



**Oxnard Union  
High School District**

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ANNUAL FINANCIAL REPORT

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**JUNE 30, 2008**

**OXNARD UNION HIGH SCHOOL DISTRICT**  
**OF VENTURA COUNTY**  
**OXNARD, CALIFORNIA**  
**JUNE 30, 2008**

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**GOVERNING BOARD**

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

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JUNE 30, 2008

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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, 2008, 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.

Except as discussed in the following paragraph, 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 2007-08* issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the Oxnard Union High School District Health Benefit Plan, a legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the District's primary government, as discussed in Note 1 (Discretely Presented Component Unit). As a result, the primary government financial statements do not purport to and do not, present fairly the financial position of the reporting entity of the District, as of June 30, 2008, and the changes in its financial position, for the year ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 13 to the financial statements, the District has received information that reimbursement claims filed for the child nutrition program may have overstated or misclassified meals served during 2007-2008. The California Department of Education's, Nutrition Services Division, is conducting an investigation of the matter. In addition, the District has engaged the service of a certified fraud examiner in an attempt to determine whether or not misstatements occurred. The District may be required to return funds received by the food service program and recorded as revenue in the Cafeteria Fund during 2007-2008. We are unable to satisfy ourselves about the revenues claimed for 2007-2008. The scope of our work was not sufficient to enable us to express, and accordingly we do not express, an opinion on the financial presentation of the Cafeteria Fund and the possible affect on the related Federal and State claimed meals reimbursement revenues.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves about the meal reimbursement revenues claimed as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, General Fund, Capital Facilities Fund, Special Reserve Fund for Capital Outlay Projects, and the aggregate remaining fund information of the Oxnard Union High School District, as of June 30, 2008, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information, such as management's discussion and analysis on pages 4 through 14, and budgetary comparison information on pages 49 and 50, is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Vaminck, Tim, Day & Co., LLP

Rancho Cucamonga, California

February 18, 2009



**Oxnard Union  
High School District**

309 South K Street  
Oxnard, CA 93030

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

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**Administration**

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

**Martha Mutz**  
Assistant Superintendent  
Educational Services

**Roger Rice**  
Assistant Superintendent  
Human Resources

**Randy Winton**  
Assistant Superintendent  
Business Services

This section of Oxnard Union High School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2008, with comparative information from 2007 information. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

***The Financial Statements***

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

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

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

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

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

**FINANCIAL HIGHLIGHTS OF THE PAST YEAR**

Total General Fund Revenue increased by 2.6% from the previous fiscal year. The following table shows major revenue sources for fiscal year 2007-08 compared with fiscal year 2006-07.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

### General Fund Revenue Comparison-Amount

	2008	2007	Increase (Decrease)
Revenue Limit Sources	\$102,710,911	\$ 98,038,957	\$ 4,671,954
Federal Revenues	7,369,676	8,141,996	(772,320)
Other State Revenues	19,411,905	19,014,179	397,726
Other Local Revenues	10,233,280	10,945,764	(712,484)
	<u>\$139,725,772</u>	<u>\$136,140,896</u>	<u>\$ 3,584,876</u>

Total General Fund Expenditures increased by seven percent (7%) from the previous fiscal year. The following table shows expenditures for fiscal year 2007-08 compared with fiscal year 2006-07.

	2007-08		2006-07		Change	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Certificated salaries	\$ 66,301,727	48.2%	\$ 62,069,610	48.2%	\$ 4,232,117	6.82%
Classified salaries	18,374,804	13.3%	17,333,326	13.5%	1,041,478	6.01%
Employee benefits	31,305,810	22.7%	31,018,153	24.1%	287,657	0.93%
Books and supplies	7,684,809	5.6%	6,698,014	5.2%	986,795	14.73%
Services and other	12,239,647	8.9%	10,802,648	8.4%	1,436,999	13.30%
Other outgo	(9,018)	0.0%	(524,853)	-0.4%	515,835	-98.28%
Capital outlay and Debt service	1,809,172	1.3%	1,302,909	1.0%	506,263	38.86%
	<u>\$ 137,706,951</u>	<u>100.0%</u>	<u>\$ 128,699,807</u>	<u>100.0%</u>	<u>\$ 9,007,144</u>	<u>7.00%</u>

### **REPORTING THE DISTRICT AS A WHOLE**

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

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

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

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

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

### **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

#### ***Fund Financial Statements***

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

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

### **THE DISTRICT AS TRUSTEE**

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

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### *THE DISTRICT AS A WHOLE*

#### *Net Assets*

The District's net assets were \$153,249,336 for the fiscal year ended June 30, 2008. Of this amount, \$27,544,541 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the District's governmental activities.

**Table 1**

	Governmental Activities	
	2008	2007
<b>Assets</b>		
Current and other assets	\$ 57,809,960	\$ 54,138,738
Capital assets	173,490,159	178,295,539
<b>Total Assets</b>	<b>231,300,119</b>	<b>232,434,277</b>
<b>Liabilities</b>		
Current liabilities	8,006,775	6,901,140
Long-term obligations	70,044,008	72,550,167
<b>Total Liabilities</b>	<b>78,050,783</b>	<b>79,451,307</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	102,929,510	105,430,464
Restricted	22,775,285	32,018,389
Unrestricted	27,544,541	15,534,117
<b>Total Net Assets</b>	<b>\$153,249,336</b>	<b>\$152,982,970</b>

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

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

**Table 2**

	Governmental Activities	
	2008	2007
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,567,676	\$ 2,848,430
Operating grants and contributions	35,506,948	36,793,938
Capital grants and contributions	6,029	5,663
General revenues:		
State revenue limit sources	66,519,783	64,122,959
Property taxes	44,807,192	42,552,220
Other general revenues	9,266,669	10,067,746
<b>Total Revenues</b>	<u>158,674,297</u>	<u>156,390,956</u>
<b>Expenses</b>		
Instruction-related	111,277,913	103,504,976
Student support services	18,187,196	17,244,332
Administration	7,407,516	7,007,700
Maintenance and operations	15,040,832	15,045,757
Other	6,494,474	6,087,518
<b>Total Expenses</b>	<u>158,407,931</u>	<u>148,890,283</u>
<b>Change in Net Assets</b>	<u>\$ 266,366</u>	<u>\$ 7,500,673</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

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### *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.

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

**Table 3**

	Total Cost of Services	
	2008	2007
Instruction-related	\$ 87,582,931	\$ 80,145,561
Student support services	7,455,015	5,131,767
Administration	6,134,741	5,070,875
Maintenance and operations	12,823,842	12,894,735
Other	6,330,749	5,999,314
<b>Total</b>	<b>\$120,327,278</b>	<b>\$109,242,252</b>

General Fund revenues were \$3,751,324 more than final revised budgeted and expenditures were \$3,038,883 less than budgeted, not including the amounts that the State of California paid to the State Teachers Retirement System on behalf of the District.

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

As the District completed this year, our governmental funds reported a combined fund balance of \$53,260,189, which is an increase of \$3,047,621 from last year.

This increase is due to increased revenue limit sources in the General and Adult Education funds. In addition, during the prior year, undesignated reserves in the Deferred Maintenance fund balance were used for several large capital projects.

### ***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 August 24, 2007. 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 10, 2008. (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 49.)

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

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### *CAPITAL ASSET AND DEBT ADMINISTRATION*

#### *Capital Assets*

At June 30, 2008, the District had \$173,490,159 in a broad range of capital assets (net of accumulative depreciation), including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$4,805,380, or 2.7%, from last year.

**Table 4**

	Governmental Activities	
	2008	2007
Land	\$ 27,535,321	\$ 27,535,321
Construction in process	2,264,734	2,265,307
Buildings and improvements	141,551,226	146,230,098
Furniture and equipment	2,138,878	2,264,813
<b>Total</b>	<b>\$173,490,159</b>	<b>\$178,295,539</b>

This year's addition of \$4,659,939 included projects such as re-roofing, asphalt/parking lot repairs, renovations and additions to district land and buildings, and technology upgrades.

Several capital projects are planned for the 2008-09 and 2009-10 years including expanding several classrooms to house additional students and equipment for career technical education classes, repair/replacement of bleachers, maintaining exterior building surfaces, and enclosing outdoor freezer and remodeling areas in our cafeterias. We anticipate capital additions to be \$8.9 million for the 2008-09 and 2009-10 years. We present more detailed information about our capital assets in Note 4 to the financial statements.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

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### *Long-Term Obligations*

At the end of this year, the District had \$72,711,008 in outstanding debt versus \$74,732,167 last year, a decrease of \$2,021,159. Long-term obligations consisted of:

**Table 5**

	Governmental Activities	
	2008	2007
General obligation bonds	\$ 47,309,382	\$ 48,551,113
Certificates of participation	4,530,000	4,825,000
Municipal leases	19,285,000	19,665,000
Municipal lease discount	(166,529)	(176,038)
Accumulated vacation	1,629,155	1,521,092
Supplemental early retirement	124,000	346,000
<b>Total</b>	<b>\$ 72,711,008</b>	<b>\$ 74,732,167</b>

The District's outstanding general obligation debt of \$47,309,382 is significantly below the assessed value cap for voter approved debt.

