



**Oxnard Union  
High School District**

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ANNUAL FINANCIAL REPORT

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**JUNE 30, 2011**

# OXNARD UNION HIGH SCHOOL DISTRICT

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JUNE 30, 2011

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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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2010-11*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the Notes to the basic financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54 for the year ended June 30, 2011. These changes required a restatement to the beginning fund balance of the General Fund and the Non-Major Governmental Funds, as discussed in Note 18.

As discussed in the Notes to the basic financial statements, the State of California continues to suffer the effects of a recessionary economy, which directly impacts the funding requirements of the State of California to the K-12 educational community.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2011, 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 12 and budgetary comparison and other postemployment information on pages 56 through 58, are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Rancho Cucamonga, California

November 10, 2011



**Oxnard Union  
High School District**

309 South K Street • Oxnard, California 93030 • (805) 385-2500 • FAX (805) 483-3069

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This section of Oxnard Union High School District's (the District) (OUHSD) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011, with comparative information from 2010. 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 *Fiduciary Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting

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

*Students first: every day, every school, every classroom.*

**OXNARD UNION HIGH SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

***FINANCIAL HIGHLIGHTS OF THE PAST YEAR***

Total General Fund Revenue increased by .79 percent from the previous fiscal year. The following table shows major revenue sources for fiscal year 2010-2011 compared with fiscal year 2009-2010.

**General Fund Revenue Comparison - Amount**

	2011	2010	Increase (Decrease)
Revenue Limit Sources (Includes Property Taxes)	\$ 91,618,835	\$ 88,274,520	\$ 3,344,315
Federal Revenues	11,846,846	13,080,575	(1,233,729)
Other State Revenues	18,717,997	21,639,645	(2,921,648)
Other Local Revenues	10,634,321	8,782,664	1,851,657
	<u>\$ 132,817,999</u>	<u>\$ 131,777,404</u>	<u>\$ 1,040,595</u>

Total General Fund Expenditures increased by less than five percent from the previous fiscal year. The following table shows expenditures for fiscal year 2010-2011 compared with fiscal year 2009-2010.

**General Fund Expenditure Comparison - Unrestricted and Restricted**

	2011		2010		Change	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Certificated salaries	\$ 63,369,609	48.0%	\$ 64,124,203	48.8%	\$ (754,594)	-1.18%
Classified salaries	17,787,562	13.5%	17,827,770	13.5%	(40,208)	-0.23%
Employee benefits	32,580,019	24.7%	31,196,582	23.7%	1,383,437	4.43%
Books and supplies	4,641,521	3.5%	4,996,243	3.8%	(354,722)	-7.10%
Services and other	12,327,302	9.3%	11,783,552	9.0%	543,750	4.61%
Other outgo	389,625	0.3%	743,116	0.6%	(353,491)	-47.57%
Capital outlay and debt service	988,795	0.7%	807,781	0.6%	181,014	22.41%
	<u>\$ 132,084,433</u>	<u>100.0%</u>	<u>\$ 131,479,247</u>	<u>100.0%</u>	<u>\$ 605,186</u>	<u>0.46%</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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

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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.

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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

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### *THE DISTRICT AS TRUSTEE*

#### *Reporting the District's Fiduciary Responsibilities*

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

### *THE DISTRICT AS A WHOLE*

#### *Net Assets*

The District's net assets were \$106,464,285 for the fiscal year ended June 30, 2011. Of this amount, the District reported a deficit in their unrestricted net assets of (\$13,288,470). 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	
	2011	2010
<b>Assets</b>		
Current and other assets	\$ 117,950,682	\$ 51,815,296
Capital assets	165,755,104	163,681,176
<b>Total Assets</b>	<b>283,705,786</b>	<b>215,496,472</b>
<b>Liabilities</b>		
Current liabilities	12,003,425	4,665,040
Long-term obligations	165,238,076	96,607,106
<b>Total Liabilities</b>	<b>177,241,501</b>	<b>101,272,146</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	96,398,057	108,760,424
Restricted	23,354,698	15,051,647
Unrestricted	(13,288,470)	(9,587,745)
<b>Total Net Assets</b>	<b>\$ 106,464,285</b>	<b>\$ 114,224,326</b>

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

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### *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 14. Table 2 takes the information from the *Statement of Activities* so you can see our total revenues for the year.

**Table 2**

	Governmental Activities	
	2011	2010
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,943,224	\$ 1,055,060
Operating grants and contributions	29,315,504	29,493,117
Capital grants and contributions	2,854,996	5,615
General revenues:		
State revenue limit sources	65,006,433	59,992,480
Property taxes	48,864,325	45,774,884
Other general revenues	4,100,194	6,187,205
<b>Total Revenues</b>	<u>152,084,676</u>	<u>142,508,361</u>
<b>Expenses</b>		
Instruction-related	109,792,408	113,200,494
Student support services	20,331,325	18,139,998
Administration	7,771,222	7,942,096
Maintenance and operations	13,863,936	13,839,261
Other	8,085,826	12,165,112
<b>Total Expenses</b>	<u>159,844,717</u>	<u>165,286,961</u>
<b>Change in Net Assets</b>	<u>\$ (7,760,041)</u>	<u>\$ (22,778,600)</u>

### *Governmental Activities*

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

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

**Table 3**

	Net Cost of Services	
	2011	2010
Instruction-related	\$ 87,775,975	\$ 92,325,906
Student support services	12,298,503	10,871,050
Administration	6,738,775	6,876,077
Maintenance and operations	13,224,202	13,030,561
Other	5,693,538	11,629,575
<b>Total</b>	<b>\$ 125,730,993</b>	<b>\$ 134,733,169</b>

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

As the District completed this year, our governmental funds reported a combined fund balance of \$106,342,723, which is an increase of \$58,235,079 from last year.

This increase is due mainly to the redemption of \$52.4m in Measure H General Obligation Bonds.

### ***General Fund Budgetary Highlights***

The District is required to adopt its budget by June 30, each year. This was prior to adoption of the State budget on June 30, 2010. 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, 2011. (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 56.)

**OXNARD UNION HIGH SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

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***CAPITAL ASSET AND DEBT ADMINISTRATION***

***Capital Assets***

At June 30, 2011, the District had \$165,755,104 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 \$2,073,928, or 1.27 percent, from last year.

**Table 4**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Land	\$ 27,716,042	\$ 27,716,042
Construction in process	10,027,720	2,960,876
Buildings and improvements	125,075,360	130,366,153
Furniture and equipment	2,935,982	2,638,105
Total	<u>\$ 165,755,104</u>	<u>\$ 163,681,176</u>

Nine Career Technical Education facilities projects and the six-acre Oxnard High School Solar Field account for the majority of the \$7,066,841 increase in Construction in Process shown on Table 4. Depreciation accounts for the majority of change in Buildings and Improvements on the same table.

***Long-Term Obligations***

At the end of this year, the District had \$165,238,076 in outstanding debt versus \$96,607,106 last year, an increase/decrease of \$68,630,970. Long-term obligations consisted of:

**Table 5**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
General obligation bonds	\$ 97,404,476	\$ 44,613,845
Premium on issuance	1,913,310	-
Bond anticipation notes	-	12,144,264
Certificates of participation	3,585,000	3,915,000
Municipal leases	5,695,000	6,130,000
Municipal lease discount	(21,960)	(23,180)
Qualified energy conservation bonds	19,067,726	-
Loan Payable	112,500	-
Accumulated vacation	1,519,532	1,433,097
Assessments payable	3,591,982	5,609,620
Net OPEB obligation	32,370,510	22,784,460
Total	<u>\$ 165,238,076</u>	<u>\$ 96,607,106</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2011**

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The District's outstanding general obligation debt of \$97,404,476 is below the assessed value cap for voter approved debt.

Other obligations include certificates of participation, municipal leases, qualified energy conservation bonds, accumulated vacation, assessments payable, and postemployment benefits. We present more detailed information regarding our long-term obligations in Note 9 of the financial statements.

### ***SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2010-2011 ARE NOTED BELOW:***

- Maintained three percent State recommended reserve for economic uncertainties.
- Maximized the benefit of State revenue flexibility transfers without unfavorable impacts to current instructional programs.
- Avoided home-to-school transportation cuts or user fees.
- Avoided cuts to any athletic programs.
- Operated a summer school program without State hourly program funding.
- Continued Adult Education School without State Adult Education apportionment.
- Avoided layoffs due to State budget cuts.

### ***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:

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

##### ***Revenue***

- Revenue Limit funded COLA of -.39 percent (\$-29.00), with 18.355 percent deficit factor.
- Other Revenue Limit Adjustments of 3.85 percent reduction of base revenue limit times total revenue limit ADA.
- No growth in enrollment.
- 2010-2011 P2 ADA projected to be 14,903.36 which is 120.09 less than 2009-2010 estimated P2.
- Statewide ADA is projected to grow zero percent, projected to be a gain of zero from prior year.
- No equalization aid.
- Base Revenue Limit \$7,374.82 (before deficit).
- Anticipate Unrestricted Lottery revenue at \$110.00 per annual ADA and Restricted lottery (Prop 20) revenue at \$13.00 per ADA.
- Special Education receives -.39 percent COLA.
- State Categorical Funding for 39 specified categorical programs in Tier II and III which are based on 2007-2008 funding receives 0.39 percent COLA. Tier I programs receive no COLA.
- Expect reductions in all Federal programs.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011

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### Expenditures

- Two percent Estimated Salary Increase for 2010-2011 Certificated Step. An additional \$300,000 is included for column movement based on estimated historical actual costs.
- No reduction/addition in benefit levels.
- Maintain retiree benefits as they now exist.
- CalPERS Expense budgeted at 10.707 percent and CalPERS Reduction at 2.313 percent. CalPERS restoration (buyback) estimated to be 19.71 percent.
- Increase in health and welfare costs by eight percent.
- School site allocation \$45 per CBEDS.
- The contributions to restricted programs to cover projected encroachment are undetermined at this time.
- Unless changes (noted above) are made, all items are "rolled forward" at the level of the second interim report.

