 | (8,138,316) |
| 543,906 | 59,024 | 6,564,789 | 3,223,644 | 566,537 | 15,485,561 |
| \$ 555,986 | \$ 60,709 | \$ 12 | \$ 3,377,206 | \$ 567,784 | \$ 7,347,245 |

OXNARD UNION HIGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY OBJECT - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2005

| | General Fund | Capital Facilities Fund | County School Facilities Fund |
|--|----------------------|-------------------------------|--|
| REVENUES | | | |
| Revenue limit sources | \$ 84,460,432 | \$ - | \$ - |
| Federal sources | 8,493,585 | - | - |
| Other State sources | 12,024,942 | - | - |
| Other local sources | 8,473,022 | 5,787,963 | 131,017 |
| Total Revenues | <u>113,451,981</u> | <u>5,787,963</u> | <u>131,017</u> |
| EXPENDITURES | | | |
| Current Expenditures | | | |
| Certificated salaries | 54,597,207 | - | - |
| Classified salaries | 15,669,802 | - | 31,703 |
| Employee benefits | 29,543,053 | - | 3,962 |
| Books and supplies | 4,540,141 | 4,056 | 44,188 |
| Services and operating expenditures | 9,711,367 | 128,190 | 3,587 |
| Other outgo | (218,126) | 151,649 | - |
| Capital outlay | 922,730 | 732,225 | 15,245,147 |
| Debt service - principal | - | 305,995 | - |
| Debt service - interest and other | - | 110,615 | - |
| Total Expenditures | <u>114,766,174</u> | <u>1,432,730</u> | <u>15,328,587</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(1,314,193)</u> | <u>4,355,233</u> | <u>(15,197,570)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 210,099 | 61,672 | 6,639,461 |
| Operating transfers out | (5,769,934) | (155,958) | - |
| Other sources | 5,100,000 | 302,325 | - |
| Total Financing Sources (Uses) | <u>(459,835)</u> | <u>208,039</u> | <u>6,639,461</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>(1,774,028)</u> | <u>4,563,272</u> | <u>(8,558,109)</u> |
| FUND BALANCE, BEGINNING OF YEAR | <u>17,933,039</u> | <u>1,973,469</u> | <u>9,629,371</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 16,159,011</u> | <u>\$ 6,536,741</u> | <u>\$ 1,071,262</u> |

See accompanying note to supplementary information - unaudited.

| Special Reserve Capital Outlay Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|---|---|
| \$ - | \$ 3,550,896 | \$ 88,011,328 |
| - | 2,890,694 | 11,384,279 |
| - | 812,369 | 12,837,311 |
| 137,611 | 6,937,159 | 21,466,772 |
| <u>137,611</u> | <u>14,191,118</u> | <u>133,699,690</u> |
| - | 1,737,179 | 56,334,386 |
| - | 2,154,032 | 17,855,537 |
| - | 1,745,363 | 31,292,378 |
| - | 2,666,042 | 7,254,427 |
| 11,073 | 2,160,128 | 12,014,345 |
| 218,893 | 653,723 | 806,139 |
| 5,226,466 | 1,311,381 | 23,437,949 |
| - | 1,375,185 | 1,681,180 |
| 825 | 2,914,249 | 3,025,689 |
| <u>5,457,257</u> | <u>16,717,282</u> | <u>153,702,030</u> |
| <u>(5,319,646)</u> | <u>(2,526,164)</u> | <u>(20,002,340)</u> |
| 5,100,000 | 1,027,309 | 13,038,541 |
| (473,188) | (6,639,461) | (13,038,541) |
| <u>645,000</u> | <u>-</u> | <u>6,047,325</u> |
| <u>5,271,812</u> | <u>(5,612,152)</u> | <u>6,047,325</u> |
| (47,834) | (8,138,316) | (13,955,015) |
| 6,347,668 | 15,485,561 | 51,369,108 |
| <u>\$ 6,299,834</u> | <u>\$ 7,347,245</u> | <u>\$ 37,414,093</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE BY OBJECT - UNAUDITED