### ***SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2007-08 ARE NOTED BELOW:***

- Maintained the three percent State recommended reserve for economic uncertainties.
- Conversion to sewer system from a septic tank at one site.
- Completed portable buildings to house the testing office at the District office.
- Renovation of dining area at one site.
- Expanding width of bus barn to accommodate indoor parking of buses.
- Continued projects to improve the overall appearance and safety at our sites.

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

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

- The decline in enrollment, both State-wide and in our feeder districts, continues to be an area that the District is monitoring closely.
- As of July 1, 2007, the District has an actuarially determined unfunded liability for retiree medical benefits in the amount of \$156 million. As of June 30, 2008, the District has set aside just over \$30 million (19% of total liability). The District continues to implement strategies to control and continue to fund this liability.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2008**

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- A unification effort to unify the high schools in Camarillo with the Pleasant Valley School District continues. The State Board determined that the issue would go to the voters of the entire district in November 2008. The measure appears to have been defeated by a close margin. However, there are uncounted absentee and provisional ballots so the outcome has not formally been decided. Opponents dispute the area of the vote and have a court date scheduled for March 2009.
- The District passed a \$135 million bond in November 2004, for the construction of two high schools and continuation of modernization projects over the next 20 years. As of June 30, 2008, none of these bonds have been issued.
- Estimates have been used to derive free and reduced meal counts for Federal and State reporting purposes at some or all of six comprehensive high schools at the District. The California Department of Education (CDE) and the U.S. Department of Agriculture (USDA) require positive verification of every meal claimed for reimbursement. A separate audit of the free and reduced meal counts for fiscal years 2005-2006 through 2008-2009 is currently underway. The review may result in disallowed revenues. It is not possible at this time to calculate the amount of refunds that CDE or USDA may request.

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

- Zero percent funded Cost of Living Adjustment (COLA). Statutory COLA is equal to 5.66%.
- Deficit factor of 5.357% resulting in no new funding over 2007-08.
- No Equalization aid.
- Summer School and hourly core program cap remains at 5%.
- CalPERS reduction budgeted at 4.02%. Actual rate of 3.592% was not received in time to be included in the Adopted Budget.
- CalPERS restoration is 15.8% of PERS reduction.
- Continuation of final apportionment deferment started in 2002-03.
- Lottery funds, unrestricted, at \$121 per ADA.
- Lottery funds, restricted, at \$22.50 per ADA.
- Base revenue limit at \$7,074 per ADA. Deficited amount is equal to \$6,695.
- Hourly program reimbursement rates: \$3.81 (uncapped mandated programs, i.e. CAHSEE) and capped core programs \$2.17 (deficited 43%).
- 3% of Total General Fund required District contribution for Routine Restricted Maintenance.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

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### Local Assumptions

- Zero growth in ADA. State-wide the decline is projected at .52%. (15,116.72 projected 2008-09 District-retained P2 ADA).
- 2.00% increase for Step increases. An additional \$200,000 is budgeted for column movement based on historical costs.
- Medical Health Benefit cost increased by 11% (October-June) from \$9,937 to \$10,838 a year for each employee (HMO PPO blended rate before employee contribution).
- Other Health and Welfare costs increased by 4.9% from \$1,602 to \$1,668.
- Employee and retiree Health and Welfare contributions unchanged at \$1,800 per year (PPO) and \$624 per year (HMO).
- Teacher Student ratio 28:1.
- High School grade 9 class size reduction budgeted at \$213 per eligible pupil. May revise estimates \$190. The District will revise budget at a later date.
- The State is once again deferring reimbursement for mandated cost claims but requirement to continue to service remains. OUHSD has not included any mandate reimbursement in our adopted budget.
- AB 825 - Categorical Flexibility included in Adopted budget.

### Other Comments

- Flexibility allows districts to reduce State recommended reserve for economic uncertainties from 3% to 2%. The District's reserve remains 3% in Adopted budget.
- Unobligated Reserve (in addition to 3% reserve) will be \$7,827,509.
- Current Unrestricted General Fund surplus is \$34,481.

### Special Revenue Funds Assumptions

- Adult Education receives no COLA, 6.5% reduction and no growth.
- Adult Education base revenue limit is \$2,645.30.
- Adult Education ADA is projected to be 1,550.
- No state funding for Deferred Maintenance. Flexibility allows districts to make no contribution. However, OUHSD budget includes ½ of 1% (from RRM funds).

### Capital Facility Funds Assumptions

- Significant expansion to classrooms to house additional students and equipment for career technical education (partially funded by new Career Technical Education grants).
- Replace Stadium bleachers at HHS (home side).
- DSA required door thresholds to close-out modernization project at RMHS.
- Renovate cafeteria and surrounding areas (including enclosing outdoor freezer) at HHS, RMHS, and CIHS.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008**

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

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



**OXNARD UNION HIGH SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

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	\$ 92,292,891	\$ 204,612	\$ 16,702,271	\$ 6,029	\$ (75,379,979)
Instruction-related activities:					
Supervision of instruction	2,959,396	8,833	4,048,349	-	1,097,786
Instructional library, media and technology	1,953,264	2,951	460,467	-	(1,489,846)
School site administration	14,072,362	44,932	2,216,538	-	(11,810,892)
Pupil services:					
Home-to-school transportation	1,787,580	-	740,454	-	(1,047,126)
Food services	6,138,762	2,101,250	3,732,902	-	(304,610)
All other pupil services	10,260,854	26,885	4,130,690	-	(6,103,279)
Administration:					
Data processing	1,566,175	-	-	-	(1,566,175)
All other administration	5,841,341	153,391	1,119,384	-	(4,568,566)
Plant services	15,040,832	21,921	2,195,069	-	(12,823,842)
Ancillary services	2,073,919	-	6,105	-	(2,067,814)
Community services	243,846	-	-	-	(243,846)
Interest on long-term obligations	3,606,898	-	-	-	(3,606,898)
Other (outgo)	569,811	2,901	154,719	-	(412,191)
<b>Total Governmental Activities</b>	<b>\$158,407,931</b>	<b>\$ 2,567,676</b>	<b>\$ 35,506,948</b>	<b>\$ 6,029</b>	<b>(120,327,278)</b>
General revenues and subventions					
Property taxes, levied for general purposes					40,200,647
Property taxes, levied for debt service					3,638,573
Taxes levied for other specific purposes					967,972
Federal and State aid not restricted to specific purposes					66,519,783
Interest and investment earnings					1,497,078
Interagency revenues					311,064
Miscellaneous					7,458,527
<b>Subtotal, General Revenues</b>					<b>120,593,644</b>
<b>Changes in Net Assets</b>					<b>266,366</b>
Net Assets - Beginning					152,982,970
Net Assets - Ending					<b>\$153,249,336</b>

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2008**

	<b>General Fund</b>	<b>Cafeteria Fund</b>	<b>Capital Facilities Fund</b>
<b>ASSETS</b>			
Deposits and investments	\$ 12,942,685	\$ 2,745,985	\$ 9,614,111
Receivables	14,168,807	719,493	547,332
Due from other funds	1,043,817	53,048	17,744
Due from other governments	500,000	-	-
Prepaid expenditures	5,006	700	-
Stores inventories	127,650	64,742	-
<b>Total Assets</b>	<b>\$ 28,787,965</b>	<b>\$ 3,583,968</b>	<b>\$ 10,179,187</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,618,552	\$ 190,987	\$ 3,591
Due to other funds	575,616	417,571	508,289
Due to other governments	630,682	-	-
Deferred revenue	428,629	-	-
<b>Total Liabilities</b>	<b>4,253,479</b>	<b>608,558</b>	<b>511,880</b>
<b>FUND BALANCES</b>			
Reserved for:			
Revolving fund	10,000	1,798	-
Stores inventories	127,650	64,742	-
Prepaid expenditures	5,006	700	-
Legally restricted balance	4,339,121	-	-
Unreserved:			
Designated	11,604,031	-	-
Undesignated, reported in:			
General Fund	8,448,678	-	-
Special revenue funds	-	2,908,170	-
Debt service funds	-	-	-
Capital projects funds	-	-	9,667,307
<b>Total Fund Balances</b>	<b>24,534,486</b>	<b>2,975,410</b>	<b>9,667,307</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 28,787,965</b>	<b>\$ 3,583,968</b>	<b>\$ 10,179,187</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>
\$ 8,356,164	\$ 6,663,711	\$ 40,322,656
58,026	885,559	16,379,217
-	504,824	1,619,433
-	-	500,000
-	12,785	18,491
-	-	192,392
<u>\$ 8,414,190</u>	<u>\$ 8,066,879</u>	<u>\$ 59,032,189</u>