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

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**STATEMENT OF NET ASSETS  
JUNE 30, 2011**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Deposits and investments	\$ 88,988,873
Receivables	27,127,726
Prepaid expenditures	620
Stores inventories	164,124
Deferred cost on issuance	1,669,339
Capital assets	
Land and construction in progress	37,743,762
Other capital assets	239,322,281
Less: Accumulated depreciation	(111,310,939)
Capital assets, net of accumulated depreciation	<u>165,755,104</u>
<b>Total Assets</b>	<u><b>283,705,786</b></u>
<b>LIABILITIES</b>	
Accounts payable	6,694,969
Interest payable	2,064,805
Deferred revenue	3,243,651
Long-term obligations	
Current portion of long-term obligations	7,060,599
Noncurrent portion of long-term obligations	158,177,477
<b>Total Long-Term Obligations</b>	<u><b>165,238,076</b></u>
<b>Total Liabilities</b>	<u><b>177,241,501</b></u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	96,398,057
Restricted for:	
Debt service	7,350,004
Capital projects	14,806,839
Educational programs	1,197,855
Unrestricted	(13,288,470)
<b>Total Net Assets</b>	<u><u><b>\$ 106,464,285</b></u></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, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets
					Governmental Activities
<b>Governmental Activities</b>					
Instruction	\$ 90,200,869	\$ 19,697	\$ 13,744,849	\$ 2,854,996	\$ (73,581,327)
Instruction-related activities:					
Supervision of instruction	3,636,188	1,432	4,322,238	-	687,482
Instructional library, media and technology	2,044,006	400	466,585	-	(1,577,021)
School site administration	13,911,345	2,446	603,790	-	(13,305,109)
Pupil services:					
Home-to-school transportation	2,688,218	2,666	595,755	-	(2,089,797)
Food services	7,074,851	1,277,530	3,084,764	-	(2,712,557)
All other pupil services	10,568,256	3,590	3,068,517	-	(7,496,149)
Administration:					
Data processing	2,224,621	-	8,915	-	(2,215,706)
All other administration	5,546,601	32,507	991,025	-	(4,523,069)
Plant services	13,863,936	61,255	578,479	-	(13,224,202)
Ancillary services	2,196,714	12	47	-	(2,196,655)
Community services	121,883	-	-	-	(121,883)
Interest on long-term obligations	5,293,445	-	-	-	(5,293,445)
Other outgo	473,784	541,689	1,850,540	-	1,918,445
<b>Total Governmental Activities</b>	<b>\$ 159,844,717</b>	<b>\$ 1,943,224</b>	<b>\$ 29,315,504</b>	<b>\$ 2,854,996</b>	<b>(125,730,993)</b>
General revenues and subventions					
Property taxes, levied for general purposes					39,460,096
Property taxes, levied for debt service					9,233,510
Taxes levied for other specific purposes					170,719
Federal and State aid not restricted to specific purposes					65,006,433
Interest and investment earnings					454,906
Interagency revenues					102,710
Miscellaneous					3,542,578
<b>Subtotal, General Revenues</b>					<b>117,970,952</b>
<b>Changes in Net Assets</b>					<b>(7,760,041)</b>
Net Assets - Beginning					114,224,326
Net Assets - Ending					<b>\$ 106,464,285</b>

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>General Fund</b>	<b>Cafeteria Fund</b>	<b>Building Fund</b>
<b>ASSETS</b>			
Deposits and investments	\$ 3,720,526	\$ 716,662	\$ 41,343,672
Receivables	26,162,986	796,856	82,556
Due from other funds	1,800,897	599,101	-
Prepaid expenditures	620	-	-
Stores inventories	153,185	10,939	-
<b>Total Assets</b>	<b>\$ 31,838,214</b>	<b>\$ 2,123,558</b>	<b>\$ 41,426,228</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,546,412	\$ 729,442	\$ 209,332
Due to other funds	599,101	1,383,177	-
Deferred revenue	3,243,651	-	-
<b>Total Liabilities</b>	<b>6,389,164</b>	<b>2,112,619</b>	<b>209,332</b>
<b>Fund Balances:</b>			
Nonspendable	163,805	10,939	-
Restricted	1,197,855	-	41,216,896
Assigned	16,410,110	-	-
Unassigned	7,677,280	-	-
<b>Total Fund Balances</b>	<b>25,449,050</b>	<b>10,939</b>	<b>41,216,896</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 31,838,214</b>	<b>\$ 2,123,558</b>	<b>\$ 41,426,228</b>

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

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<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 22,224,138	\$ 20,983,875	\$ 88,988,873
23,543	61,785	27,127,726
-	-	2,399,998
-	-	620
-	-	164,124
<u>\$ 22,247,681</u>	<u>\$ 21,045,660</u>	<u>\$ 118,681,341</u>

\$ 2,786,300	\$ 423,483	\$ 6,694,969
-	417,720	2,399,998
-	-	3,243,651
<u>2,786,300</u>	<u>841,203</u>	<u>12,338,618</u>

-	-	174,744
19,461,381	20,204,457	82,080,589
-	-	16,410,110
-	-	7,677,280
<u>19,461,381</u>	<u>20,204,457</u>	<u>106,342,723</u>
<u>\$ 22,247,681</u>	<u>\$ 21,045,660</u>	<u>\$ 118,681,341</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2011**

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<b>Total Fund Balance - Governmental Funds</b>		\$ 106,342,723
<b>Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:</b>		
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:	\$ 277,066,043	
Accumulated depreciation is:	<u>(111,310,939)</u>	165,755,104
Net Capital Assets		
Expenditures relating to issuance of debt of next fiscal year were recognized in modified accrual basis, but should not be recognized in accrual basis.		1,669,339
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.		(2,064,805)
Long-term obligations at year-end consist of:		
Bonds payable	(97,404,476)	
Premium on issuance	(1,913,310)	
Certificates of participation	(3,585,000)	
Municipal lease	(5,695,000)	
Discount on municipal lease	21,960	
Qualified energy construction bonds	(19,067,726)	
Loan Payable	(112,500)	
Compensated absences (vacations)	(1,519,532)	
Assessments payable	(3,591,982)	
Net OPEB obligation	<u>(32,370,510)</u>	
Total Long-Term Obligations		<u>(165,238,076)</u>
<b>Total Net Assets - Governmental Activities</b>		<u><u>\$ 106,464,285</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 BALANCES FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Cafeteria Fund</u>	<u>Building Fund</u>
<b>REVENUES</b>			
Revenue limit sources	\$ 91,618,835	\$ -	\$ -
Federal sources	11,846,846	3,455,194	-
Other State sources	18,717,997	292,505	-
Other local sources	10,634,321	1,904,320	337,129
<b>Total Revenues</b>	<u>132,817,999</u>	<u>5,652,019</u>	<u>337,129</u>
<b>EXPENDITURES</b>			
Current			
Instruction	80,807,641	-	-
Instruction related activities:			
Supervision of instruction	3,463,626	-	-
Instructional library, media, and technology	1,810,683	-	-
School site administration	10,320,776	-	-
Pupil services:			
Home-to-school transportation	1,606,646	-	-
Food services	4,246	6,252,713	-
All other pupil services	9,960,353	-	-
Administration:			
Data processing	2,186,318	-	-
All other administration	5,301,628	150,027	-
Plant services	13,367,944	273,592	-
Facility acquisition and construction	330,092	-	1,738,456
Ancillary services	2,196,714	-	-
Community services	121,883	-	-
Other outgo	473,784	-	-
Debt service			
Principal	57,638	2,055,138	12,290,000
Interest and other	74,461	-	1,195,321
<b>Total Expenditures</b>	<u>132,084,433</u>	<u>8,731,470</u>	<u>15,223,777</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>733,566</u>	<u>(3,079,451)</u>	<u>(14,886,648)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	2,913,995	928,291
Other sources	-	150,000	55,175,253
Transfers out	(3,192,291)	-	-
<b>Net Financing Sources (Uses)</b>	<u>(3,192,291)</u>	<u>3,063,995</u>	<u>56,103,544</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(2,458,725)</u>	<u>(15,456)</u>	<u>41,216,896</u>
<b>Fund Balances - Beginning</b>	<u>27,247,804</u>	<u>26,395</u>	<u>-</u>
<b>Restatement</b>	<u>659,971</u>	<u>-</u>	<u>-</u>
<b>Fund Balances - Beginning (As Restated)</b>	<u>27,907,775</u>	<u>26,395</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 25,449,050</u>	<u>\$ 10,939</u>	<u>\$ 41,216,896</u>

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

<b>Special Reserve Fund For Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 91,618,835
-	-	15,302,040
-	2,929,106	21,939,608
88,031	10,238,845	23,202,646
<u>88,031</u>	<u>13,167,951</u>	<u>152,063,129</u>
-	-	80,807,641
-	-	3,463,626
-	-	1,810,683
-	61,900	10,382,676
-	-	1,606,646
-	-	6,256,959
-	-	9,960,353
-	-	2,186,318
-	8,511	5,460,166
-	-	13,641,536
5,066,000	1,449,182	8,583,730
-	-	2,196,714
-	-	121,883
-	-	473,784
170,000	2,032,362	16,605,138
586,519	3,684,558	5,540,859
<u>5,822,519</u>	<u>7,236,513</u>	<u>169,098,712</u>
<u>(5,734,488)</u>	<u>5,931,438</u>	<u>(17,035,583)</u>
372,519	4,180,826	8,395,631
19,067,726	877,683	75,270,662
(848,985)	(4,354,355)	(8,395,631)
<u>18,591,260</u>	<u>704,154</u>	<u>75,270,662</u>
12,856,772	6,635,592	58,235,079
6,604,609	14,228,836	48,107,644
-	(659,971)	-
<u>6,604,609</u>	<u>13,568,865</u>	<u>48,107,644</u>
<u>\$ 19,461,381</u>	<u>\$ 20,204,457</u>	<u>\$ 106,342,723</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011**

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<b>Total Net Change in Fund Balances - Governmental Funds</b>		\$ 58,235,079
<b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which capital outlay exceeds depreciation in the period.		
Capital outlays	\$ 9,045,899	
Depreciation expense	<u>(6,971,971)</u>	2,073,928
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. However, expenditures for these items in the governmental funds are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation earned was more than the amounts used by \$86,435.		(86,435)
Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment relates to the cafeteria assessments payable.		2,017,638
Proceeds received from issuance of debt is a revenue in the governmental funds, but it increases long-term obligations in the Statement of Net Assets and does not affect the Statement of Activities:		
Sale of general obligation bonds		(54,052,103)
Sale of qualified energy construction bonds		(19,067,726)
Proceeds from loan		(150,000)
Governmental funds report the effect of premiums, discounts, and issuance costs when the debt is first issued, whereas the amounts are deferred and amortized over the life of the debt in the Statement of Activities. This amount is the net effect of these related items:		
Premium on issuance for general obligation bonds	(1,979,286)	
Cost of issuance for general obligation bonds	1,204,192	
Cost of issuance for qualified energy construction bonds	<u>380,000</u>	
Combined Adjustment		(395,094)

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES (Continued) FOR THE YEAR ENDED JUNE 30, 2011**

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Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Assets and does not affect the Statement of Activities:

General obligation bonds	\$ 1,495,000
Bond anticipation notes	12,290,000
Certificates of participation	330,000
Municipal leases	435,000
Loan payable	37,500

Governmental funds report the effect of premiums, discounts, and issuance costs when the debt is first issued, whereas the amounts are deferred and amortized over the life of the debt in the Statement of Activities. This amount is the net effect of the amortization of the related items:

Premium on issuance for general obligation bonds	\$ 65,976	
Discount on issuance for municipal leases	(1,220)	
Cost of issuance for general obligation bonds	(42,841)	
Cost of issuance for qualified energy construction bonds	(22,353)	
Cost of issuance for municipal leases	(12,436)	
Combined Adjustment		(12,874)

In the Statement of Activities Other Postemployment Benefit Obligations (OPEB) are measured by an actuarially determined Annual Required Contribution (ARC). In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, amounts contributed toward the OPEB obligation were less than the ARC by \$9,586,050. (9,586,050)

Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds, certificates of participation, qualified energy bonds, and municipal lease bonds increased by \$944,640, and second, \$379,264 of additional accumulated interest was accreted on the District's "capital appreciation" general obligation bonds. (1,323,904)

**Change in Net Assets of Governmental Activities** \$ (7,760,041)

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**FIDUCIARY FUNDS  
STATEMENT OF NET ASSETS  
JUNE 30, 2011**

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	<b>Associated Student Bodies</b>	<b>Foundation Special Reserve</b>	<b>Total Fiduciary Funds</b>
<b>ASSETS</b>			
Deposits and investments	\$ 1,332,470	\$ 60,174	\$ 1,392,644
Receivables	-	121	121
<b>Total Assets</b>	<u>\$ 1,332,470</u>	<u>\$ 60,295</u>	<u>\$ 1,392,765</u>
<b>LIABILITIES</b>			
Due to student groups	<u>\$ 1,332,470</u>	-	<u>\$ 1,332,470</u>
<b>NET ASSETS</b>			
Held in trust for scholarships		60,295	60,295
<b>Total Net Assets</b>		<u>\$ 60,295</u>	<u>\$ 60,295</u>

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011**

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	<b>Foundation Special Reserve</b>
<b>ADDITIONS</b>	
District contributions	\$ 61,900
Interest	1,595
<b>Total Additions</b>	<u>63,495</u>
<b>DEDUCTIONS</b>	
Other expenditures	3,200
<b>Total Deductions</b>	<u>3,200</u>
<b>Change in Net Assets</b>	60,295
<b>Net Assets - Beginning</b>	-
<b>Net Assets - Ending</b>	<u><u>\$ 60,295</u></u>

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

The Oxnard Union High School District (the District) was organized under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades 9 - 12 as mandated by the State and/or Federal agencies. The District operates 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 Oxnard Union High School District, the Ventura County Schools Public Facilities Financing Corporation, and the Golden West Schools Financing Authority (the Corporations) have a financial and operational relationship which meets the reporting entity definition criteria of the Government Accounting Standards Board (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 in the Capital Facilities Fund, the Special Reserve Fund for Capital Outlay Projects, and the COP Debt Service Fund, in the financial statements of the District.