FOR THE YEAR ENDED JUNE 30, 2005

| | Adult Education Fund | Cafeteria Fund | Deferred Maintenance Fund |
|--|----------------------------|-------------------|---------------------------------|
| REVENUES | | | |
| Revenue limit sources | \$ 3,550,896 | \$ - | \$ - |
| Federal sources | 35,238 | 2,855,456 | - |
| Other State sources | - | 177,819 | 591,172 |
| Other local sources | 311,735 | 2,537,819 | 25,069 |
| Total Revenues | 3,897,869 | 5,571,094 | 616,241 |
| EXPENDITURES | | | |
| Current Expenditures | | | |
| Certificated salaries | 1,737,179 | - | - |
| Classified salaries | 430,272 | 1,723,760 | - |
| Employee benefits | 715,611 | 1,029,752 | - |
| Books and supplies | 231,390 | 2,434,412 | - |
| Services and operating expenditures | 584,795 | 257,204 | 1,315,356 |
| Other outgo | 175,140 | 478,583 | - |
| Capital outlay | 837,004 | 466,877 | 7,500 |
| Debt service - principal | 10,185 | - | - |
| Debt service - interest and other | 559 | - | - |
| Total Expenditures | 4,722,135 | 6,390,588 | 1,322,856 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (824,266) | (819,494) | (706,615) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 4,840 | - | 603,422 |
| Operating transfers out | - | - | - |
| Total Financing Sources (Uses) | 4,840 | - | 603,422 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (819,426) | (819,494) | (103,193) |
| FUND BALANCE, BEGINNING OF YEAR | 1,350,625 | 1,719,923 | 1,457,113 |
| FUND BALANCE, END OF YEAR | \$ 531,199 | \$ 900,429 | \$ 1,353,920 |

See accompanying note to supplementary information - unaudited.

| Special Reserve Non-Capital Fund | Foundation Fund | Building Fund | Bond Interest and Redemption Fund | Debt Service Fund | Total Governmental Funds |
|---|----------------------------|--------------------------|--|----------------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,550,896 |
| - | - | - | - | - | 2,890,694 |
| - | - | - | 43,378 | - | 812,369 |
| 12,080 | 4,698 | 74,684 | 3,942,659 | 28,415 | 6,937,159 |
| 12,080 | 4,698 | 74,684 | 3,986,037 | 28,415 | 14,191,118 |
| - | - | - | - | - | 1,737,179 |
| - | - | - | - | - | 2,154,032 |
| - | - | - | - | - | 1,745,363 |
| - | 240 | - | - | - | 2,666,042 |
| - | 2,773 | - | - | - | 2,160,128 |
| - | - | - | - | - | 653,723 |
| - | - | - | - | - | 1,311,381 |
| - | - | - | 1,135,000 | 230,000 | 1,375,185 |
| - | - | - | 2,697,475 | 216,215 | 2,914,249 |
| - | 3,013 | - | 3,832,475 | 446,215 | 16,717,282 |
| 12,080 | 1,685 | 74,684 | 153,562 | (417,800) | (2,526,164) |
| - | - | - | - | 419,047 | 1,027,309 |
| - | - | (6,639,461) | - | - | (6,639,461) |
| - | - | (6,639,461) | - | 419,047 | (5,612,152) |
| 12,080 | 1,685 | (6,564,777) | 153,562 | 1,247 | (8,138,316) |
| 543,906 | 59,024 | 6,564,789 | 3,223,644 | 566,537 | 15,485,561 |
| \$ 555,986 | \$ 60,709 | \$ 12 | \$ 3,377,206 | \$ 567,784 | \$ 7,347,245 |