\$ 330	\$ 278,832	\$ 3,092,292
-	117,957	1,619,433
-	-	630,682
-	964	429,593
<u>330</u>	<u>397,753</u>	<u>5,772,000</u>

-	-	11,798
-	-	192,392
-	12,785	18,491
-	-	4,339,121
-	-	11,604,031
-	-	8,448,678
-	3,583,371	6,491,541
-	3,927,286	3,927,286
8,413,860	145,684	18,226,851
<u>8,413,860</u>	<u>7,669,126</u>	<u>53,260,189</u>
<u>\$ 8,414,190</u>	<u>\$ 8,066,879</u>	<u>\$ 59,032,189</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2008**

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

<b>Total Fund Balance - Governmental Funds</b>	\$ 53,260,189
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	\$ 263,464,065
Accumulated depreciation is	<u>(89,973,906)</u>
Net Capital Assets	173,490,159
Expenditures relating to issuance of debt of next fiscal year were recognized in modified accrual basis, but should not be recognized in accrual basis.	397,204
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.	(1,187,208)
Long-term obligations at year-end consist of:	
General obligation bonds	(47,309,382)
Certificates of participation	(4,530,000)
Municipal leases	(19,285,000)
Municipal lease discount	166,529
Accumulated vacation - net	(1,629,155)
Supplemental early retirement	<u>(124,000)</u>
Total Long-Term Obligations	<u>(72,711,008)</u>
<b>Total Net Assets - Governmental Activities</b>	<u><u>\$ 153,249,336</u></u>

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Cafeteria Fund	Capital Facilities Fund
<b>REVENUES</b>			
Revenue limit sources	\$ 102,710,911	\$ -	\$ -
Federal sources	7,369,676	3,733,110	-
Other State sources	19,411,905	375,424	-
Other local sources	10,233,280	2,428,624	2,706,558
<b>Total Revenues</b>	<u>139,725,772</u>	<u>6,537,158</u>	<u>2,706,558</u>
<b>EXPENDITURES</b>			
Current			
Instruction	86,165,059	-	-
Instruction related activities:			
Supervision of instruction	2,867,974	-	-
Instructional library, media, and technology	1,944,655	-	-
School site administration	10,418,994	-	-
Pupil services:			
Home-to-school transportation	1,545,157	-	-
Food services	-	5,843,293	-
All other pupil services	10,009,908	-	-
Administration:			
Data processing	1,553,564	-	-
All other administration	5,452,587	411,567	51,835
Plant services	13,607,204	-	-
Facility acquisition and construction	329,122	495,346	588,018
Ancillary services	2,073,919	-	-
Community services	243,846	-	-
Other outgo	569,811	-	-
Debt service			
Principal	51,112	-	328,888
Interest and other	15,074	-	259,787
<b>Total Expenditures</b>	<u>136,847,986</u>	<u>6,750,206</u>	<u>1,228,528</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,877,786</u>	<u>(213,048)</u>	<u>1,478,030</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	144,076
Transfers out	(858,965)	-	(471,139)
<b>Net Financing Sources (Uses)</b>	<u>(858,965)</u>	<u>-</u>	<u>(327,063)</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,018,821	(213,048)	1,150,967
<b>Fund Balance - Beginning</b>	22,515,665	3,188,458	8,516,340
<b>Fund Balance - Ending</b>	<u>\$ 24,534,486</u>	<u>\$ 2,975,410</u>	<u>\$ 9,667,307</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>
\$ -	\$ 4,550,040	\$ 107,260,951
-	1,649	11,104,435
-	662,526	20,449,855
419,145	4,071,449	19,859,056
<u>419,145</u>	<u>9,285,664</u>	<u>158,674,297</u>
-	2,189,694	88,354,753
-	100,145	2,968,119
-	-	1,944,655
-	926,585	11,345,579
-	-	1,545,157
-	-	5,843,293
-	222,275	10,232,183
-	-	1,553,564
-	115,427	6,031,416
405,408	947,825	14,960,437
983,671	46,701	2,442,858
-	-	2,073,919
-	-	243,846
-	-	569,811
-	1,580,000	1,960,000
534,825	2,747,400	3,557,086
<u>1,923,904</u>	<u>8,876,052</u>	<u>155,626,676</u>
<u>(1,504,759)</u>	<u>409,612</u>	<u>3,047,621</u>
100,000	1,186,028	1,430,104
<u>(100,000)</u>	<u>-</u>	<u>(1,430,104)</u>
-	1,186,028	-
<u>(1,504,759)</u>	<u>1,595,640</u>	<u>3,047,621</u>
9,918,619	6,073,486	50,212,568
<u>\$ 8,413,860</u>	<u>\$ 7,669,126</u>	<u>\$ 53,260,189</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE DISTRICT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2008**

<b>Total Net Change in Fund Balances - Governmental Funds</b>		\$ 3,047,621
<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 depreciation exceeds capital outlay in the period.		
Capital outlays	\$ 2,929,282	
Depreciation expense	<u>(7,734,662)</u>	(4,805,380)
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). In previous years, the District offered early termination benefits, payable in future periods. During the current year, payments of \$222,000 were made towards the existing plan. Vacation earned was greater than the amounts used by \$108,063.		113,937
The annual amortization of the accrued debt issue costs and discounts is as follows:		
Municipal lease issue costs	(24,763)	
Municipal lease discount	<u>(9,509)</u>	(34,272)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term obligations in the statement of net assets and does not affect the statement of activities.		1,285,000
Repayment of certificates of participation 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.		295,000
Repayment of municipal lease 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.		380,000
The accretion of interest on capital appreciation bonds is not recognized in the governmental funds, but it increases long-term obligations in the statement of net assets and increases interest expense in the statement of activities.		(43,269)
Interest on long-term obligations in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of these factors.		<u>27,729</u>
<b>Change in Net Assets of Governmental Activities</b>		<u><u>\$ 266,366</u></u>

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**FIDUCIARY FUNDS  
STATEMENT OF NET ASSETS  
JUNE 30, 2008**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Deposits and investments	\$ 1,416,599
<b>Total Assets</b>	<u>\$ 1,416,599</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 3,659
Due to student groups	1,412,940
<b>Total Liabilities</b>	<u>\$ 1,416,599</u>

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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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, three alternative education sites, and an adult education program.

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

#### **Component Units**

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

The basic financial statements include blended component units. The discretely presented component units should be reported in a separate column in the government-wide financial statements to emphasize their separation from the primary government, however, current audited financial statements for the discretely presented component unit for the Oxnard Union High School District Health Benefit Plan is not available nor included in the District's financial report.

The Oxnard Union High School District, the Ventura County Schools Public Facilities Financing Corporation, and the San Gabriel Valley Schools Financing Authority (the "Corporations") have a financial and operational relationship which meets the reporting entity definition criteria of the 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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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### Other Related Entities

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

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

### Discretely Presented Component Units

The Oxnard Union High School District Health Benefits Plan (the "Plan") is a legally separate, tax-exempt component unit of the District. The Plan is to provide health and welfare benefits for retired employees of the District and their dependents on an insured or self-funded basis through a voluntary employee benefit association for the District. Although the District does not control the timing or amount of receipts and disbursements from the Plan, the majority of resources held by the Plan can only be used by, or of the benefit of, the District retirees and administrative costs. The Plan is considered a component unit of the District, and audited financial statements have not been completed as of June 30, 2008 and are not included with the government-wide financial statement. During the year ended June 30, 2008, the Plan Administrators reported approximately \$30,000,000 in assets.

### Basis of Presentation - Fund Accounting

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

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

### Major Governmental Funds

**General Fund** The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of a district. All transactions except those required or permitted by law to be in another fund are accounted for in this fund.

**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).

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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**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).

**Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund 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 from specific revenue sources (other than trusts or for major capital projects) that are restricted to the financing of particular activities:

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

**Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

**Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for State apportionments and the District's contributions for deferred maintenance purposes (*Education Code* Sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

**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).

**Foundation Fund** The Foundation 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 established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**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.).

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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**Debt Service Funds** The Debt Service funds are established to account for the accumulation of resources for and the payment of 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. The fiduciary fund category is comprised of agency funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student body activities (ASB).