#### Other Related Entities

**Charter School** The District has an approved charter for Camarillo Academy of Progressive Education pursuant to *Education Code* Section 47605. The charter is not considered a component unit of the District.

#### Basis of Presentation - Fund Accounting

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

### Major Governmental Funds

**General Fund** The General Fund is the chief operating fund for all districts. It is used to account for and report all financial resources not accounted for and reported in another fund.

One fund currently defined as a special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in assets, fund balance, and revenues of \$666,476, \$666,476, and \$6,505, respectively.

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

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

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

### Non-Major Governmental Funds

**Special Revenue Funds** The Special Revenue funds are established to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for the specific purpose (other than debt service or capital projects) of the individual funds.

**Special Reserve Fund for Other Than Capital Outlay Projects** The Special Reserve Fund for Other Than Capital Outlay Projects is used primarily to provide for the accumulation of General Fund monies for general operating purposes other than for capital outlay (*Education Code* Section 42840).

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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**Foundation Special Reserve Fund** The Foundation Special Reserve Fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 under which both earnings and principal may be used for purposes that support the District's own programs and where there is a formal trust agreement with the donor.

**Capital Project Funds** The Capital Project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

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

**County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

**Debt Service Funds** The Debt Service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on long-term obligations.

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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### **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 balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

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

**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, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

### **Investments**

Investments held at June 30, 2011, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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### **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 paid.

### **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.

### **Compensated Absences**

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

### Accrued Liabilities and Long-Term Obligations

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

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

### Deferred Issuance Costs, Premiums and Discounts

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

### Fund Balances - Governmental Funds

As of June 30, 2011, fund balances of the governmental funds are classified as follows:

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

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

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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**Unassigned** - all other spendable amounts.

### **Spending Order Policy**

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

### **Minimum Fund Balance Policy**

In fiscal year 2010-2011, the governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

### **Net 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 report \$38,672,112 of restricted net assets.

### **Interfund Activity**

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

### **Estimates**

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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### **Budgetary Data**

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

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

### **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.

### **Changes in Accounting Principles**

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

The District has implemented the provisions of this statement for the year ended June 30, 2011.

### **New Accounting Pronouncements**

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

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This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility (as defined in paragraph 8a) for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. Lastly, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting.

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Early implementation is encouraged.

### NOTE 2 - DEPOSITS AND INVESTMENTS

#### Summary of Deposits and Investments

Deposits and investments as of June 30, 2011, were classified in the accompanying financial statements as follows:

Governmental activities	\$ 88,988,873
Fiduciary funds	1,392,644
Total Deposits and Investments	<u>\$ 90,381,517</u>

Deposits and investments as of June 30, 2011, consisted of the following:

Cash on hand and in banks	\$ 1,333,870
Cash in revolving	10,000
Investments	89,037,647
Total Deposits and Investments	<u>\$ 90,381,517</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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

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

### General Authorizations

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

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

### Interest Rate Risk

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**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	Maturity Date
Ventura County Investment Pool	\$85,661,527	353 Days*
Money Market Mutual Funds	321,044	7/1/2011
Local Agency Bonds	203,736	11/1/2019
U.S Treasury Obligations	2,241,747	7/31/2011
U.S Treasury Obligations	225,995	8/25/2011
Certificate of Deposit	100,310	1/17/2012
Certificate of Deposit	39,617	3/5/2012
U.S Agency Securities	170,330	7/31/2012
Federal Home Loan Banks	400,124	11/26/2018
Total	<u>\$ 89,364,430</u>	

\*Weighted average days to maturity.

**Credit Risk**

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

Investment Type	Minimum Legal Rating	Rating June 30, 2011	Fair Value
Ventura County Investment Pool	Not Required	Not Required	\$ 85,661,527
Money Market Mutual Funds	Not Required	AAAm	321,044
Local Agency Bonds	Not Required	Not Required	203,736
U.S Treasury Obligations	Not Required	Not Required	2,467,742
Certificate of Deposit	Not Required	Not Required	139,927
U.S Agency Securities	AA	AA	170,330
Federal Home Loan Banks	AA	AAA	400,124
Total Investments			<u>\$ 89,364,430</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

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### **Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2011, of the District's bank balance of \$1,462,138, \$712,231 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.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2011, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Cafeteria Fund	Building Fund	Special Reserve Fund For Capital Outlay Projects
Federal Government				
Categorical aid	\$ 3,968,030	\$ 548,122	\$ -	\$ -
State Government				
Apportionment	16,370,707	-	-	-
Categorical aid	2,602,411	50,979	-	-
Lottery	1,140,796	-	-	-
Local Government				
Interest	59,070	1,741	82,556	23,543
Other Local Sources	2,021,972	196,014	-	-
Total	<u>\$ 26,162,986</u>	<u>\$ 796,856</u>	<u>\$ 82,556</u>	<u>\$ 23,543</u>
	Non-Major Governmental Funds	Total	Fiduciary Funds	
Federal Government				
Categorical aid	\$ -	\$ 4,516,152	\$ -	
State Government				
Apportionment	-	16,370,707	-	
Categorical aid	-	2,653,390	-	
Lottery	-	1,140,796	-	
Local Government				
Interest	41,905	208,815	121	
Other Local Sources	19,880	2,237,866	-	
Total	<u>\$ 61,785</u>	<u>\$ 27,127,726</u>	<u>\$ 121</u>	

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 27,716,042	\$ -	\$ -	\$ 27,716,042
Construction in Progress	2,960,876	9,045,899	1,979,055	10,027,720
Total Capital Assets	<u>30,676,918</u>	<u>9,045,899</u>	<u>1,979,055</u>	<u>37,743,762</u>
Capital Assets Being Depreciated:				
Land Improvements	33,442,043	845,178	-	34,287,221
Buildings and Improvements	197,117,593	349,296	-	197,466,889
Furniture and Equipment	6,783,590	784,581	-	7,568,171
Total Capital Assets	<u>237,343,226</u>	<u>1,979,055</u>	<u>-</u>	<u>239,322,281</u>
Total Capital Assets	<u>268,020,144</u>	<u>11,024,954</u>	<u>1,979,055</u>	<u>277,066,043</u>
Less Accumulated Depreciation:				
Land Improvements	23,927,614	1,038,982	-	24,966,596
Buildings and Improvements	76,265,869	5,446,285	-	81,712,154
Furniture and Equipment	4,145,485	486,704	-	4,632,189
Total Accumulated Depreciation	<u>104,338,968</u>	<u>6,971,971</u>	<u>-</u>	<u>111,310,939</u>
Governmental Activities Capital Assets, Net	<u>\$ 163,681,176</u>	<u>\$ 4,052,983</u>	<u>\$ 1,979,055</u>	<u>\$ 165,755,104</u>

Depreciation expense was charged to governmental functions as follows:

<b>Governmental Activities</b>	
Instruction	\$ 3,904,305
School site administration	2,440,190
Home-to-school transportation	209,159
Food services	278,878
Plant services	139,439
Total Depreciation Expenses All Activities	<u>\$ 6,971,971</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

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**NOTE 5 - INTERFUND TRANSACTIONS**

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

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2011, between major and non-major governmental funds are as follows:

Due To	Due From			Total
	General Fund	Cafeteria Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 1,383,177	\$ 417,720	\$ 1,800,897
Cafeteria Fund	599,101	-	-	599,101
Total	\$ 599,101	\$ 1,383,177	\$ 417,720	\$ 2,399,998

The balance of \$1,383,177 is due to the General Fund from the Cafeteria Fund for Repayment of Indirect Costs, Direct Support, Transfers, and Stores Adjustment.

The balance of \$417,720 is due to the General Fund from the Capital Facilities Fund for RDA Revenue Limit Offset 2010-2011.

The balance of \$599,101 is due to the Cafeteria Fund from the General Fund for Indirect Costs, Direct Support, Transfers, and Stores Adjustment.

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Operating Transfers**

Interfund transfers for the year ended June 30, 2011, consisted of the following:

Transfer To	Transfer From			Total
	General Fund	Special Reserve Fund For Capital Outlay Projects	Non-Major Governmental Funds	
Cafeteria Fund	\$ 2,913,995	\$ -	\$ -	\$ 2,913,995
Building Fund	79,306	848,985	-	928,291
Special Reserve Fund for Capital Outlay Projects	-	-	372,519	372,519
Non-Major Governmental Funds	198,990	-	3,981,836	4,180,826
Total	<u>\$ 3,192,291</u>	<u>\$ 848,985</u>	<u>\$ 4,354,355</u>	<u>\$ 8,395,631</u>

The General Fund transferred to the Cafeteria Fund to cover expenditures.	\$ 2,913,995
The General Fund transferred to the Building Fund for reimbursement of building costs.	79,306
The General Fund transferred to the Capital Facilities Fund to cover site lease payments.	198,990
The Capital Facilities Fund transferred to the County School Facilities Fund for technology projects.	1,000,000
The Capital Facilities Fund transferred to the Special Reserve Capital Fund for construction projects.	372,519
The Capital Facilities Fund transferred to the Debt Service Fund for debt service payments.	481,836
The County School Facilities Fund transferred to the Capital Facilities Fund for reimbursement of building costs.	2,500,000
The Special Reserve Fund for Capital Outlay Projects transferred to the Building Fund for redevelopment pass-through.	848,985
Total	<u>\$ 8,395,631</u>

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

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**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2011, consisted of the following:

	General Fund	Cafeteria Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Vendor payables	\$ 2,299,750	\$ 130,341	\$ -	\$ -	\$ 423,483	\$ 2,853,574
Assessment payable	-	599,101	-	-	-	599,101
Salaries and benefits	246,662	-	-	-	-	246,662
Capital outlay	-	-	209,332	2,786,300	-	2,995,632
Total	\$ 2,546,412	\$ 729,442	\$ 209,332	\$ 2,786,300	\$ 423,483	\$ 6,694,969

**NOTE 7 - DEFERRED REVENUE**

Deferred revenue at June 30, 2011, consisted of the following:

	General Fund
Federal financial assistance	\$ 3,180,605
State categorical aid	29,563
Other local	33,483
Total	\$ 3,243,651