OXNARD UNION HIGH SCHOOL DISTRICT

SPECIAL RESERVE CAPITAL OUTLAY – SUB-FUND DETAIL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES OF FUND BALANCE BY OBJECT - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2005

| | Certificates of Participation | ACHS Growth | PHS Startup |
|--|--|------------------------|------------------------|
| REVENUES | | | |
| Other local sources | \$ 31,179 | \$ 26,395 | \$ 70,434 |
| EXPENDITURES | | | |
| Current Expenditures | | | |
| Services and operating expenditures | 3,523 | 5,000 | - |
| Other outgo | - | 218,893 | - |
| Capital outlay | - | 5,065,874 | - |
| Debt service - interest and other | 825 | - | - |
| Total Expenditures | 4,348 | 5,289,767 | - |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 26,831 | (5,263,372) | 70,434 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | - | 5,100,000 | - |
| Operating transfers out | (263,089) | - | - |
| Other sources | - | 645,000 | - |
| Total Financing Sources (Uses) | (263,089) | 5,745,000 | - |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (236,258) | 481,628 | 70,434 |
| FUND BALANCE, BEGINNING OF YEAR | 1,582,726 | 1,032,530 | 3,170,407 |
| FUND BALANCE, END OF YEAR | \$ 1,346,468 | \$ 1,514,158 | \$ 3,240,841 |

See accompanying note to supplementary information - unaudited.

| RMHS Pool | Special Reserve Capital Outlay Fund Total |
|----------------------|--|
| <u>\$ 9,603</u> | <u>\$ 137,611</u> |
| 2,550 | 11,073 |
| - | 218,893 |
| 160,592 | 5,226,466 |
| - | 825 |
| <u>163,142</u> | <u>5,457,257</u> |
| <u>(153,539)</u> | <u>(5,319,646)</u> |
| - | 5,100,000 |
| (210,099) | (473,188) |
| - | 645,000 |
| <u>(210,099)</u> | <u>5,271,812</u> |
| (363,638) | (47,834) |
| 562,005 | 6,347,668 |
| <u>\$ 198,367</u> | <u>\$ 6,299,834</u> |

OXNARD UNION HIGH SCHOOL DISTRICT

GENERAL FUND SELECTED FINANCIAL INFORMATION THREE-YEAR SUMMARY OF REVENUES, EXPENDITURES AND CHANGES OF FUND BALANCE - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2005

(Amounts in thousands)

| | Actual Results for the Years | | | | | |
|---|------------------------------|--------------------|-----------|--------------------|-----------|--------------------|
| | 2004-2005 | | 2003-2004 | | 2002-2003 | |
| | Amount | Percent of Revenue | Amount | Percent of Revenue | Amount | Percent of Revenue |
| REVENUES | | | | | | |
| Federal revenue | \$ 8,494 | 7.5 | \$ 6,871 | 6.7 | \$ 5,943 | 5.9 |
| State and local revenue included in revenue limit | 84,460 | 74.4 | 78,640 | 76.6 | 77,791 | 77.3 |
| Other State revenue | 12,025 | 10.6 | 9,153 | 8.9 | 8,630 | 8.6 |
| Other local revenue | 2,960 | 2.6 | 2,401 | 2.3 | 2,415 | 2.4 |
| Tuition and transfers in | 5,513 | 4.9 | 5,638 | 5.5 | 5,838 | 5.8 |
| Total Revenues | 113,452 | 100.0 | 102,703 | 100.0 | 100,617 | 100.0 |
| EXPENDITURES | | | | | | |
| Salaries and Benefits | | | | | | |
| Certificated salaries | 54,597 | 48.2 | 52,110 | 50.7 | 52,065 | 51.7 |
| Classified salaries | 15,670 | 13.8 | 15,126 | 14.7 | 14,756 | 14.7 |
| Employee benefits | 29,543 | 26.0 | 22,842 | 22.2 | 18,426 | 18.3 |
| Total Salaries and Benefits | 99,810 | 88.0 | 90,078 | 87.6 | 85,247 | 84.7 |
| Books and supplies | 4,540 | 4.0 | 4,479 | 4.4 | 3,510 | 3.5 |
| Contracts and operating expenses | 9,711 | 8.6 | 8,349 | 8.1 | 8,221 | 8.2 |
| Capital outlay | 923 | 0.8 | 267 | 0.3 | 508 | 0.5 |
| Tuition and transfers out | (218) | (0.2) | (302) | (0.3) | (412) | (0.4) |
| Total Expenditures | 114,766 | 101.2 | 102,871 | 100.1 | 97,074 | 96.5 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,314) | (1.2) | (168) | (0.1) | 3,543 | 3.5 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | 210 | 0.2 | 264 | 0.3 | - | 0.0 |
| Other sources | 5,100 | 4.5 | - | 0.0 | - | 0.0 |
| Operating transfers out | (5,770) | (5.1) | (64) | (0.1) | (723) | (0.7) |
| Total Other Financing Sources (Uses) | (460) | (0.4) | 200 | 0.2 | (723) | (0.7) |
| INCREASE (DECREASE) IN FUND BALANCE | (1,774) | (1.6) | 32 | 0.1 | 2,820 | 2.8 |
| FUND BALANCE, BEGINNING | 17,933 | | 17,901 | | 15,081 | |
| FUND BALANCE, ENDING | \$ 16,159 | | \$ 17,933 | | \$ 17,901 | |