### **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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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

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

**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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

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

### **Cash and Cash Equivalents**

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

### **Investments**

Investments held at June 30, 2008, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

### **Restricted Assets**

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

### **Prepaid Expenses**

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

### **Stores Inventories**

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the 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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

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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**

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

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

### **Accrued Liabilities and Long-Term Obligations**

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

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

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

In the government-wide financial statements, 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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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

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

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

### **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The government-wide financial statements reports \$22,775,285 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.

### **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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

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

### **Property Tax**

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

### **New Accounting Pronouncements**

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

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

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### NOTE 2 - DEPOSITS AND INVESTMENTS

#### Summary of Deposits and Investments

Deposits and investments as of June 30, 2008, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 40,322,656
Fiduciary funds	1,416,599
Total Deposits and Investments	<u>\$ 41,739,255</u>

Deposits and investments as of June 30, 2008, consist of the following:

Cash on hand and in banks	\$ 1,701,199
Cash in revolving	11,798
Investments	40,026,258
Total Deposits and Investments	<u>\$ 41,739,255</u>

#### Policies and Practices

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

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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**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, 2008

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### Weighted Average Maturity

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

Investment Type	Fair Value	Weighted Average Maturity
County Pool	\$ 38,335,476	248 days*
Mutual funds	342,150	N/A
U.S. Agency Securities	608,605	8/10/2017
Local Agency Bonds	395,785	5/6/2019
Commercial paper	695,852	11/13/2008
Total	\$ 40,377,868	

\*Weighted average days to maturity.

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the county pool, mutual funds, and U.S. Treasury Bonds, are not required to be rated, nor have they been rated as of June 30, 2008.

### Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2008, of the District's bank balance of \$1,814,857, \$1,307,603 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

### Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the investment in the certificates of participation and municipal lease trustee accounts of \$2,025,191 the District has a custodial credit risk exposure for the entire balance because the related securities are uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2008, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund For Capital Outlay Projects	Non-Major Governmental Funds	Total
Federal Government						
Categorical aid	\$ 2,515,131	\$ 520,077	\$ -	\$ -	\$ -	\$ 3,035,208
State Government						
Apportionment	5,622,999	-	-	-	836,311	6,459,310
Categorical aid	2,223,925	39,612	-	-	-	2,263,537
Lottery	1,067,267	-	-	-	-	1,067,267
Local Government						
Interest	380,662	49,405	82,697	58,026	46,053	616,843
Other Local Sources	2,358,823	110,399	464,635	-	3,195	2,937,052
Total	<u>\$ 14,168,807</u>	<u>\$ 719,493</u>	<u>\$ 547,332</u>	<u>\$ 58,026</u>	<u>\$ 885,559</u>	<u>\$ 16,379,217</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 27,535,321	\$ -	\$ -	\$ 27,535,321
Construction in Progress	2,265,307	1,730,084	1,730,657	2,264,734
Total Capital Assets Not Being Depreciated	<u>29,800,628</u>	<u>1,730,084</u>	<u>1,730,657</u>	<u>29,800,055</u>
Capital Assets Being Depreciated:				
Land Improvements	31,817,795	1,442,377	-	33,260,172
Buildings and Improvements	193,309,973	1,218,647	-	194,528,620
Furniture and Equipment	5,606,387	268,831	-	5,875,218
Total Capital Assets Being Depreciated	<u>230,734,155</u>	<u>2,929,855</u>	<u>-</u>	<u>233,664,010</u>
Total Capital Assets	<u>260,534,783</u>	<u>4,659,939</u>	<u>1,730,657</u>	<u>263,464,065</u>
Less Accumulated Depreciation:				
Land Improvements	19,012,682	1,932,714	-	20,945,396
Buildings and Improvements	59,884,988	5,407,182	-	65,292,170
Furniture and Equipment	3,341,574	394,766	-	3,736,340
Total Accumulated Depreciation	<u>82,239,244</u>	<u>7,734,662</u>	<u>-</u>	<u>89,973,906</u>
Governmental Activities Capital Assets, Net	<u>\$ 178,295,539</u>	<u>\$ (3,074,723)</u>	<u>\$ 1,730,657</u>	<u>\$ 173,490,159</u>

Depreciation expense was charged to governmental functions as follows:

<b>Governmental Activities</b>	
Instruction	\$ 4,331,411
School site administration	2,707,132
Home-to-school transportation	232,040
Food services	309,386
Plant services	154,693
Total Depreciation Expenses All Activities	<u>\$ 7,734,662</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE 5 - INTERFUND TRANSACTIONS**

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

Interfund receivable and payable balances at June 30, 2008, between major and non-major governmental funds are as follows:

Due To	Due From				Total
	General Fund	Cafeteria Fund	Capital Facilities Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 417,571	\$ 508,289	\$ 117,957	\$ 1,043,817
Cafeteria Fund	53,048	-	-	-	53,048
Capital Facilities Fund	17,744	-	-	-	17,744
Non-Major Governmental Funds	504,824	-	-	-	504,824
Total	<u>\$ 575,616</u>	<u>\$ 417,571</u>	<u>\$ 508,289</u>	<u>\$ 117,957</u>	<u>\$ 1,619,433</u>

The balance of \$417,517 due to the General Fund from the Cafeteria Fund resulted from payroll costs, and \$508,289 due to the General Fund from the Capital Facilities Fund resulted from construction costs. All remaining balance resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Operating Transfers**

Interfund transfers for the year ended June 30, 2008, consisted of the following:

Transfer To	Transfer From			Total
	General Fund	Capital Facilities Fund	Special Reserve Fund For Capital Outlay Projects	
Capital Facilities Fund	\$ 144,076	\$ -	\$ -	\$ 144,076
Special Reserve Fund for Capital Outlay Projects	-	-	100,000	100,000
Non-Major Governmental Funds	714,889	471,139	-	1,186,028
Total	<u>\$ 858,965</u>	<u>\$ 471,139</u>	<u>\$ 100,000</u>	<u>\$ 1,430,104</u>

The General Fund transferred to the Capital Facilities Fund for debt service payments.	\$ 144,076
The General Fund transferred to the Adult Education Fund for related expenditures.	20,346
The General Fund transferred to the Deferred Maintenance Fund for the District match.	694,543
The Capital Facilities Fund transferred to the COP Debt Service Fund for certificates of participation debt service.	471,139
The Special Reserve Fund for Capital Outlay Projects transferred between subfunds for construction expenditures.	100,000
Total	<u>\$ 1,430,104</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2008, consisted of the following:

	General Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Vendor payables	\$ 1,238,002	\$ 185,115	\$ -	\$ -	\$ 46,028	\$ 1,469,145
State apportionment	630,682	-	-	-	141,599	772,281
Salaries and benefits	749,868	5,872	-	-	78,950	834,690
Construction	-	-	3,591	330	12,255	16,176
Total	<u>\$ 2,618,552</u>	<u>\$ 190,987</u>	<u>\$ 3,591</u>	<u>\$ 330</u>	<u>\$ 278,832</u>	<u>\$ 3,092,292</u>

**NOTE 7 - DEFERRED REVENUE**

Deferred revenue at June 30, 2008, consists of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 6,002	\$ 964	\$ 6,966
State categorical aid	352,755	-	352,755
Other local	69,872	-	69,872
Total	<u>\$ 428,629</u>	<u>\$ 964</u>	<u>\$ 429,593</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE 8 - LONG-TERM OBLIGATIONS**

**Summary**

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

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008	Due in One Year
General obligation bonds	\$48,551,113	\$ 43,269	\$ 1,285,000	\$47,309,382	\$ 1,360,000
Certificates of participation	4,825,000	-	295,000	4,530,000	305,000
Municipal leases	19,665,000	-	380,000	19,285,000	910,000
Municipal lease discount	(176,038)	-	(9,509)	(166,529)	-
Accumulated vacation - net	1,521,092	108,063	-	1,629,155	-
Supplemental early retirement	346,000	-	222,000	124,000	92,000
	<u>\$74,732,167</u>	<u>\$ 151,332</u>	<u>\$ 2,172,491</u>	<u>\$72,711,008</u>	<u>\$ 2,667,000</u>

**General Obligations Refunding Bonds**

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2007	Principal Accretion	Bonds Redeemed	Bonds Outstanding June 30, 2008
April 1999	8/1/2027	4.6-5.8%	\$10,199,913	\$ 8,371,113	\$ 43,269	\$ 265,000	\$ 8,149,382
May 2001	8/1/2030	4.0-6.2%	31,705,000	27,415,000	-	630,000	26,785,000
May 2003	8/1/2027	2.0-4.5%	14,180,000	12,765,000	-	390,000	12,375,000
			<u>\$56,084,913</u>	<u>\$48,551,113</u>	<u>\$ 43,269</u>	<u>\$ 1,285,000</u>	<u>\$47,309,382</u>

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

**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 \$8,149,382.

**2001 Series A**

Series A of the 2001 General Obligations Refunding Bonds 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 \$26,785,000.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

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### 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 \$12,375,000.