**NOTE 8 - TAX AND REVENUE ANTICIPATION NOTES (TRANS)**

On July 5, 2010, the District issued \$9,930,000 Tax and Revenue Anticipation Notes bearing interest at 2.0 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on July 1, 2011. By May, 2011, the District had placed 100 percent of principal and interest in an irrevocable trust for the sole purpose of satisfying the notes. The District was not required to make any additional payments on the notes. As the District has in substance defeased the debt, the tax anticipation notes of \$9,930,000 and related accrued interest and cash held in trust are not included in these financial statements.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

### NOTE 9 - LONG-TERM OBLIGATIONS

#### Summary

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

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011	Due in One Year
General obligation bonds	\$ 44,613,845	\$ 54,285,631	\$ 1,495,000	\$ 97,404,476	\$ 2,315,000
Premium on issuance	-	1,979,286	65,976	1,913,310	-
Bond anticipation notes	12,144,264	145,736	12,290,000	-	-
Certificates of participation	3,915,000	-	330,000	3,585,000	330,000
Municipal leases	6,130,000	-	435,000	5,695,000	450,000
Municipal lease discount	(23,180)	-	(1,220)	(21,960)	-
Qualified energy conservation bonds	-	19,067,726	-	19,067,726	336,117
Loan payable	-	150,000	37,500	112,500	37,500
Accumulated vacation - net	1,433,097	86,435	-	1,519,532	-
Assessments payable	5,609,620	-	2,017,638	3,591,982	3,591,982
Net OPEB obligation	22,784,460	18,324,068	8,738,018	32,370,510	-
	<u>\$ 96,607,106</u>	<u>\$ 94,038,882</u>	<u>\$ 25,407,912</u>	<u>\$ 165,238,076</u>	<u>\$ 7,060,599</u>

- Payments for bonds associated with General Obligation Bonds are made in the Bond Interest and Redemption Fund.
- Payments for bonds associated with Bond Anticipation Notes are made in the Building Fund.
- Payments on Certificates of Participation are made in the COP Debt Service Fund.
- Payments for Municipal Lease obligations are made in the General Fund, Special Reserve Fund for Capital Outlay Projects, and Capital Facilities Fund.
- Payments for Qualified Energy Construction Bonds are made in the COP Debt Service Fund.
- Payments for the loan payable are made in the Cafeteria Fund.
- Payments for accumulated vacations are typically liquidated in the General Fund and the Non-Major Governmental Funds.
- Payments for assessments payable are made in the Cafeteria Fund.
- Payments for Net OPEB obligation are typically liquidated in the General Fund and the Non-Major Governmental Funds.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

### General Obligation Refunding Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2010	Issued and Principal Accretion	Redeemed	Bonds Outstanding June 30, 2011
April 1999	8/1/2027	4.6% - 5.8%	\$ 10,199,913	\$ 7,648,845	\$ 233,528	\$ 320,000	\$ 7,562,373
May 2001	8/1/2030	4.0% - 6.2%	31,705,000	25,415,000	-	735,000	24,680,000
May 2003	8/1/2027	2.0% - 4.5%	14,180,000	11,550,000	-	440,000	11,110,000
August 2010	8/1/2040	3.0%-5.0%	50,000,000	-	50,000,000	-	50,000,000
April 2011	8/1/2025	5.31%	4,052,103	-	4,052,103	-	4,052,103
			<u>\$ 110,137,016</u>	<u>\$ 44,613,845</u>	<u>\$ 54,285,631</u>	<u>\$ 1,495,000</u>	<u>\$ 97,404,476</u>

#### 1999 Series A

Series A of the 1999 Revenue General Obligation Refunding Bonds were issued in April 1999. These bonds were issued to refund 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 remaining balance for Series A of the 1999 General Obligation Bonds is \$7,562,373.

#### 2001 Series A

Series A of the 2001 General Obligations Refunding Bond were issued May 17, 2001. These bonds were issued to refund 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 remaining balance for Series A of the 2001 General Obligation Bonds is \$24,680,000.

#### 2003 Series A

Series A of the 2003 General Obligation Refunding Bonds were issued in May 2003. These bonds were issued to refund 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 remaining balance for Series A of the 2003 General Obligation Bonds is \$11,110,000.

#### 2004 Series A

Series A of the 2004 General Obligation Refunding Bonds were issued in August 2010. These bonds were issued to refund the 2008 General Obligation Bond Anticipation Notes, Series A and Series B and to finance the construction and modernization of school facilities. The Taxable General Obligation Bonds, 2004 Series A were issued for \$50,000,000, with interest rates ranging from 3.0 percent to 5.0 percent. The bonds mature at various dates with the final maturity of August 1, 2040. At June 30, 2011, the principal balance outstanding was \$50,000,000 and unamortized premium and issuance costs were \$1,913,310 and \$1,085,712, respectively. Premium and issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

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**2004 Series Qualified School Construction Bonds**

In April 2011, the District issued the 2011 Qualified School Construction Bonds in the amount of \$4,052,103. The notes mature August 2025, with an interest rate of 5.31 percent. The bonds were issued for the purpose of financing the acquisition and construction of educational facilities and projects. At June 30, 2011, the principal balance outstanding was \$4,052,103 and unamortized issuance costs were \$75,639. Issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

The future debt service requirements for the five General Obligation Bonds are as follows:

Fiscal Year	Principal	Interest to Maturity	Principal Accretion	Total
2012	\$ 2,315,000	\$ 4,814,469	\$ 54,293	\$ 7,183,762
2013	2,630,000	4,762,521	57,507	7,450,028
2014	2,770,000	4,642,670	60,910	7,473,580
2015	2,920,000	4,510,846	64,515	7,495,361
2016	3,065,000	4,369,887	68,334	7,503,221
2017-2021	18,075,000	19,341,110	407,343	37,823,453
2022-2026	22,981,418	13,901,615	502,055	37,385,088
2027-2031	17,128,058	8,272,853	47,670	25,448,581
2032-2036	11,135,000	5,045,125	-	16,180,125
2037-2041	14,385,000	1,871,875	-	16,256,875
Total	<u>\$ 97,404,476</u>	<u>\$ 71,532,971</u>	<u>\$ 1,262,627</u>	<u>\$ 170,200,074</u>

**Certificates of Participation**

During the 2000-2001 fiscal year, the District issued Certificates of Participation in the amount of \$1,860,000, to refund the outstanding balance of the 1993-1994 Certificates of Participation. The 2000 certificates mature during the 2019-2020 fiscal year with interest rates ranging from 6.40 percent to 7.50 percent. The balance of the 2000 Certificates of Participation outstanding at June 30, 2011, was \$1,070,000.

In April 2003, the District issued the 2003 Refunding Certificates of Participation in the amount of \$3,970,000. The 2003 certificates mature in the 2019-2020 fiscal year with interest rates ranging from 2.0 percent to 4.3 percent. The balance of the 2003 Refunding Certificates of Participation outstanding at June 30, 2011, was \$2,515,000.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

The future debt service requirements for the two Certificates of Participation are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 330,000	\$ 150,730	\$ 480,730
2013	350,000	136,715	486,715
2014	370,000	121,020	491,020
2015	375,000	104,999	479,999
2016	400,000	88,425	488,425
2017-2020	1,760,000	164,474	1,924,474
Total	<u>\$ 3,585,000</u>	<u>\$ 766,363</u>	<u>\$ 4,351,363</u>

**Municipal Leases**

During the 2003-2004 fiscal year, the District entered into a lease agreement to finance the construction of the swimming pool at Rio Mesa High School. The lease carries an interest rate of four percent. The lease will be fully paid in September 2013. At June 30, 2011, the principal balance outstanding was \$855,000 and unamortized issuance costs were \$14,700. Issuance costs are amortized over the life of the bonds as a component of interest expense.

During the 2004-2005 fiscal year, the District entered into a lease agreement to finance the purchase of a parcel of land for the future construction of a high school in the Camarillo area. The lease carries an interest rate of 4.5 percent. The lease will be fully paid in 2028. At June 30, 2011, the principal balance outstanding was \$4,840,000 and unamortized issuance costs were \$135,641. Issuance costs are amortized over the life of the bonds as a component of interest expense.

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 and has a balance of \$21,960 remaining.

The debt service requirements for the leases are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 450,000	\$ 229,906	\$ 679,906
2013	470,000	213,019	683,019
2014	490,000	195,129	685,129
2015	205,000	182,403	387,403
2016	215,000	174,972	389,972
2017-2021	1,230,000	740,940	1,970,940
2022-2026	1,540,000	457,012	1,997,012
2027-2029	1,095,000	99,900	1,194,900
Total	<u>\$ 5,695,000</u>	<u>\$ 2,293,281</u>	<u>\$ 7,988,281</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

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### Qualified Energy Conservation Bonds

In September 2010, the District entered into a lease agreement with the Golden Schools Financing Authority. The notes mature August 2027, with an interest rate of 5.5 percent. The bonds were issued for the purpose of financing the acquisition and construction of educational facilities and projects. At June 30, 2011, the principal balance outstanding was \$19,067,726 and unamortized issuance costs were \$357,647. Issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

The debt service requirements for the bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 336,117	\$ 1,585,428	\$ 1,921,545
2013	1,210,631	1,022,892	2,233,523
2014	1,262,645	954,984	2,217,629
2015	1,316,998	884,156	2,201,154
2016	1,373,780	810,279	2,184,059
2017-2021	5,041,265	3,170,669	8,211,934
2022-2026	6,260,827	1,625,525	7,886,352
2027-2028	2,265,463	126,913	2,392,376
Total	<u>\$ 19,067,726</u>	<u>\$ 10,180,846</u>	<u>\$ 29,248,572</u>

### Loan Payable

The District received a loan in the amount of \$150,000 for cafeteria operations from Sodexo America, LLC. The loan is to be repaid in five equal installments. At June 30, 2011, the outstanding balance of the loan payable was \$112,500.

The loan payable has minimum payments as follows:

<u>Fiscal Year</u>	<u>Loan Payable</u>
2012	\$ 37,500
2013	37,500
2014	37,500
Total	<u>\$ 112,500</u>

### Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2011, amounted to \$1,519,532. Accumulated vacation will be paid by the fund for which the employee worked.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

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### **Assessments Payable**

The District has received information that reimbursement claims filed for the Child Nutrition Program were overstated or misclassified regarding meals served during the 2004-2005 through 2007-2008 fiscal years. The California Department of Education Nutrition Services Division has declared assessments payable totaling \$5,609,620. The District is currently paying out of cafeteria apportionments while awaiting approval from the California Department of Education and the United States Department of Agriculture to enter into a payment plan as the repayment schedule has yet to be determined. At June 30, 2011, the remaining unpaid assessment was \$3,591,982.