See accompanying note to supplementary information - unaudited.

OXNARD UNION HIGH SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION - UNAUDITED JUNE 30, 2005

NOTE 1 - PURPOSE OF SCHEDULES

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

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

Statement of Revenue, Expenditures, and Changes in Fund Balance by Object

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

General Fund Selected Financial Information - Unaudited

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

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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***

Governing Board
Oxnard Union High School District
Oxnard, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High School District as of and for the year ended June 30, 2005, which collectively comprise the Oxnard Union High School District's basic financial statements and have issued our report thereon dated October 27, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oxnard Union High School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Oxnard Union High School District in a separate letter dated October 27, 2005.

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

Vannink, Tri, Day & Co., LLP

Rancho Cucamonga, California
October 27, 2005



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

Governing Board
Oxnard Union High School District
Oxnard, California

Compliance

We have audited the compliance of Oxnard Union High School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2005. Oxnard Union High School District's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Oxnard Union High School District's management. Our responsibility is to express an opinion on Oxnard Union High School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Oxnard Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Oxnard Union High School District's compliance with those requirements.

In our opinion, Oxnard Union High School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

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

Vannink, Tri, Day & Co., LLP

Rancho Cucamonga, California
October 27, 2005



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board
Oxnard Union High School District
Oxnard, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High School District as of and for the year ended June 30, 2005, and have issued our report thereon dated October 27, 2005. 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 2004-05 *Standards and Procedures for Audits of California K-12 Local Educational Agencies* prescribed in the California Code of Regulations, Title 5, Section 19810 and following. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Compliance with the requirements of laws, regulations, contracts, and grants listed below is the responsibility of Oxnard Union High School District management. In connection with the audit referred to above, we selected and tested transactions and records to determine the Oxnard Union High School District's compliance with the State laws and regulations applicable to the following items:

| | Procedures in Controller's Audit Guide | Procedures Performed |
|---|--|-------------------------|
| Attendance Accounting: | | |
| Attendance reporting | 8 | Yes |
| Kindergarten continuance | 3 | Not Applicable |
| Independent study | 22 | Yes |
| Continuation education | 10 | Yes |
| Adult education | 9 | Yes |
| Regional occupational centers and programs | 6 | Not Applicable |
| Instructional time and staff development reform program | 7 | Yes |
| Instructional Time: | | |
| School districts | 4 | Yes |
| County offices of education | 3 | Not Applicable |
| Community day schools | 9 | Yes |