The future debt service requirements for the three general obligation bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Principal Accretion</u>	<u>Total</u>
2009	\$ 1,360,000	\$ 2,499,209	\$ -	\$ 3,859,209
2010	1,430,000	2,441,082	-	3,871,082
2011	1,495,000	2,376,721	-	3,871,721
2012	1,590,000	2,306,995	-	3,896,995
2013	1,665,000	2,230,708	-	3,895,708
2014-2018	9,810,000	9,803,507	-	19,613,507
2019-2023	12,870,000	6,870,246	-	19,740,246
2024-2028	14,709,382	3,015,112	1,405,618	19,130,112
2029-2031	2,380,000	199,020	-	2,579,020
Total	<u>\$ 47,309,382</u>	<u>\$ 31,742,600</u>	<u>\$ 1,405,618</u>	<u>\$ 80,457,600</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

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### Certificates of Participation

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

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 1993-94 Certificates of Participation. The 2000 certificates mature during the 2019-2020 fiscal year with interest rates ranging from 6.40 percent to 7.50 percent. The balance of the 2000 certificates outstanding at June 30, 2008 was \$1,345,000.

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, 2008 was \$3,185,000.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 305,000	\$ 184,339	\$ 489,339
2010	310,000	174,468	484,468
2011	330,000	163,184	493,184
2012	330,000	150,730	480,730
2013	350,000	136,715	486,715
2014-2018	1,985,000	436,813	2,421,813
2019-2020	920,000	42,105	962,105
Total	<u>\$ 4,530,000</u>	<u>\$ 1,288,354</u>	<u>\$ 5,818,354</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

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### **Municipal Leases**

During the 2003-2004 fiscal year, the District entered into a lease agreement to finance the construction of the swimming pool at Rio Mesa High School. The lease carries an interest rate of four percent. The lease will be fully paid in September 2013. The lease will be paid by the General and Capital Facilities Funds. The balance outstanding for the 2004 municipal lease is \$1,615,000.

During the 2004-05 fiscal year, the District entered into a lease agreement to finance the purchase of a parcel of land for the future construction of a high school in the Camarillo area. The lease carries an interest rate of 4.5 percent. The lease will be fully paid in 2028. The lease will be paid by the Special Reserve Fund for Capital Outlay Projects. The balance outstanding for the 2005 municipal lease is \$5,325,000.

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 financial statements.

During the 2005-2006 fiscal year, the District issued lease revenue bonds to finance various capital improvement projects. The bonds were issued in two series. The 2006 Lease Revenue Bonds, Series A were issued in the amount of \$9,795,000, with an interest rate of 4.50 percent. The 2006 Lease Revenue Bonds, Series A, balance outstanding at June 30, 2008, was \$9,795,000. The 2006 Lease Revenue Bonds, Series B, were issued in the amount of 2,550,000, with interest rates ranging from 3.75 percent to 4.60 percent. The 2006 Lease Revenue Bonds, Series B, balance outstanding at June 30, 2008, was \$2,550,000. The Lease Revenue bond debt service will be paid by the Special Reserve Fund for Capital Outlay Projects. The 2006 Lease Revenue Bonds, Series A and B, were issued at discounts of \$114,776 and \$51,000, respectively. The discounts will be amortized over the term of the leases in the government-wide financial statements. The debt service requirements for the leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 910,000	\$ 810,268	\$ 1,720,268
2010	935,000	774,592	1,709,592
2011	975,000	737,730	1,712,730
2012	1,015,000	699,218	1,714,218
2013	1,060,000	658,605	1,718,605
2014-2018	4,780,000	2,707,736	7,487,736
2019-2023	5,575,000	1,664,795	7,239,795
2024-2028	3,655,000	453,157	4,108,157
2029-2031	380,000	17,100	397,100
Total	<u>\$ 19,285,000</u>	<u>\$ 8,523,201</u>	<u>\$ 27,808,201</u>

### **Accumulated Unpaid Employee Vacation**

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2008, amounted to \$1,629,155. Accumulated vacation will be paid by the fund for which the employee worked.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

### Supplemental Early Retirement

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

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

Year Ending June 30,	Retirement Payment
2009	\$ 92,000
2010	32,000
Total	<u>\$ 124,000</u>

### NOTE 9 - FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Reserved						
Revolving cash	\$ 10,000	\$ 1,798	\$ -	\$ -	\$ -	\$ 11,798
Stores inventories	127,650	64,742	-	-	-	192,392
Prepaid expenditures	5,006	700	-	-	12,785	18,491
Restricted programs	4,339,121	-	-	-	-	4,339,121
Total Reserved	<u>4,481,777</u>	<u>67,240</u>	<u>-</u>	<u>-</u>	<u>12,785</u>	<u>4,561,802</u>
Unreserved						
Designated						
Economic uncertainties	4,041,239	-	-	-	-	4,041,239
Other designation	7,562,792	-	-	-	-	7,562,792
Total Designated	<u>11,604,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,604,031</u>
Undesignated						
	8,448,678	2,908,170	9,667,307	8,413,860	7,656,341	37,094,356
Total Unreserved	<u>20,052,709</u>	<u>2,908,170</u>	<u>9,667,307</u>	<u>8,413,860</u>	<u>7,656,341</u>	<u>48,698,387</u>
Total	<u>\$24,534,486</u>	<u>\$ 2,975,410</u>	<u>\$ 9,667,307</u>	<u>\$ 8,413,860</u>	<u>\$ 7,669,126</u>	<u>\$53,260,189</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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### NOTE 10 - POSTEMPLOYMENT BENEFITS

The District provides postemployment health care benefits, in accordance with District employment contracts, to all employees who retire from the District on or after attaining age 55 with at least 15 years of service. Currently, 476 retirees meet those eligibility requirements in the program. The District contributes 100 percent of the amount of premiums incurred by retirees and their dependents for those who retired during or prior to 1991. Those who retired after 1991 contribute \$150 per month toward the cost of the preferred provider plan or \$52 per month for the health maintenance organization. Expenditures for postemployment benefits are recognized on a pay-as-you-go basis, as premiums are paid. During the year, expenditures of \$4,265,974 recognized for retirees' health care benefits.

The District had an actuarial study completed during 2007. The accumulated future liability as of July 1, 2007, amounts to \$115,470,463 for all current and future retirees as determined by the actuarial study. The accrued liability for retirees age 65 and over amounts to \$187,339,000.

### NOTE 11 - RISK MANAGEMENT

#### Description

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

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

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

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### **Employee Medical Benefits**

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

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

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

#### **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 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, CA 95826.

##### **Funding Policy**

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2007-2008 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, 2008, 2007, and 2006, were \$5,477,434, \$5,117,360, and \$4,764,885, respectively, and equal 100 percent of the required contributions for each year.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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### CalPERS

#### Plan Description

The District contributes to CalPERS; a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 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 2007-2008 was 9.306 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2008, 2007, and 2006, were \$1,840,269, \$1,701,699, and \$1,540,981, respectively, and equal 100 percent of the required contributions for each year.

#### Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (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 and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,998,974 (4.517 percent of salaries subject to CalSTRS). No contributions were made to CalPERS for the year ended June 30, 2008. 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.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

The District has received information that reimbursement claims filed for the child nutrition program may have overstated or misclassified meals served during 2007-2008 and in prior years. The California Department of Education, Nutrition Services Division, is conducting an investigation of the matter. In addition, the District has engaged the service of a certified fraud examiner in an attempt to determine whether or not misstatements occurred. There exists the possibility that the District will be required to return funds received by the food service program and recorded as revenue in the Cafeteria Fund during 2007-2008 or prior to that period.

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2008.

**Construction Commitments**

As of June 30, 2008, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECTS</u>	<u>Remaining Construction Commitments</u>	<u>Expected Date of Completion</u>
Channel Islands H.S. - Enclosed freezer	\$ 98,891	9/1/2008
Hueneme H.S. - Bleachers	226,500	9/1/2008
	<u>\$ 325,391</u>	

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

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

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

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, 2008, the District made payments of \$4,586,891, \$17,537,459, and \$3,302 to VCSSFA, CSEBO, and VCFASTA, respectively.