### **Other Postemployment Benefits (OPEB) Obligation**

The District's annual required contribution for the year ended June 30, 2011, was \$16,957,000, and contributions made by the District during the year were \$6,362,018. Interest on the net OPEB obligation and adjustments to the annual required contribution were \$1,367,068 and \$(2,376,000), respectively, which resulted in an increase to the net OPEB obligation of \$9,586,050. As of June 30, 2011, the net OPEB obligation was \$32,370,510. See Note 11 for additional information regarding the OPEB obligation and the postemployment benefits plan.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 10 - FUND BALANCES**

Fund balances are composed of the following elements:

	General Fund	Cafeteria Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
<b>Nonspendable</b>						
Revolving cash	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Stores inventories	153,185	10,939	-	-	-	164,124
Prepaid expenditures	620	-	-	-	-	620
<b>Total Nonspendable</b>	<b>163,805</b>	<b>10,939</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,744</b>
<b>Restricted</b>						
Legally restricted programs	1,197,855	-	-	-	-	1,197,855
Capital projects	-	-	41,216,896	19,461,381	10,789,648	71,467,925
Debt services	-	-	-	-	9,414,809	9,414,809
<b>Total Restricted</b>	<b>1,197,855</b>	<b>-</b>	<b>41,216,896</b>	<b>19,461,381</b>	<b>20,204,457</b>	<b>82,080,589</b>
<b>Assigned</b>						
Donations	3,853	-	-	-	-	3,853
Adult ed cal works	145,927	-	-	-	-	145,927
SBX3 4 2008-2009	4,429,193	-	-	-	-	4,429,193
SBX3 4 2009-2010	6,023,788	-	-	-	-	6,023,788
SBX3 4 2010-2011	4,649,788	-	-	-	-	4,649,788
Health, vision, dental and life surplus	757,561	-	-	-	-	757,561
Workers comp surplus	400,000	-	-	-	-	400,000
<b>Total Assigned</b>	<b>16,410,110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,410,110</b>
<b>Unassigned</b>						
Reserve for economic uncertainties	3,977,760	-	-	-	-	3,977,760
Remaining unassigned	3,699,520	-	-	-	-	3,699,520
<b>Total Unassigned</b>	<b>7,677,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,677,280</b>
<b>Total</b>	<b>\$ 25,449,050</b>	<b>\$ 10,939</b>	<b>\$ 41,216,896</b>	<b>\$ 19,461,381</b>	<b>\$ 20,204,457</b>	<b>\$ 106,342,723</b>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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### NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

#### Plan Description

The Oxnard Union High School District Retiree Health Benefits Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Oxnard Union High School District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 551 retirees and beneficiaries currently receiving benefits and 843 active plan members. Separate financial statements are prepared for the Trust.

#### Contribution Information

The contribution requirements of Plan members and the District are established and may be amended by the District and the Oxnard Federation of Teachers (OFT), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2010-2011, the District contributed \$6,362,018 to the Plan, of which \$5,698,854 was used for current premiums and \$663,164 was a contribution to the Retiree Benefits Trust.

#### Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	\$ 16,957,000
Interest on net OPEB obligation	1,367,068
Adjustment to annual required contribution	<u>(2,376,000)</u>
Annual OPEB cost (expense)	15,948,068
Contributions made	<u>(6,362,018)</u>
Increase in net OPEB obligation	9,586,050
Net OPEB obligation, beginning of year	<u>22,784,460</u>
Net OPEB obligation, end of year	<u><u>\$ 32,370,510</u></u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

### Trend Information

Trend information for annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation is as follows:

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2009	\$ 18,509,000	\$ 5,411,719	29.2%	\$ 13,097,281
2010	14,903,837	5,216,658	35.0%	22,784,460
2011	15,948,068	6,362,018	39.9%	32,370,510

### Funded Status and Funding Progress

A schedule of funding progress as of the most recent actuarial valuation is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([(b - a) / c]
July 1, 2010	\$ 33,711,000	\$ 204,300,000	\$ 170,589,000	16.5%	\$ 78,138,648	218.3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

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In the July 1, 2010, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a six percent investment rate of return. Healthcare cost trend rates ranged from an initial 9 percent to an ultimate rate of 5 percent. The remaining amortization period at June 30, 2011, was 27 years. The actuarial value of assets was determined to be \$33,711,000 in this actuarial valuation. The allocation of OPEB cost is based on years of service.

### **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.

#### **Employee Medical Benefits**

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

### **NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS**

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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### CalSTRS

#### Plan Description

The District contributes to CalSTRS; a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, California 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 CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2010-2011 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ending June 30, 2011, 2010, and 2009, were \$5,080,551, \$5,239,770, and \$5,537,185, respectively, and equal 100 percent of the required contributions for each year.

### CalPERS

#### Plan Description

The District contributes to the School Employer Pool under the 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 survivor 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, California 95811.

#### 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 2010-2011 was 10.707 percent of covered 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, 2011, 2010, and 2009, were \$1,991,846, \$1,860,492, and \$1,899,487, respectively, and equal 100 percent of the required contributions for each year.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011**

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### **Social Security**

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

### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,703,981 (4.267 percent of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been included in the budget amounts recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budget amounts reported in the General Fund - Budgetary Comparison Schedule.

## **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.

### **Litigation**

The District is involved in various litigations 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, 2011.

The Ventura County Self Funding Authority (VCSSFA) has advanced the District \$476,000 to pay costs related to the investigation of a workers' compensation claim that involved allegations of fraud in the Nutrition Services Department. VCSSFA limits advances for investigations to the \$500,000 maximum amount recoverable through insurance. The District would have to repay VCSSFA for any advances not recovered through insurance.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

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### **NOTE 15 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITY**

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

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

During the year ended June 30, 2011, the District made payments of \$526,886, \$21,225,815, and \$3,269 to VCSSFA, CSEBO, and VCFAST, respectively.

### **NOTE 16 - FISCAL ISSUES RELATING TO BUDGET REDUCTIONS**

The State of California continues to suffer the effects of a recessionary economy. California school districts are reliant on the State of California to appropriate the funding necessary to continue the level of educational services expected by the State constituency. With the implementation of education trailer bill Senate Bill 16 of the 2009-10 Fourth Extraordinary Session (SBX4 16) (Chapter 23, Statutes of 2009), and Assembly Bill 1610 (AB 1610) (Chapter 724, Statutes of 2010), 28 percent of current year appropriations have now been deferred to a subsequent period, creating significant cash flow management issues for districts in addition to requiring substantial budget reductions, ultimately impacting the ability of California school districts to meet their goals for educational services.

### **NOTE 17 - SUBSEQUENT EVENTS**

#### **Tax and Revenue Anticipation Notes**

The District issued \$3,850,000 of Tax and Revenue Anticipation Notes dated July 1, 2011. The notes mature on June 1, 2012, and yield .513 percent interest. The notes were sold to supplement cash flow. Repayment requirements are that a percentage of principal and interest be deposited with the Fiscal Agent each month beginning January 2012, until 100 percent of principal and interest due is on account in May 2012.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

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### NOTE 18 - RESTATEMENT OF PRIOR YEAR FUND BALANCES

The District's prior year fund balances for the General Fund and for the Non-Major Governmental Funds have been restated as of June 30, 2011 to conform to GASB Statement No. 54's definition of governmental funds. Accordingly, the beginning fund balance for Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, as presented in the Non-Major Governmental Fund opinion unit, are reported as a restatement to the beginning fund balance of the General Fund. The restatement does not change the total fund balance amounts reported in the District's audited financial statements.

As discussed in the Notes to the basic financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of GASB Statement No. 54 for the year ended June 30, 2011. These changes required a restatement to the beginning fund balance of the General Fund and the Non-Major Governmental Funds, as discussed in Note 1.

#### **General Fund**

Fund Balance - Beginning	\$ 27,247,804
Change in accounting principles to conform to GASB Statement No. 54	659,971
Fund Balance - Beginning as Restated	<u><u>\$ 27,907,775</u></u>

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

Fund Balance - Beginning	\$ 14,228,836
Change in accounting principles to conform to GASB Statement No. 54	(659,971)
Fund Balance - Beginning as Restated	<u><u>\$ 13,568,865</u></u>

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***REQUIRED SUPPLEMENTARY INFORMATION***

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# OXNARD UNION HIGH SCHOOL DISTRICT

## GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual (GAAP Basis)	Variances - Positive (Negative) Final to Actual
	Original	Final		
<b>REVENUES</b>				
Revenue limit sources	\$ 86,549,449	\$ 91,344,466	\$ 91,618,835	\$ 274,369
Federal sources	9,264,139	12,949,658	11,846,846	(1,102,812)
Other State sources	14,995,030	16,246,850	18,717,997	2,471,147
Other local sources	9,147,736	9,778,056	10,634,321	856,265
<b>Total Revenues</b> <sup>1</sup>	<b>119,956,354</b>	<b>130,319,030</b>	<b>132,817,999</b>	<b>2,498,969</b>
<b>EXPENDITURES</b>				
Current				
Certificated salaries	60,797,222	65,420,561	63,369,609	2,050,952
Classified salaries	17,458,823	18,046,333	17,787,562	258,771
Employee benefits	29,848,556	31,359,980	32,580,019	(1,220,039)
Books and supplies	5,572,248	5,892,747	4,641,521	1,251,226
Services and operating expenditures	12,787,203	15,199,602	12,393,172	2,806,430
Capital outlay	267,051	681,741	856,696	(174,955)
Other outgo	660,478	823,582	389,625	433,957
Debt service				
Principal	54,375	54,375	57,638	(3,263)
Interest	10,832	10,832	74,461	(63,629)
<b>Total Expenditures</b> <sup>1</sup>	<b>127,456,788</b>	<b>137,489,753</b>	<b>132,150,303</b>	<b>5,339,450</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(7,500,434)</b>	<b>(7,170,723)</b>	<b>667,696</b>	<b>7,838,419</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	25,464	-	(25,464)
Transfers out	(4,928,585)	(1,475,586)	(3,192,291)	(1,716,705)
<b>Net Financing Sources (Uses)</b>	<b>(4,928,585)</b>	<b>(1,450,122)</b>	<b>(3,192,291)</b>	<b>(1,742,169)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(12,429,019)</b>	<b>(8,620,845)</b>	<b>(2,524,595)</b>	<b>6,096,250</b>
<b>Fund Balance - Beginning, as restated</b>	<b>27,907,775</b>	<b>27,907,775</b>	<b>27,907,775</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 15,478,756</b>	<b>\$ 19,286,930</b>	<b>\$ 25,383,180</b>	<b>\$ 6,096,250</b>

<sup>1</sup> On behalf payments of \$2,703,981 are included in the actual revenues and expenditures, but have not been included in the budgeted amounts. In addition, due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Project for reporting purposes into the General Fund, additional revenues and expenditures pertaining to this other fund are included in the Actual (GAAP Basis) revenues and expenditures, but are not included in the original and final General Fund budgets.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**CAFETERIA FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Budgeted Amounts</b>		<b>Actual (GAAP Basis)</b>	<b>Variances - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<b>REVENUES</b>				
Federal sources	\$ 3,172,596	\$ 3,429,854	\$ 3,455,194	\$ 25,340
Other State sources	295,630	278,099	292,505	14,406
Other local sources	1,166,429	2,427,549	1,904,320	(523,229)
<b>Total Revenues</b> <sup>1</sup>	<b>4,634,655</b>	<b>6,135,502</b>	<b>5,652,019</b>	<b>(483,483)</b>
<b>EXPENDITURES</b>				
Current				
Classified salaries	1,697,628	2,249,195	1,953,762	295,433
Employee benefits	952,159	1,022,115	979,809	42,306
Books and supplies	31,000	109,493	400,574	(291,081)
Services and operating expenditures	3,042,105	3,852,065	3,197,878	654,187
Capital outlay	-	-	5,121	(5,121)
Other outgo	133,178	166,456	150,027	16,429
Debt service				
Principal	-	-	2,055,138	(2,055,138)
<b>Total Expenditures</b> <sup>1</sup>	<b>5,856,070</b>	<b>7,399,324</b>	<b>8,742,309</b>	<b>(1,342,985)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,221,415)</b>	<b>(1,263,822)</b>	<b>(3,090,290)</b>	<b>(1,826,468)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,221,415	1,263,822	2,913,995	1,650,173
Other sources	-	-	150,000	150,000
<b>Net Financing Sources (Uses)</b>	<b>1,221,415</b>	<b>1,263,822</b>	<b>3,063,995</b>	<b>1,800,173</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(26,295)</b>	<b>(26,295)</b>
<b>Fund Balance - Beginning</b>	<b>26,395</b>	<b>26,395</b>	<b>26,395</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 26,395</b>	<b>\$ 26,395</b>	<b>\$ 100</b>	<b>\$ (26,295)</b>