| | Procedures in Controller's Audit Guide | Procedures Performed |
|--|--|-------------------------|
| Class Size Reduction Program: | | |
| General requirements | 7 | Not Applicable |
| Option one classes | 3 | Not Applicable |
| Option two classes | 4 | Not Applicable |
| District or charter schools with only one school servicing K-3 | 4 | Not Applicable |
| Instructional Materials: | | |
| General requirements | 12 | Yes |
| K-8 only | 1 | Not Applicable |
| 9-12 only | 1 | Yes |
| Ratios of Administrative Employees to Teachers | 1 | Yes |
| Early retirement incentive | 4 | Not Applicable |
| GANN limit calculation | 1 | Yes |
| School Construction Funds: | | |
| School District bonds | 3 | Yes |
| State school facilities funds | 1 | Yes |
| Alternative pension plans | 2 | Yes, see below |
| Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000) | 2 | Yes |
| State Lottery Funds (California State Lottery Act of 1984) | 2 | Yes |
| California School Age Families Education (Cal-SAFE) Program | 3 | Yes |
| School Accountability Report Card | 3 | Yes |

We did not perform Step 2 for alternative pension plans, because the District does not have such a plan for permanent, full-time employees.

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

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

Vannin, Tru, Day & Co., LLP

Rancho Cucamonga, California
October 27, 2005

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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OXNARD UNION HIGH SCHOOL DISTRICT

SUMMARY OF AUDITORS' RESULTS FOR THE YEAR ENDED JUNE 30, 2005

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------|---|
| <u>84.011</u> | <u>Migrant Education</u> |
| <u>84.027</u> | <u>Individuals with Disabilities Education Act</u> |
| <u>84.365A</u> | <u>Title III - Immigrant Education and Limited English Proficient</u> |

| | |
|--|-------------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | <u>\$ 341,528</u> |
| Auditee qualified as low-risk auditee? | <u>Yes</u> |

STATE AWARDS

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

OXNARD UNION HIGH SCHOOL DISTRICT

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005**

None reported.

OXNARD UNION HIGH SCHOOL DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005**

None reported.

OXNARD UNION HIGH SCHOOL DISTRICT

**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005**

None reported.

OXNARD UNION HIGH SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2005

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of financial statement findings.

Financial Statement Findings

2004-1 30000

INTERNAL CONTROLS

Payroll And Personnel

Finding

During our review of the personnel files, it was noted that a Form I-9 was certified by the Human Resource Department using a letter from the Social Security Office stating that the individual had applied for a social security card. The letter is stamped by the Social Security Office stating, "This printout does not establish your right to work." Both the Form I-9 and the letter from the Social Security Office are dated June 2002.

Recommendation

Proper documentation should be used to certify the Form I-9 as noted on the "List of Acceptable Documents" page, which is found on the Form I-9.

Current Status

Implemented.

2004-2 30000

ATTENDANCE DISTRICT-WIDE

Finding

It was noted that the system still does not have a cutoff function. Teachers or site clerks are able to make changes to attendance postings subsequent to the teachers' certification of the weekly reports.

Recommendation

A cutoff function should be added to the attendance system. At some predetermined time after the end of the attendance period, but prior to the teachers' certification of that period, the system should be locked. After that time, changes to the system should be posted at the District Office only.

Current Status

Implemented.

OXNARD UNION HIGH SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2005

2004-3 30000

Frontier Continuation High School

Finding

During our testing and through inquiry, it was noted that the Continuation High School is unable to receive apportionment credit for the first few days' newly enrolled students attend classes. When a student transfers from a comprehensive high school within the District, the previous school does not drop the student from their attendance system in a timely manner. Therefore, the Continuation High School is not able to enroll the student in the attendance system on the first day of attendance.

Recommendation

The District Office should review its procedures relating to newly enrolled students and implement appropriate modifications to allow the Continuation High School to receive apportionment credit from the first day he or she attends.

Current Status

Implemented.

2004-4 30000

ASSOCIATED STUDENT BODY (ASB)

Camarillo High School

Finding

Camarillo High School ASB does not have master ticket log for the tickets they have on hand. A master ticket form is filled out when someone requests tickets for an event, but the tickets' use is not reconciled on a master ticket log.