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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, 2008

	Budgeted Amounts		Actual (GAAP Basis)	Variances -
	(GAAP Basis)			Positive
	Original	Final		(Negative) Final to Actual
<b>REVENUES</b>				
Revenue limit sources	\$100,777,472	\$102,452,022	\$102,710,911	\$ 258,889
Federal sources	7,335,185	7,468,548	7,369,676	(98,872)
Other State sources	12,659,296	16,053,034	19,411,905	3,358,871
Other local sources	9,235,431	10,000,844	10,233,280	232,436
<b>Total Revenues</b> <sup>1</sup>	<u>130,007,384</u>	<u>135,974,448</u>	<u>139,725,772</u>	<u>3,751,324</u>
<b>EXPENDITURES</b>				
Current				
Instruction	79,165,589	87,221,200	86,165,059	1,056,141
Instruction-related activities:				
Supervision of instruction	2,408,825	3,758,575	2,867,974	890,601
Instructional library, media, and technology	2,050,881	2,317,396	1,944,655	372,741
School site administration	10,381,710	10,212,162	10,418,994	(206,832)
Pupil services:				
Home-to-school transportation	9,997,705	10,921,892	1,545,157	9,376,735
All other pupil services	1,460,100	1,508,287	10,009,908	(8,501,621)
General administration:				
Data processing	1,589,763	1,634,592	1,553,564	81,028
All other general administration	5,945,248	5,375,084	5,452,587	(77,503)
Plant services	13,698,603	14,225,740	13,607,204	618,536
Facility acquisition and construction	29,160	25,800	329,122	(303,322)
Ancillary services	1,718,237	1,829,714	2,073,919	(244,205)
Community services	200,184	210,241	243,846	(33,605)
Other outgo	580,000	580,000	569,811	10,189
Debt service				
Principal	51,113	51,113	51,112	1
Interest	15,073	15,073	15,074	(1)
<b>Total Expenditures</b> <sup>1</sup>	<u>129,292,191</u>	<u>139,886,869</u>	<u>136,847,986</u>	<u>3,038,883</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>715,193</u>	<u>(3,912,421)</u>	<u>2,877,786</u>	<u>6,790,207</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	33,577	33,577	-	(33,577)
Transfers out	(862,176)	(863,629)	(858,965)	4,664
<b>Net Financing Sources (Uses)</b>	<u>(828,599)</u>	<u>(830,052)</u>	<u>(858,965)</u>	<u>(28,913)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(113,406)</u>	<u>(4,742,473)</u>	<u>2,018,821</u>	<u>6,761,294</u>
<b>Fund Balance - Beginning</b>	<u>22,515,665</u>	<u>22,515,665</u>	<u>22,515,665</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 22,402,259</u>	<u>\$ 17,773,192</u>	<u>\$ 24,534,486</u>	<u>\$ 6,761,294</u>

<sup>1</sup> On behalf payments of \$2,998,974 are included in the actual revenues and expenditures, but have not been included in the budgeted amounts.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**CAFETERIA FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual (GAAP Basis)	Variances - Positive (Negative) Final to Actual
	(GAAP Basis)			
	Original	Final		
<b>REVENUES</b>				
Federal sources	\$ 3,603,152	\$ 3,603,152	\$ 3,733,110	\$ 129,958
Other State sources	335,767	335,767	375,424	39,657
Other local sources	2,526,525	2,526,525	2,428,624	(97,901)
<b>Total Revenues</b> <sup>1</sup>	<u>6,465,444</u>	<u>6,465,444</u>	<u>6,537,158</u>	<u>71,714</u>
<b>EXPENDITURES</b>				
Current				
Pupil services:				
Food services	5,636,054	5,624,220	5,843,293	(219,073)
General administration:				
All other general administration	435,516	435,516	411,567	23,949
Facility acquisition and construction	250,000	250,000	495,346	(245,346)
<b>Total Expenditures</b> <sup>1</sup>	<u>6,321,570</u>	<u>6,309,736</u>	<u>6,750,206</u>	<u>(440,470)</u>
<b>NET CHANGE IN FUND BALANCES</b>	143,874	155,708	(213,048)	(368,756)
<b>Fund Balance - Beginning</b>	3,188,458	3,188,458	3,188,458	-
<b>Fund Balance - Ending</b>	<u>\$ 3,332,332</u>	<u>\$ 3,344,166</u>	<u>\$ 2,975,410</u>	<u>\$ (368,756)</u>

<sup>1</sup> The fair market value of commodities received from the federal government and used in the cafeteria program in the amount of \$290,455, is included in the actual revenues and expenditures, but has not been included in the budgeted amounts.

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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, 2008**

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through California Department of Education (CDE):			
No Child Left Behind Act (2001)			
Title I, Part A - Basic Grants Low Income and Neglected	84.010	14329	\$ 1,970,718
Title II, Part A - Teacher Quality	84.367A	14346	301,075
Title II, Part D - Enhancing Education Through Technology	84.318	14334	19,013
Title III - Immigrant Education	84.365A	14346	63,207
Title III - Limited English Proficiency	84.365A	14346	145,239
Title IV, Part A - Safe and Drug-Free Schools	84.186A	14347	54,410
Title V, Part A - Innovative Education Strategies	84.298A	14354	15,937
Advanced Placement Testing Fees	84.330	13917	53,425
Workability II, Transition Partnership	84.158	10006	173,895
Passed through Ventura County SELPA:			
PL 101-476, Individuals with Disabilities Education Act			
Local Assistance	84.027A	13379	2,399,236
Carl Perkins Vocational and Applied Technology Educational Act of 1998			
Title IIC - Secondary Education	84.048	13924	395,147
Passed through Ventura County Department of Education:			
School to Career	84.278	10009	9,520
ESEA, Title I, Part C - Migrant Education	84.011	14326	1,062,910
ESEA, Title I, Part C - Migrant Education, Summer School	84.011	10005	151,952
Subtotal			<u>6,815,684</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through CDE:			
National School Lunch Program	10.555	13524	2,155,454
Especially Needy Breakfast	10.553	13526	1,278,932
Meal Supplements	10.555	13755	838
Food Distribution	10.555	N/A	290,455
Subtotal			<u>3,725,679</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through CDE:			
LEA Medi-Cal Billing Option	93.778	10013	205,931
Medical Administrative Activities Program	93.778	10060	230,933
Child Development: Quality Improvement Activities	93.575	13979	4,049
Subtotal			<u>440,913</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Junior Reserve Officer Training Corps - Air Force	12.000	[1]	118,865
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed through the City of Oxnard:			
Public Safety Partnership and Community Policing Grant	16.710	N/A	3,294
Total Federal Programs			<u>\$ 11,104,435</u>

[1] Pass-Through Entity Identifying Number not applicable-Direct funded program.

N/A Not Applicable

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2008

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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, three 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>
Irene Pinkard, Ed. D.	President	2010
Steve W. Stocks	Vice President	2008
Robert Q. Valles	Clerk	2010
Socorro Lopez Hanson	Member	2010
Richard D. Jaquez	Member	2008

### ADMINISTRATION

Jody Dunlap, Ed.D.	Superintendent
Randy Winton	Assistant Superintendent, Business Services
Roger Rice	Assistant Superintendent, Human Resources
Martha Mutz	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, 2008**

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	Revised Second Period Report	Revised Annual Report
	<u>          </u>	<u>          </u>
<b>HIGH SCHOOL</b>		
Regular classes	14,062	13,863
Continuation education	283	293
Opportunity schools	62	64
Home and hospital	17	21
Special education	693	689
Total Secondary	<u>15,117</u>	<u>14,930</u>
<b>CLASSES FOR ADULTS</b>		
Concurrently enrolled	12	14
Not concurrently enrolled	1,373	1,657
Total Class for Adults	<u>1,385</u>	<u>1,671</u>
Grand Total	<u><u>16,502</u></u>	<u><u>16,601</u></u>
		<u>Hours of Attendance</u>
<b>SUMMER SCHOOL</b>		
High school		<u><u>335,012</u></u>

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Grade Level</u>	1982-83	1986-87	2007-08	Number of Days		<u>Status</u>
	<u>Actual Minutes</u>	<u>Minutes Requirement</u>	<u>Actual Minutes</u>	<u>Traditional Calendar</u>	<u>Multitrack Calendar</u>	
Grades 9 - 12	59,712	64,800				
Grade 9			65,162	180	N/A	Complied
Grade 10			65,162	180	N/A	Complied
Grade 11			65,162	180	N/A	Complied
Grade 12			65,162	180	N/A	Complied

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

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

	General Fund	Special Reserve Fund for Capital Outlay Projects
	<u>                    </u>	<u>                    </u>
FUND BALANCE		
Balance, June 30, 2008, Unaudited Actuals	\$ 23,913,318	\$ 10,163,235
Increase in:		
Accounts receivable	621,168	-
Decrease in:		
Cash with fiscal agent	-	(436,986)
Investments	-	(1,312,389)
Balance, June 30, 2008, Audited Financial Statement	<u>\$ 24,534,486</u>	<u>\$ 8,413,860</u>