<sup>1</sup> The fair market value of commodities received from the Federal government and used in the cafeteria program in the amount of \$223,846, is included in the actual revenues and expenditures, but has not been included in the budgeted amounts.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING  
PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2011**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
July 1, 2008	\$ 32,621,000	\$ 209,375,000	\$ 176,754,000	15.6%	\$ 84,983,572	208.0%
July 1, 2009	33,145,000	185,563,000	152,418,000	17.9%	80,693,770	188.9%
July 1, 2010	33,711,000	204,300,000	170,589,000	16.5%	78,138,648	218.3%

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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, 2011**

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Carl D. Perkins Vocational and Technical Education Act of 1998 Secondary Education	84.048	14894	\$ 297,202
Passed through Ventura County Special Education Local Plan Area:			
Individuals with Disabilities Act (IDEA)			
Special Education (IDEA) Cluster			
Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	2,582,126
Basic Local Assistance ARRA, Part B, Section 611	84.391	15003	587,530
Total Special Education (IDEA) Cluster			<u>3,169,656</u>
No Child Left Behind Act (NCLB)			
Title I, Part A Cluster			
Title I, Part A - Basic Grants Low Income and Neglected	84.010	14329	2,647,115
Title I, Part A - ARRA Basic Grants Low Income and Neglected	84.389	15005	495,737
ARRA Title I, School Improvement Grant (SIG) for QEIA Schools	84.389	15004	75,000
Total Title I, Part A Cluster			<u>3,217,852</u>
State Fiscal Stabilization Fund (SFSF)	84.394	25008	2,495,666
Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	1,134,103
Title I, Part C, Migrant Ed Summer Program	84.011	10005	196,464
Total Title I, Part C Migrant Ed			<u>1,330,567</u>
Title II, Part A - Improving Teacher Quality Local Grants	84.367	14341	1,079,222
Education Technology State Grants Cluster			
Title II, Part D - Enhancing Education Through Technology (EETT), Formula Grants	84.318	14344	8,660
Title II, Part D - ARRA Enhancing Education Through Technology (EETT), Formula Grants	84.386A	15019	38,084
ARRA Title II, Part D, Enhancing Education Through Technology, Competitive Grants (EETT)	84.386	15126	358,030
Total Education Technology State Grants Cluster			<u>404,774</u>
Title III Cluster			
Title III - Immigrant Education Program	84.365	14346	113,369
Title III - Limited English Proficient (LEP) Student Program	84.365	10084	327,662
Total Title III Cluster			<u>441,031</u>

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Title IV, Part A - Safe and Drug Free Schools and Communities, Formula Grants	84.186	14347	\$ 21,588
Title I, Part G: Advanced Placement (AP) Test Fee Reimbursement Program	84.330	14831	1,443
ARRA Title X McKinney-Vento Homeless Children Assistance Grants	84.387	15007	<u>4,366</u>
Total U.S. Department of Education			<u>12,463,367</u>
<b>U.S. DEPARTMENT OF REHABILITATION</b>			
Workability II, Transitions Partnership	84.158	10006	<u>230,326</u>
Total U.S. Department of Rehabilitation			<u>230,326</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through California Department of Education (CDE):			
Child Nutrition Cluster			
Especially Needy Breakfast	10.553	13526	846,535
National School Lunch Program	10.555	13524	2,372,346
Summer Food Service Program	10.559	13004	12,467
Food Distribution	10.555	13524	<u>223,846</u>
Total Child Nutrition Cluster			<u>3,455,194</u>
Total U.S. Department of Agriculture			<u>3,455,194</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Junior Reserve Officer Training Corps - Air Force	12.000	[2]	<u>136,234</u>
Total U.S. Department of Defense			<u>136,234</u>
<b>U.S. DEPARTMENT OF INTERIOR</b>			
National Park Services - Channel Islands	15.931	[2]	6,555
National Park Services - Santa Monica Mountains	[1]	[2]	<u>318</u>
Total U.S. Department of Interior			<u>6,873</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through California Department of Health Services:			
Medicaid Cluster			
Medi-Cal Billing Option	93.778	10013	253,743
Medical Administrative Activities Program	93.778	10060	<u>141,574</u>
Total Medicaid Cluster			<u>395,317</u>
Total U.S. Department of Health and Human Services			<u>395,317</u>
Total Federal Programs			<u>\$ 16,687,311</u>

[1] Catalog number not available.

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

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2011

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### ORGANIZATION

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

### GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Socorro Lopez Hanson	President	2014
Dick D. Jaquez	Vice President	2012
Wayne Edmonds	Clerk	2014
John Alamillo	Member	2014
Steve W. Stocks	Member	2012

### ADMINISTRATION

William E. Dabbs, Jr.	Administrator in Charge
Randy Winton	Assistant Superintendent, Business Services
Robert "Rocky" Valles, Ed.D.	Assistant Superintendent, Human Resources
William E. Dabbs	Assistant Superintendent, Educational Services

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2011

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	Final Report	
	Second Period Report	Annual Report
SECONDARY		
Regular classes	13,711	13,568
Continuation education	334	327
Opportunity schools	40	44
Home and hospital	13	18
Special education	690	697
Total	<u>14,788</u>	<u>14,654</u>

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2011**

Grade Level	1982-83	Reduced 1982-83	1986-87	Reduced 1986-87	2010-11	Number of Days		Status
	Actual Minutes	Actual Minutes	Minutes Requirement	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grades 9 - 12	59,712	58,053	64,800	63,000				
Grade 9					63,414	175	N/A	Complied
Grade 10					63,414	175	N/A	Complied
Grade 11					63,414	175	N/A	Complied
Grade 12					63,414	175	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, 2011**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2011.

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

	(Budget) 2012 <sup>1</sup>	2011	2010	2009
GENERAL FUND <sup>4</sup>				
Revenues	\$ 125,479,805	\$ 132,811,494	\$ 131,777,404	\$ 141,195,597
Other sources and transfers in	25,464	-	1,277,187	-
Total Revenues and Other Sources	125,505,269	132,811,494	133,054,591	141,195,597
Expenditures	134,219,318	132,084,433	131,479,247	137,694,329
Other uses and transfers out	1,491,581	3,192,291	2,160,658	202,636
Total Expenditures and Other Uses	135,710,899	135,276,724	133,639,905	137,896,965
INCREASE (DECREASE) IN FUND BALANCE	\$ (10,205,630)	\$ (2,465,230)	\$ (585,314)	\$ 3,298,632
ENDING FUND BALANCE	\$ 14,576,944	\$ 24,782,574	\$ 27,247,804	\$ 27,833,118
AVAILABLE RESERVES <sup>2</sup>	\$ 12,640,630	\$ 7,677,280	\$ 10,159,657	\$ 9,636,120
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO <sup>3</sup>	9.3%	5.8%	7.8%	7.1%
LONG-TERM OBLIGATIONS	N/A	\$ 165,238,076	\$ 96,607,106	\$ 83,124,571
AVERAGE DAILY ATTENDANCE AT P-2	14,485	14,788	15,060	15,153

The General Fund balance has decreased by \$3,050,544 over the past two years. The fiscal year 2011-2012 budget projects a further decrease of \$10,205,630 (41.17 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in two of the past three years and anticipates incurring an operating deficit during the 2011-2012 fiscal year. Total long-term obligations have increased by \$82,113,505 over the past two years.

Average daily attendance has decreased by 365 over the past two years. Additional decline of 303 ADA is anticipated during fiscal year 2011-2012.

<sup>1</sup> Budget 2012 is included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

<sup>3</sup> On behalf payments of \$2,703,981, \$2,797,142, and \$3,124,414 have been excluded from the calculation of available reserves for the fiscal years ending June 30, 2011, 2010, and 2009, respectively.

<sup>4</sup> General Fund amounts do not include activity related to the consolidation of the Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects as required by GASB Statement No. 54.

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2011**

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<u>Name of Charter School</u>	<u>Included in Audit Report</u>
Camarillo Academy of Progressive Education	No

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011**

	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>	<b>Foundation Special Reserve Fund</b>	<b>Capital Facilities Fund</b>
<b>ASSETS</b>			
Deposits and investments	\$ -	\$ -	\$ 10,549,216
Receivables	-	-	38,536
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,587,752</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 117,528
Due to other funds	-	-	417,720
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>535,248</b>
<b>Fund Balances:</b>			
Restricted	-	-	10,052,504
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>10,052,504</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,587,752</b>

See accompanying note to supplementary information.

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<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>COP Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 1,035,550	\$ 8,830,485	\$ 568,624	\$ 20,983,875
7,549	15,700	-	61,785
<u>\$ 1,043,099</u>	<u>\$ 8,846,185</u>	<u>\$ 568,624</u>	<u>\$ 21,045,660</u>
\$ 305,955	\$ -	\$ -	\$ 423,483
-	-	-	417,720
<u>305,955</u>	<u>-</u>	<u>-</u>	<u>841,203</u>
737,144	8,846,185	568,624	20,204,457
<u>737,144</u>	<u>8,846,185</u>	<u>568,624</u>	<u>20,204,457</u>
<u>\$ 1,043,099</u>	<u>\$ 8,846,185</u>	<u>\$ 568,624</u>	<u>\$ 21,045,660</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>	<b>Foundation Special Reserve Fund</b>	<b>Capital Facilities Fund</b>
<b>REVENUES</b>			
Other State sources	\$ -	\$ -	\$ -
Other local sources	-	-	582,650
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>582,650</u>
<b>EXPENDITURES</b>			
Current			
Instruction-related activities:			
School site administration	-	61,900	-
Administration:			
All other administration	-	-	8,511
Facility acquisition and construction	-	-	374,661
Debt service			
Principal	-	-	207,362
Interest and other	-	-	32,484
<b>Total Expenditures</b>	<u>-</u>	<u>61,900</u>	<u>623,018</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>(61,900)</u>	<u>(40,368)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	2,698,990
Other sources	-	-	-
Transfers out	-	-	(1,854,355)
<b>Net Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>844,635</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>(61,900)</u>	<u>804,267</u>
<b>Fund Balances - Beginning</b>	<u>659,971</u>	<u>61,900</u>	<u>9,248,237</u>
<b>Restatement</b>	<u>(659,971)</u>	<u>-</u>	<u>-</u>
<b>Fund Balances - Beginning (As Restated)</b>	<u>-</u>	<u>61,900</u>	<u>9,248,237</u>
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,052,504</u>

See accompanying note to supplementary information.