Recommendation

A master ticket log should be maintained that notes the type of ticket, color, and current beginning ticket number in the role. The tickets should be safeguarded as if they were cash, because stolen tickets would equate to lost revenue for the site if these tickets were presented for admission rather than an individual paying for admission. When ticket rolls are issued, they should be logged out noting the beginning ticket number in the roll and to whom the roll was issued. When the ticket sales recap form is returned, the form should be reconciled to the log and the last number ticket on the roll.

OXNARD UNION HIGH SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2005

Current Status

Implemented.

2004-5 30000

Finding

During our test of disbursements, two out of six disbursement did not have proper receiving documentation. According to the bookkeeper, the company does not send receiving paperwork.

Recommendation

Signed receiving documentation ensures that the club/ASB received all of the items ordered. If the company does not provide receiving paperwork, the person who initiated the order should initial or sign the invoice to let the bookkeeper know that all the merchandise was received in good condition prior to paying for the order.

Current Status

Implemented.

2004-6 30000

Oxnard High School

Finding

During our review of cash disbursement, it was noted that six blank checks had been pre-signed by one of the authorized signers.

Recommendation

The ASB should plan ahead in anticipation of the absence of one of the authorized signers. Checks should be signed only when a complete disbursement packet has been prepared for the signer's review.

Current Status

Implemented.

OXNARD UNION HIGH SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2005

2004-7 30000

Oxnard High School, Camarillo High

Finding

Revenue potentials are incomplete. Four out of five revenue potentials tested at Oxnard High did not have a record of how much money was made at that particular fundraiser. Revenue potentials at Camarillo High are prepared. However, the form does not recap cash collections and inventory sold.

Recommendation

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

1. Potential Income-This lists the selling price of the item multiplied by the number of items purchased to compute the total income that should be deposited from this fundraiser if all the items were sold and all the money was turned in. This element should also be utilized to track the cost of the items, check numbers used to purchase the items, and the purchase dates. This purchasing information is a good reference source for future sales and also tracks to cost so that profits can be determined.
2. Receipts/Fundraiser Deposits-This records all deposits turned in which are from funds generated from the sale. The receipt number issued to the advisor, date, and deposit amount should be logged. This is necessary to be able to recap the deposits of the sale and to trace these deposits to the appropriate accounts at the end of the sale to the appropriate accounts to ensure that all postings were correct.
3. Analysis-This section is used to compare the potential income as calculated in the Potential Income section to the actual funds raised as calculated in the Receipts/Fundraiser Deposits section. The difference between these two amounts should be documented and explained. The explanation can consist of merchandise not sold, merchandise lost or destroyed, or funds lost or stolen.
4. Recap-This section figures the net profit of the sale. Further fundraisers of this type can be planned or canceled depending on the information calculated in this section.

Revenue earned in the Student Body fund is subject to greater risk of loss due to the nature of the fundraising events and decentralization of the cash collection procedures. Increased internal control procedures over these activities will assist the District in decreasing the risk of potential losses of the student body funds. One important internal control feature is the Revenue Potential Form. The revenue potential form is important because it shows whether or not all the monies that should have been raised and turned in actually were based on the price of the item and number sold. The form is also used to document overages and shortages or losses of merchandise. A secondary tool that the form accomplishes is to allow the bookkeeper to compare the advisors log of the deposits made for the fundraiser to the financial records of the appropriate account to ensure that all entries were correctly posted. The site administrator should ensure that these forms are completed and turned in to the bookkeeper at the conclusion of the fundraiser.

OXNARD UNION HIGH SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2005

Current Status

Implemented.

2004-8 30000

Frontier High School, Oxnard High School, Camarillo High School

Finding

The ASB student council minutes are incomplete. It does not indicate the names of those who attended the meeting.

Recommendation

The Department of Education's manual suggests that minutes be taken and filed which includes details of the meeting including budgeting procedures, fund raising discussions, and approval of expenditures. In addition, any motion that is presented and voted on must include the individual's name that presented the motion, the person who seconded it and the final vote on the motion.