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

	(Budget) 2009 <sup>1</sup>	2008	2007	2006
<b>GENERAL FUND</b>				
Revenues	\$ 133,471,661	\$ 139,725,772	\$ 136,140,896	\$ 121,177,235
Other sources and transfers in	31,403	-	196,723	690,948
Total Revenues and Other Sources	133,503,064	139,725,772	136,337,619	121,868,183
Expenditures	132,635,257	136,847,986	128,699,807	121,490,997
Other uses and transfers out	890,011	858,965	857,219	801,125
Total Expenditures and Other Uses	133,525,268	137,706,951	129,557,026	122,292,122
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ (22,204)</b>	<b>\$ 2,018,821</b>	<b>\$ 6,780,593</b>	<b>\$ (423,939)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 24,512,282</b>	<b>\$ 24,534,486</b>	<b>\$ 22,515,665</b>	<b>\$ 15,735,072</b>
<b>AVAILABLE RESERVES<sup>2</sup></b>	<b>\$ 12,038,090</b>	<b>\$ 13,116,108</b>	<b>\$ 10,759,262</b>	<b>\$ 10,514,102</b>
<b>AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO<sup>3</sup></b>	<b>9.0%</b>	<b>9.7%</b>	<b>8.5%</b>	<b>8.8%</b>
<b>LONG-TERM OBLIGATIONS</b>	<b>N/A</b>	<b>\$ 72,711,008</b>	<b>\$ 74,732,167</b>	<b>\$ 76,570,710</b>
<b>AVERAGE DAILY ATTENDANCE AT P-2<sup>4</sup></b>	<b>15,117</b>	<b>15,117</b>	<b>14,937</b>	<b>14,562</b>

The General Fund balance has increased by \$8,799,414 over the past two years. The fiscal year 2008-2009 budget projects a decrease of \$22,204 (0.1 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years, but anticipates incurring an operating deficit during the 2008-2009 fiscal year. Total long-term obligations have decreased by \$3,859,702 over the past two years.

Average daily attendance has increased by 555 over the past two years. No change in ADA is anticipated during fiscal year 2008-2009.

<sup>1</sup> Budget 2009 is included for analytical purposes only and has not been subjected to audit.

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

<sup>3</sup> On behalf payments of \$2,998,974, \$2,806,831, and \$2,608,846 have been excluded from the calculation of available reserves for the fiscal years ending June 30, 2008, 2007, and 2006.

<sup>4</sup> Excludes adult education ADA.

See accompanying note to supplementary information.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **EXCESS SICK LEAVE**

**JUNE 30, 2008**

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### **Section 19833.5 (a)(3) or (a)(3)(b) Disclosure**

Oxnard Union High School District does not provide more than 12 sick leave days in a school year to any CalSTRS member.

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2008**

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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

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2008

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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.

#### **Local Education Agency Organization Structure**

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

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

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

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

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. 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 requirements, 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.

#### **Excess Sick Leave**

This schedule provides information required by the Audit Guide for California K-12 Local Educational Agencies for excess sick leave authorized or accrued for members of the California State Teachers' Retirement System (CalSTRS).

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2008**

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

#### **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.

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***SUPPLEMENTARY INFORMATION - UNAUDITED***

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**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET - UNAUDITED  
JUNE 30, 2008**

	<b>Adult Education Fund</b>	<b>Child Development Fund</b>	<b>Deferred Maintenance Fund</b>	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>
<b>ASSETS</b>				
Deposits and investments	\$ 769,102	\$ 36	\$ 1,161,530	\$ 620,713
Receivables	850,154	-	1,694	5,478
Due from other funds	504,824	-	-	-
Prepaid expenditures	12,785	-	-	-
<b>Total Assets</b>	<b>\$ 2,136,865</b>	<b>\$ 36</b>	<b>\$ 1,163,224</b>	<b>\$ 626,191</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 266,577	\$ -	\$ 7,075	\$ -
Due to other funds	117,824	-	-	-
Deferred revenue	928	36	-	-
<b>Total Liabilities</b>	<b>385,329</b>	<b>36</b>	<b>7,075</b>	<b>-</b>
<b>FUND BALANCES</b>				
Reserved for:				
Prepaid expenditures	12,785	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue funds	1,738,751	-	1,156,149	626,191
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total Fund Balances</b>	<b>1,751,536</b>	<b>-</b>	<b>1,156,149</b>	<b>626,191</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,136,865</b>	<b>\$ 36</b>	<b>\$ 1,163,224</b>	<b>\$ 626,191</b>

See accompanying note to supplementary information - unaudited.

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<b>Foundation Fund</b>	<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>COP Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 61,391	\$ 149,017	\$ 3,321,282	\$ 580,640	\$ 6,663,711
889	1,330	26,014	-	885,559
-	-	-	-	504,824
-	-	-	-	12,785
<u>\$ 62,280</u>	<u>\$ 150,347</u>	<u>\$ 3,347,296</u>	<u>\$ 580,640</u>	<u>\$ 8,066,879</u>
\$ -	\$ 4,530	\$ 650	\$ -	\$ 278,832
-	133	-	-	117,957
-	-	-	-	964
-	4,663	650	-	397,753
-	-	-	-	12,785
62,280	-	-	-	3,583,371
-	-	3,346,646	580,640	3,927,286
-	145,684	-	-	145,684
<u>62,280</u>	<u>145,684</u>	<u>3,346,646</u>	<u>580,640</u>	<u>7,669,126</u>
<u>\$ 62,280</u>	<u>\$ 150,347</u>	<u>\$ 3,347,296</u>	<u>\$ 580,640</u>	<u>\$ 8,066,879</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Adult Education Fund</b>	<b>Child Development Fund</b>	<b>Deferred Maintenance Fund</b>	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>
<b>REVENUES</b>				
Revenue limit sources	\$ 4,550,040	\$ -	\$ -	\$ -
Federal sources	1,649	-	-	-
Other State sources	-	-	632,659	-
Other local sources	286,678	-	14,997	23,702
<b>Total Revenues</b>	<b>4,838,367</b>	<b>-</b>	<b>647,656</b>	<b>23,702</b>
<b>EXPENDITURES</b>				
Current				
Instruction	2,189,694	-	-	-
Instruction-related activities:				
Supervision of instruction	100,145	-	-	-
School site administration	922,485	-	-	-
Pupil services:				
All other pupil services	222,275	-	-	-
Administration:				
All other administration	115,427	-	-	-
Plant services	345,436	-	602,389	-
Facility acquisition and construction	26,311	-	3,408	-
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
<b>Total Expenditures</b>	<b>3,921,773</b>	<b>-</b>	<b>605,797</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>916,594</b>	<b>-</b>	<b>41,859</b>	<b>23,702</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,346	-	694,543	-
<b>Net Financing Sources (Uses)</b>	<b>20,346</b>	<b>-</b>	<b>694,543</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>936,940</b>	<b>-</b>	<b>736,402</b>	<b>23,702</b>
<b>Fund Balance - Beginning</b>	<b>814,596</b>	<b>-</b>	<b>419,747</b>	<b>602,489</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,751,536</b>	<b>\$ -</b>	<b>\$ 1,156,149</b>	<b>\$ 626,191</b>

See accompanying note to supplementary information - unaudited.

<b>Foundation Fund</b>	<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>COP Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 4,550,040
-	-	-	-	1,649
-	-	29,867	-	662,526
5,327	6,028	3,715,342	19,375	4,071,449
<u>5,327</u>	<u>6,028</u>	<u>3,745,209</u>	<u>19,375</u>	<u>9,285,664</u>
-	-	-	-	2,189,694
-	-	-	-	100,145
4,100	-	-	-	926,585
-	-	-	-	222,275
-	-	-	-	115,427
-	-	-	-	947,825
-	16,982	-	-	46,701
-	-	1,285,000	295,000	1,580,000
-	-	2,554,201	193,199	2,747,400
<u>4,100</u>	<u>16,982</u>	<u>3,839,201</u>	<u>488,199</u>	<u>8,876,052</u>
<u>1,227</u>	<u>(10,954)</u>	<u>(93,992)</u>	<u>(468,824)</u>	<u>409,612</u>
-	-	-	471,139	1,186,028
-	-	-	471,139	1,186,028
1,227	(10,954)	(93,992)	2,315	1,595,640
61,053	156,638	3,440,638	578,325	6,073,486
<u>\$ 62,280</u>	<u>\$ 145,684</u>	<u>\$ 3,346,646</u>	<u>\$ 580,640</u>	<u>\$ 7,669,126</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE BY OBJECT - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>General Fund</b>	<b>Cafeteria Fund</b>	<b>Capital Facilities Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>
<b>REVENUES</b>				
Revenue limit sources	\$102,710,911	\$ -	\$ -	\$ -
Federal sources	7,369,676	3,733,110	-	-
Other State sources	19,411,905	375,424	-	-
Other local sources	10,233,280	2,428,624	2,706,558	419,145
<b>Total Revenues</b>	<b>139,725,772</b>	<b>6,537,158</b>	<b>2,706,558</b>	<b>419,145</b>
<b>EXPENDITURES</b>				
Current Expenditures				
Certificated salaries	66,301,727	-	-	-
Classified salaries	18,374,804	2,054,599	-	-
Employee benefits	31,305,810	967,114	-	-
Books and supplies	7,684,809	2,604,078	106	-
Services and operating expenditures	12,239,647	151,492	68,031	405,633
Other outgo	(9,018)	411,567	51,835	-
Capital outlay	884,021	561,356	522,281	983,671
Debt service - principal	51,113	-	328,888	-
Debt service - interest and other	15,073	-	257,387	534,600
<b>Total Expenditures</b>	<b>136,847,986</b>	<b>6,750,206</b>	<b>1,228,528</b>	<b>1,923,904</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,877,786</b>	<b>(213,048)</b>	<b>1,478,030</b>	<b>(1,504,759)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	144,076	100,000
Operating transfers out	(858,965)	-	(471,139)	(100,000)
<b>Total Financing Sources (Uses)</b>	<b>(858,965)</b>	<b>-</b>	<b>(327,063)</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>2,018,821</b>	<b>(213,048)</b>	<b>1,150,967</b>	<b>(1,504,759)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>22,515,665</b>	<b>3,188,458</b>	<b>8,516,340</b>	<b>9,918,619</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 24,534,486</b>	<b>\$ 2,975,410</b>	<b>\$ 9,667,307</b>	<b>\$ 8,413,860</b>