<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>COP Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 2,841,251	\$ 87,855	\$ -	\$ 2,929,106
13,745	9,619,915	22,535	10,238,845
<u>2,854,996</u>	<u>9,707,770</u>	<u>22,535</u>	<u>13,167,951</u>
-	-	-	61,900
-	-	-	8,511
1,074,521	-	-	1,449,182
-	1,495,000	330,000	2,032,362
-	3,488,890	163,184	3,684,558
<u>1,074,521</u>	<u>4,983,890</u>	<u>493,184</u>	<u>7,236,513</u>
<u>1,780,475</u>	<u>4,723,880</u>	<u>(470,649)</u>	<u>5,931,438</u>
1,000,000	-	481,836	4,180,826
-	877,683	-	877,683
<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>(4,354,355)</u>
<u>(1,500,000)</u>	<u>877,683</u>	<u>481,836</u>	<u>704,154</u>
280,475	5,601,563	11,187	6,635,592
456,669	3,244,622	557,437	14,228,836
-	-	-	(659,971)
<u>456,669</u>	<u>3,244,622</u>	<u>557,437</u>	<u>13,568,865</u>
<u>\$ 737,144</u>	<u>\$ 8,846,185</u>	<u>\$ 568,624</u>	<u>\$ 20,204,457</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GENERAL FUND SELECTED FINANCIAL INFORMATION  
THREE-YEAR SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES  
OF FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2011**

(Amounts in thousands)

	Actual Results for the Years					
	2010-2011		2009-2010		2008-2009	
	Amount	Percent of Revenue	Amount	Percent of Revenue	Amount	Percent of Revenue
<b>REVENUES</b>						
Federal revenue	\$ 11,847	8.9	\$ 13,081	9.9	\$ 14,997	10.6
State and local revenue included in revenue limit	91,619	69.0	88,275	67.0	100,189	71.0
Other State revenue	18,718	14.1	21,640	16.4	14,788	10.4
Other local revenue	3,903	2.9	1,955	1.5	4,475	3.2
Tuition and transfers in	6,731	5.1	6,826	5.2	6,746	4.8
<b>Total Revenues</b>	<b>132,818</b>	<b>100.0</b>	<b>131,777</b>	<b>100.0</b>	<b>141,195</b>	<b>100.0</b>
<b>EXPENDITURES</b>						
Salaries and Benefits						
Certificated salaries	63,370	47.7	64,124	48.7	67,501	47.8
Classified salaries	17,788	13.4	17,828	13.5	18,554	13.1
Employee benefits	32,580	24.5	31,197	23.7	32,593	23.1
<b>Total Salaries and Benefits</b>	<b>113,738</b>	<b>85.6</b>	<b>113,149</b>	<b>85.9</b>	<b>118,648</b>	<b>84.0</b>
Books and supplies	4,642	3.5	4,996	3.8	5,934	4.2
Contracts and operating expenses	12,393	9.3	11,784	8.9	11,618	8.2
Capital outlay	857	0.6	743	0.6	1,241	0.9
Tuition and transfers out	521	0.4	807	0.6	253	0.2
<b>Total Expenditures</b>	<b>132,150</b>	<b>99.5</b>	<b>131,479</b>	<b>99.8</b>	<b>137,694</b>	<b>97.5</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>668</b>	<b>0.5</b>	<b>298</b>	<b>0.2</b>	<b>3,501</b>	<b>2.5</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Incoming transfers/other sources	-	0.0	1,277	1.0	-	0.0
Outgoing transfers/other uses	(3,192)	(2.4)	(2,160)	(1.6)	(203)	(0.1)
<b>Total Financing Sources (Uses)</b>	<b>(3,192)</b>	<b>(2.4)</b>	<b>(883)</b>	<b>(0.6)</b>	<b>(203)</b>	<b>(0.1)</b>
<b>INCREASE IN FUND BALANCE</b>	<b>(2,524)</b>	<b>(1.8)</b>	<b>(585)</b>	<b>(0.4)</b>	<b>3,298</b>	<b>2.4</b>
<b>FUND BALANCE - BEGINNING RESTATEMENT</b>	<b>27,248</b>		<b>27,833</b>		<b>24,535</b>	
<b>FUND BALANCE - ENDING</b>	<b>\$ 25,384</b>		<b>\$ 27,248</b>		<b>\$ 27,833</b>	

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES BY OBJECT  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>General Fund</b>	<b>Cafeteria Fund</b>	<b>Building Fund</b>
<b>REVENUES</b>			
Revenue limit sources	\$ 91,618,835	\$ -	\$ -
Federal sources	11,846,846	3,455,194	-
Other State sources	18,717,997	292,505	-
Other local sources	10,634,321	1,904,320	337,129
<b>Total Revenues</b>	<b>132,817,999</b>	<b>5,652,019</b>	<b>337,129</b>
<b>EXPENDITURES</b>			
Current expenditures			
Certificated salaries	63,369,607	-	-
Classified salaries	17,787,562	1,953,762	-
Employee benefits	32,580,019	979,809	-
Books and supplies	4,641,521	400,574	-
Services and operating expenditures	12,393,172	3,197,878	-
Other outgo	323,757	150,027	-
Capital outlay	856,696	5,121	1,738,456
Debt service - principal	57,638	2,044,299	12,290,000
Debt service - interest and other	74,461	-	1,195,321
<b>Total Expenditures</b>	<b>132,084,433</b>	<b>8,731,470</b>	<b>15,223,777</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<b>733,566</b>	<b>(3,079,451)</b>	<b>(14,886,648)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	2,913,995	928,291
Other sources	-	150,000	55,175,253
Operating transfers out	(3,192,291)	-	-
<b>Total Financing Sources (Uses)</b>	<b>(3,192,291)</b>	<b>3,063,995</b>	<b>56,103,544</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>			
<b>EXPENDITURES AND OTHER USES</b>	<b>(2,458,725)</b>	<b>(15,456)</b>	<b>41,216,896</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>27,247,804</b>	<b>26,395</b>	<b>-</b>
<b>RESTATEMENT</b>	<b>659,971</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - BEGINNING (AS RESTATED)</b>	<b>27,907,775</b>	<b>26,395</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 25,449,050</b>	<b>\$ 10,939</b>	<b>\$ 41,216,896</b>

See accompanying note to supplementary information.

<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 91,618,835
-	-	15,302,040
-	2,929,106	21,939,608
88,031	10,238,845	23,202,646
<u>88,031</u>	<u>13,167,951</u>	<u>152,063,129</u>
-	-	63,369,607
-	-	19,741,324
-	-	33,559,828
-	-	5,042,095
-	117,733	15,708,783
-	-	473,784
5,066,000	1,401,860	9,068,133
170,000	2,032,362	16,594,299
586,519	3,684,558	5,540,859
<u>5,822,519</u>	<u>7,236,513</u>	<u>169,098,712</u>
<u>(5,734,488)</u>	<u>5,931,438</u>	<u>(17,035,583)</u>
372,519	4,180,826	8,395,631
19,067,726	877,683	75,270,662
<u>(848,985)</u>	<u>(4,354,355)</u>	<u>(8,395,631)</u>
<u>18,591,260</u>	<u>704,154</u>	<u>75,270,662</u>
12,856,772	6,635,592	58,235,079
6,604,609	14,228,836	48,107,644
-	(659,971)	-
<u>6,604,609</u>	<u>13,568,865</u>	<u>48,107,644</u>
<u>\$ 19,461,381</u>	<u>\$ 20,204,457</u>	<u>\$ 106,342,723</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES BY OBJECT  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>	<b>Foundation Special Reserve Fund</b>	<b>Capital Facilities Fund</b>
<b>REVENUES</b>			
Other State sources	\$ -	\$ -	\$ -
Other local sources	-	-	582,650
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>582,650</u>
<b>EXPENDITURES</b>			
Current			
Instruction-related activities:			
School site administration	-	61,900	-
Administration:			
All other administration	-	-	8,511
Facility acquisition and construction	-	-	374,661
Debt service			
Principal	-	-	207,362
Interest and other	-	-	32,484
<b>Total Expenditures</b>	<u>-</u>	<u>61,900</u>	<u>623,018</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>(61,900)</u>	<u>(40,368)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	2,698,990
Other sources	-	-	-
Transfers out	-	-	(1,854,355)
<b>Net Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>844,635</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>(61,900)</u>	<u>804,267</u>
<b>Fund Balances - Beginning</b>	<u>659,971</u>	<u>61,900</u>	<u>9,248,237</u>
<b>Restatement</b>	<u>(659,971)</u>	<u>-</u>	<u>-</u>
<b>Fund Balances - Beginning (As Restated)</b>	<u>-</u>	<u>61,900</u>	<u>9,248,237</u>
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,052,504</u>

See accompanying note to supplementary information.

<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>COP Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 2,841,251	\$ 87,855	\$ -	\$ 2,929,106
13,745	9,619,915	22,535	10,238,845
<u>2,854,996</u>	<u>9,707,770</u>	<u>22,535</u>	<u>13,167,951</u>
-	-	-	61,900
-	-	-	8,511
1,074,521	-	-	1,449,182
-	1,495,000	330,000	2,032,362
-	3,488,890	163,184	3,684,558
<u>1,074,521</u>	<u>4,983,890</u>	<u>493,184</u>	<u>7,236,513</u>
<u>1,780,475</u>	<u>4,723,880</u>	<u>(470,649)</u>	<u>5,931,438</u>
1,000,000	-	481,836	4,180,826
-	877,683	-	877,683
<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>(4,354,355)</u>
<u>(1,500,000)</u>	<u>877,683</u>	<u>481,836</u>	<u>704,154</u>
280,475	5,601,563	11,187	6,635,592
456,669	3,244,622	557,437	14,228,836
-	-	-	(659,971)
<u>456,669</u>	<u>3,244,622</u>	<u>557,437</u>	<u>13,568,865</u>
<u>\$ 737,144</u>	<u>\$ 8,846,185</u>	<u>\$ 568,624</u>	<u>\$ 20,204,457</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SPECIAL RESERVE FUND FOR CAPITAL OUTLAY PROJECTS –  
 SUB-FUND DETAIL  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES BY OBJECT  
 FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Certificates of Participation</b>	<b>ACHS Growth</b>	<b>PHS Startup</b>
<b>REVENUES</b>			
Other local sources	\$ 15,616	\$ 4,439	\$ 36,735
<b>EXPENDITURES</b>			
Capital outlay	-	-	-
Debt service - principal	-	170,000	-
Debt service - interest and other	-	206,519	-
<b>Total Expenditures</b>	<u>-</u>	<u>376,519</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>15,616</u>	<u>(372,080)</u>	<u>36,735</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	372,519	-
Other sources	-	-	-
Operating transfers out	-	7,443	-
<b>Total Financing Sources (Uses)</b>	<u>-</u>	<u>379,962</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	15,616	7,882	36,735
<b>FUND BALANCES - BEGINNING OF YEAR</b>	1,584,697	436,320	3,727,164
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,600,313</u>	<u>\$ 444,202</u>	<u>\$ 3,763,899</u>

See accompanying note to supplementary information.

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<b>RMHS Pool</b>	<b>Lease Revenue Bonds</b>	<b>Qualified Energy Conservation Bonds</b>	<b>Total Special Reserve Fund for Capital Outlay Projects</b>
\$ -	\$ -	\$ 31,241	\$ 88,031
-	-	5,066,000	5,066,000
-	-	-	170,000
-	-	380,000	586,519
-	-	5,446,000	5,822,519
-	-	(5,414,759)	(5,734,488)
-	-	-	372,519
-	-	19,067,726	19,067,726
(7,424)	(849,004)	-	(848,985)
(7,424)	(849,004)	19,067,726	18,591,260
(7,424)	(849,004)	13,652,967	12,856,772
7,424	849,004	-	6,604,609
\$ -	\$ -	\$ 13,652,967	\$ 19,461,381

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2011

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### 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.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of (ARRA State Fiscal Stabilization Funds) funds that in the previous period were recorded as revenues but were unspent. These unspent balances have been expended in the current period. In addition, (Medi-Cal Billing Option and Medi-Cal Administrative Activities Program) funds have been recorded in the current period as revenues that have not been expended as of June 30, 2011. These unspent balances are reported as legally restricted ending balances within the General Fund.