Current Status

Implemented.

2004-9 30000

Finding

There appears to be a lack of separation of duties at several of the ASB's. The lack of separation of duties includes the following:

Bookkeepers have complete control of all cash collections, issue receipts for cash collection, reconcile the bank accounts, and post transactions to the general ledger.

To provide for an adequate separation of duties, the same person should not have custody of assets, have responsibility for recording transactions, and have reconciliation responsibilities. Although it is difficult to have a separation of duties at the ASB's, we suggest that the District make attempts to ensure that the separation of duties is maintained at the best possible level.

Recommendation

The majority of the income from ASB's are cash collections. It is important for the ASB's to have adequate internal controls to protect the assets under the District's control. We suggest that the District provide ongoing training to the ASB clerks and implement an internal audit function on a periodic basis throughout the school year.

OXNARD UNION HIGH SCHOOL DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005**

Current Status

Not implemented. See management letter.



October 27, 2005

Governing Board
Oxnard Union High School District
Oxnard, California

In planning and performing our audit of the financial statements of Oxnard Union High School District, for the year ended June 30, 2005, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the combined and combining financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated October 27, 2005 on the government-wide financial statements of Oxnard Union High School District.

FACILITIES - DEVELOPER FEES

Finding

During the test of receipts subsequent to the June 30, 2005, fiscal year end, auditors noted several instances where the full amount of developer fees due for a specific project had not been collected at the time the collections form was signed off. The form sign off allows the developer to obtain clearance from the city or county to proceed with the project. The instances we noted were payments of the outstanding amounts. However, upon inquiry we learned that the developer fees clerk does not keep a ledger of the amounts owed, nor does the clerk communicate to the Business Office the fact that fees are outstanding.

Recommendation

The District should develop appropriate policies and procedures for the partial collection of developer fees. If the District allows for District sign off on partial collections, the policy should include such points as who would approve partial payments, limits on amounts owed by a particular developer, and when approval to proceed with the project should be granted. Procedures should include the method for tracking amounts owed and the communication to the Business Office of amounts owed at year-end.

SITE CASH

Frontier Continuation

Finding

The site is not forwarding fees for lost/damaged books to the District in a timely manner.

Recommendation

The District should instruct all sites to deposit all monies collected for District purposes to the District Office in a timely manner.

ASSOCIATED STUDENT BODY

Rio Mesa High School

Finding

In reviewing the sites outstanding check listing for the January reconciliation, we noted that some of the checks were over 12 month's old making the probability of them clearing the account quite low.

Recommendation

Outstanding checks over 12 months old should be credited back to the appropriate account and taken off the subsequent bank reconciliation's. Although the chances are low, the check may clear on a subsequent bank statement. In this case, the amount should be charged against the appropriate account and described as "outstanding check written off-cleared".

Frontier High School, Oxnard High School and Camarillo High School

Finding

There appears to be a lack of separation of duties at several of the ASB's. The lack of separation of duties includes the following:

Bookkeepers have complete control of all cash collections, issue receipts for cash collection, reconcile the bank accounts, and post transactions to the general ledger.

To provide for an adequate separation of duties, the same person should not have custody of assets, have responsibility for recording transactions, and have reconciliation responsibilities. Although it is difficult to have a separation of duties at the ASB's, we suggest that the District make attempts to ensure that the separation of duties is maintained at the best possible level.

Recommendation

The majority of the income from ASB's are cash collections. It is important for the ASB's to have adequate internal controls to protect the assets under the District's control. We suggest that the District provide ongoing training to the ASB clerks and implement an internal audit function on a periodic basis throughout the school year.

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

Yours very truly,

A handwritten signature in black ink, appearing to read "Matt Miller", with a stylized flourish at the end.

Matthew S. Miller
of VAVRINEK, TRINE, DAY & CO., LLP

MSM/ph