Description	CFDA Number	Amount
Total Federal Revenues reported in the Statement of Revenues,		
Expenditures and Changes in Fund Balances:		\$ 15,302,040
ARRA State Fiscal Stabilization Funds (SFSF)	84.394	1,675,170
Medi-Cal Billing Option	93.778	(251,777)
Medi-Cal Administrative Activities Program	93.778	(38,122)
Total Schedule of Expenditures of Federal Awards		<u>\$ 16,687,311</u>

#### Local Education Agency Organization Structure

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

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2011

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### **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.

### **Schedule of Charter Schools**

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

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

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

### **General Fund Selected Financial Information**

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

### **Statements of Revenues, Expenditures, and Changes in Fund Balances by Object**

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

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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, 2011, which collectively comprise Oxnard Union High School District's basic financial statements and have issued our report thereon dated November 10, 2011. 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**

The management of Oxnard Union High School District is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered Oxnard Union High School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Oxnard Union High School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Oxnard Union High School District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 2011-1. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## 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.

We noted certain matters that we reported to management of Oxnard Union High School District in a separate letter dated November 10, 2011.

Oxnard Union High School District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Oxnard Union High School District's response and, accordingly, express no opinion on the response.

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

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

Rancho Cucamonga, California

November 10, 2011



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Governing Board  
Oxnard Union High School District  
Oxnard, California

**Compliance**

We have audited Oxnard Union High School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Oxnard Union High School District's major Federal programs for the year ended June 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2011.

## 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 the requirements that could have a direct and material effect on a major Federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Oxnard Union High School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

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

Rancho Cucamonga, California

November 10, 2011



**INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE**

Governing Board  
 Oxnard Union High School District  
 Oxnard, California

We have audited Oxnard Union High School District's compliance with the requirements as identified in the *Standards and Procedures for Audit of California K-12 Local Educational Agencies 2010-11* applicable to Oxnard Union High School District's government programs as noted below for the year ended June 30, 2011. Compliance with the requirements referred to above 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 in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2010-11* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Oxnard Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of Oxnard Union High School District's compliance with those requirements.

In our opinion, Oxnard Union High School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2011.

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 Audit Guide	Procedures Performed
Attendance Accounting:		
Attendance reporting	8	Yes
Kindergarten continuance	3	Not Applicable
Independent study	23	Yes
Continuation education	10	Yes
Instructional Time:		
School districts	6	Yes
County offices of education	3	Not Applicable

	Procedures in Audit Guide	Procedures Performed
<b>Instructional Materials:</b>		
General requirements	8	Yes
Ratios of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes
Early retirement incentive	4	Not Applicable
Gann limit calculation	1	Yes
School Accountability Report Card	3	Yes
Public hearing requirement - receipt of funds	1	Yes
<b>Class Size Reduction Program (including in Charter Schools):</b>		
General requirements	7	Not Applicable
Option one classes	3	Not Applicable
Option two classes	4	Not Applicable
District or charter schools with only one school serving K-3	4	Not Applicable
<b>After School Education and Safety Program:</b>		
General requirements	4	Not Applicable
After school	4	Not Applicable
Before school	5	Not Applicable
<b>Charter Schools:</b>		
Contemporaneous records of attendance	1	Not Applicable
Mode of instruction	1	Not Applicable
Non classroom-based instruction/independent study	15	Not Applicable
Determination of funding for non classroom-based instruction	3	Not Applicable
Annual instruction minutes classroom based	3	Not Applicable

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.

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

Rancho Cucamonga, California

November 10, 2011

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***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, 2011**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<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 Section .510(a) of OMB Circular A-133?	<u>No</u>

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.011	Title I, Part C, Migrant Education
84.318, 84.386 ARRA	Education Technology State Grants Cluster (includes ARRA)
84.394	ARRA - State Fiscal Stabilization Fund (SFSF)
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 500,619</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Type of auditors' report issued on compliance for programs:	<u>Unqualified</u>
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# OXNARD UNION HIGH SCHOOL DISTRICT

## FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2011

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The following finding represents significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
60000	Miscellaneous

2011-1    60000

### ***BUDGET MONITORING/DEFICIT SPENDING-CAFETERIA FUND***

#### **Finding**

The Cafeteria Fund has incurred operating deficits in each of the past three years in the amounts of \$1,035,152, 1,119,020, and \$2,380,967 for the fiscal years ending June 30, 2011, 2010, and 2009, respectively. The Cafeteria Fund balance has decreased during that time from a beginning balance of \$2,975,410 to a current fund balance of \$10,939 of which the entire amount is stores inventory. The California Department of Education (CDE) has begun withholding reimbursement claim payments from the Cafeteria Fund in order to repay the outstanding assessment payable. During the year the CDE withheld \$2,017,638 of claim reimbursements which reduced the outstanding assessment payable to \$3,591,982 at year-end. The practice of deficit spending and the withholding of claim reimbursements by the CDE have lowered the Cafeteria Fund balance to levels that have attributed to the Cafeteria Fund encroaching on the General Fund to maintain daily operations. In the current and prior year the Cafeteria has encroached on the General Fund in the amounts of \$2,913,995 and \$550,972. If the practice of withholding claim reimbursements by the CDE continues and the Cafeteria continues the current trend of deficit spending through operations, the current fiscal year encroachment is estimated at \$4,500,000.

#### **Recommendation**

The District should continue to implement a plan to bring the Cafeteria Fund's budget into balance and at a minimum maintain an adequate reserve while continually monitoring both cash flows and deficit spending trends. The District should evaluate the current year budget and monitor the budget to ensure the cafeteria's spending does not exceed budgeted amounts.

#### **District Response**

The District is working to control cafeteria labor costs, and to increase meal sales and participation in the free and reduced meal program back to former levels that allowed the cafeterias to operate with no General Fund encroachment. The District is evaluating the possibility of restoring the speed lines at the Oxnard High School cafeteria that were removed and replaced with individual serving windows. Speed lines can serve more meals, faster, with fewer staff. Replacing cafeteria serving windows installed at Pacifica High School with speed lines is also being considered. The District monitors progress made in reducing the need for General Fund support of the Cafeteria Fund with daily cafeteria reports and monthly financial statements.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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None reported.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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None reported.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2011

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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*

**2010-1      60000**

#### ***BUDGET MONITORING/DEFICIT SPENDING-CAFETERIA FUND***

##### **Finding**

The Cafeteria Fund has incurred operating deficits in each of the past three years. The Cafeteria Fund balance decreased during the year from \$594,443 to \$26,395. The practice of deficit spending has lowered the Cafeteria Fund balance to levels that have attributed to the Cafeteria Fund encroaching on the General Fund to maintain daily operations.

##### **Recommendation**

The District should continue to implement a plan to bring the Cafeteria Fund's budget into balance and at a minimum maintain an adequate reserve while continually monitoring both cash flows and deficit spending trends. The District should evaluate the current year budget and monitor the budget to ensure the cafeteria's spending does not exceed budgeted amounts.

##### **Current Status**

Not implemented; see current year finding 2011-1

# OXNARD UNION HIGH SCHOOL DISTRICT

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2011

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2010-2 30000

### *ASSOCIATED STUDENT BODY – NEGATIVE CLUB ACCOUNTS*

#### *Rio Mesa High School*

#### **Finding**

In reviewing prior-year's findings and the financial statements for the student body accounts, we noted that numerous club accounts had negative balances totaling over \$100,000, \$50,000, and \$12,000 for the fiscal years ending June 30, 2010, 2009, and 2008, respectively. Since the student body accounts represent individual portions of the cash and asset pool, by some having negative balances, they have in actuality spent the available funds of other accounts. A key control in any internal control system is the control of expenditures by ensuring the expenditure is allowable and that the account requesting the expenditure has the funds to cover it. This control feature has not been sufficiently followed.

#### **Recommendation**

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

#### **Current Status**

Implemented

2010-3 30000

### *SAFEGUARDING OF CASH COLLECTIONS*

#### **Finding**

There appears to be inadequate safeguarding of cash collections because the manager's office and cabinet where funds are collected is not locked during business hours and other employees/students have reasonable access to the office and cabinet.

#### **Recommendation**

Due to the potential for abuse with cash collections, cash should be maintained in an adequately secured area or locked box.

#### **Current Status**

Implemented



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 (the District), for the year ended June 30, 2011, 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 November 10, 2011, on the government-wide financial statements of Oxnard Union High School District.

***ASSOCIATED STUDENT BODY ACCOUNTS (ASB)***

***CHANNEL ISLAND HIGH SCHOOL***

***Inventory***

**Observation**

During our audit we found that the student store is not reconciling sales to ending inventory on a regular basis. Under the accounting code for student body groups a quarterly physical inventory should be taken. At this time, the student store sales should also be reconciled to ensure that all items purchased for resale have been sold or accounted for.

**Recommendation**

We recommend that a quarterly physical inventory be taken and reconciled to student store sales to ensure all merchandise has been accounted for. The prior quarter's ending inventory plus quarterly purchases less quarterly sales should equal the current physical count.

### **Observation**

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

- Snack bar transactions are not maintained in a separate sub-ledger account from the general Associated Student Body accounts.
- Sales analysis forms are not prepared to document sales by day or week.
- An inventory record is not maintained for merchandise sold or purchased.

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

### **Recommendation**

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

## ***PACIFICA HIGH SCHOOL***

### **Observation**

The student store monthly inventory is not individually recognized on the ASB financial statements; therefore we were unable to determine if the correct amount of inventory is being reported.

### **Recommendation**

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

## **Prior Year Observations and Recommendations**

### ***INTERNAL CONTROL***

#### ***Associated Student Body (ASB) Accounts***

##### **Oxnard High School**

### **Observation**

Auditor noted that the ASB Clerk at Oxnard Union High School did not receive bank statements for the Carrie Day Scholarship for the months January and February. In speaking with the client, she is receiving bank statements only once a year. Therefore the ASB clerk is not reconciling the Carrie Day Scholarship account on a monthly basis.

**Recommendation**

The site bookkeeper should ensure that bank statements are received and reconciled on a monthly basis.

**Current Status**

Implemented

**Observation**

During review of Special Education Cluster non-payroll expenditure testing, we noted multiple food items purchased did not meet the nutritional food standards as noted in SB 12 and SB 19.

**Recommendation**

The District should incorporate a procedure to ensure that all nutritional items purchased by teachers are reviewed and approved according to the SB 12 and SB 19 guidelines. We noted the food standards for all schools (K-12) are to strengthen and implement the competitive food standards originally described in SB 19 (The Pupil Nutrition, Health, and Achievement Act of 2001). An individually sold snack may have no more than 35 percent of its calories from fat (excluding legumes, nuts, nut butters, seeds, eggs, vegetables that have not been deep-fried, and cheese packaged for individual sale). No more than ten percent of its calories from saturated fat (excluding eggs and cheese packaged for individual sale) and 35 percent sugar by weight (excluding fruits and vegetables). No item sold should be more than 175 calories (elementary schools) and 250 calories (middle and high schools). An individually sold entree may have no more than four grams of fat per 100 calories, and must qualify under the Federal Meal Program. The only beverages that may be sold to students are milk, water or juice that is at least 50 percent fruit juice with no added sweeteners.

**Current Status**

Implemented

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

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

Rancho Cucamonga, California  
November 10, 2011