See accompanying note to supplementary information - unaudited.

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<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 4,550,040	\$107,260,951
1,649	11,104,435
662,526	20,449,855
4,071,449	19,859,056
<u>9,285,664</u>	<u>158,674,297</u>
1,810,899	68,112,626
476,455	20,905,858
662,445	32,935,369
191,242	10,480,235
1,256,211	14,121,014
115,427	569,811
35,973	2,987,302
1,580,000	1,960,001
2,747,400	3,554,460
<u>8,876,052</u>	<u>155,626,676</u>
<u>409,612</u>	<u>3,047,621</u>
1,186,028	1,430,104
-	(1,430,104)
<u>1,186,028</u>	<u>-</u>
1,595,640	3,047,621
6,073,486	50,212,568
<u>\$ 7,669,126</u>	<u>\$ 53,260,189</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE BY OBJECT - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Adult Education Fund</b>	<b>Child Development Fund</b>	<b>Deferred Maintenance Fund</b>	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>
<b>REVENUES</b>				
Revenue limit sources	\$ 4,550,040	\$ -	\$ -	\$ -
Federal sources	1,649	-	-	-
Other State sources	-	-	632,659	-
Other local sources	286,678	-	14,997	23,702
<b>Total Revenues</b>	<b>4,838,367</b>	<b>-</b>	<b>647,656</b>	<b>23,702</b>
<b>EXPENDITURES</b>				
Current Expenditures				
Certificated salaries	1,810,899	-	-	-
Classified salaries	476,455	-	-	-
Employee benefits	662,445	-	-	-
Books and supplies	190,089	-	1,153	-
Services and operating expenditures	633,893	-	601,236	-
Other outgo	115,427	-	-	-
Capital outlay	32,565	-	3,408	-
Debt service - principal	-	-	-	-
Debt service - interest and other	-	-	-	-
<b>Total Expenditures</b>	<b>3,921,773</b>	<b>-</b>	<b>605,797</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>916,594</b>	<b>-</b>	<b>41,859</b>	<b>23,702</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	20,346	-	694,543	-
<b>Total Financing Sources (Uses)</b>	<b>20,346</b>	<b>-</b>	<b>694,543</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>936,940</b>	<b>-</b>	<b>736,402</b>	<b>23,702</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>814,596</b>	<b>-</b>	<b>419,747</b>	<b>602,489</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,751,536</b>	<b>\$ -</b>	<b>\$ 1,156,149</b>	<b>\$ 626,191</b>

See accompanying note to supplementary information - unaudited.

<b>Foundation Fund</b>	<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>COP Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 4,550,040
-	-	-	-	1,649
-	-	29,867	-	662,526
5,327	6,028	3,715,342	19,375	4,071,449
<u>5,327</u>	<u>6,028</u>	<u>3,745,209</u>	<u>19,375</u>	<u>9,285,664</u>
-	-	-	-	1,810,899
-	-	-	-	476,455
-	-	-	-	662,445
-	-	-	-	191,242
4,100	16,982	-	-	1,256,211
-	-	-	-	115,427
-	-	-	-	35,973
-	-	1,285,000	295,000	1,580,000
-	-	2,554,201	193,199	2,747,400
<u>4,100</u>	<u>16,982</u>	<u>3,839,201</u>	<u>488,199</u>	<u>8,876,052</u>
<u>1,227</u>	<u>(10,954)</u>	<u>(93,992)</u>	<u>(468,824)</u>	<u>409,612</u>
-	-	-	471,139	1,186,028
-	-	-	471,139	1,186,028
1,227	(10,954)	(93,992)	2,315	1,595,640
61,053	156,638	3,440,638	578,325	6,073,486
<u>\$ 62,280</u>	<u>\$ 145,684</u>	<u>\$ 3,346,646</u>	<u>\$ 580,640</u>	<u>\$ 7,669,126</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SPECIAL RESERVE FUND FOR CAPITAL OUTLAY PROJECTS**

**SUB-FUND DETAIL**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES OF FUND BALANCE BY OBJECT - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2008**

	Certificates of Participation	ACHS Growth	PHS Startup	RMHS Pool
<b>REVENUES</b>				
Other local sources	\$ 56,911	\$ (1,971)	\$ 128,794	\$ 7,429
<b>EXPENDITURES</b>				
Current Expenditures				
Services and operating expenditures	-	-	-	-
Capital outlay	-	15,590	-	-
Debt service - interest and other	-	-	-	-
<b>Total Expenditures</b>	-	15,590	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	56,911	(17,561)	128,794	7,429
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	(100,000)	-	-
<b>Total Financing             Sources (Uses)</b>	-	(100,000)	-	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	56,911	(117,561)	128,794	7,429
<b>FUND BALANCE, BEGINNING OF YEAR</b>	1,446,673	573,792	3,410,319	217,141
<b>FUND BALANCE, END OF YEAR</b>	\$ 1,503,584	\$ 456,231	\$ 3,539,113	\$ 224,570

See accompanying note to supplementary information - unaudited.

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<b>Lease Revenue Bonds</b>	<b>Special Reserve Fund for Capital Outlay Projects Total</b>
\$ 227,982	\$ 419,145
405,633	405,633
968,081	983,671
534,600	534,600
<u>1,908,314</u>	<u>1,923,904</u>
<u>(1,680,332)</u>	<u>(1,504,759)</u>
100,000	100,000
<u>-</u>	<u>(100,000)</u>
<u>100,000</u>	<u>-</u>
(1,580,332)	(1,504,759)
4,270,694	9,918,619
<u>\$ 2,690,362</u>	<u>\$ 8,413,860</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GENERAL FUND SELECTED FINANCIAL INFORMATION  
THREE-YEAR SUMMARY OF REVENUES, EXPENDITURES AND  
CHANGES OF FUND BALANCE - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2008**

(Amounts in thousands)

	Actual Results for the Years					
	2007-2008		2006-2007		2005-2006	
	Amount	Percent of Revenue	Amount	Percent of Revenue	Amount	Percent of Revenue
<b>REVENUES</b>						
Federal revenue	\$ 7,370	5.3	\$ 8,142	6.0	\$ 9,343	7.7
State and local revenue included in revenue limit	102,711	73.5	98,039	72.0	89,027	73.5
Other State revenue	19,412	13.9	19,014	14.0	13,090	10.8
Other local revenue	3,625	2.6	4,512	3.3	3,811	3.1
Tuition and transfers in	6,608	4.7	6,434	4.7	5,906	4.9
<b>Total Revenues</b>	<b>139,726</b>	<b>100.0</b>	<b>136,141</b>	<b>100.0</b>	<b>121,177</b>	<b>100.0</b>
<b>EXPENDITURES</b>						
Salaries and Benefits						
Certificated salaries	66,302	47.5	62,070	45.6	57,378	47.4
Classified salaries	18,375	13.2	17,333	12.7	15,838	13.1
Employee benefits	31,306	22.4	31,018	22.8	31,633	26.1
<b>Total Salaries and Benefits</b>	<b>115,983</b>	<b>83.1</b>	<b>110,421</b>	<b>81.1</b>	<b>104,849</b>	<b>86.6</b>
Books and supplies	7,685	5.5	6,698	4.9	5,144	4.2
Contracts and operating expenses	12,240	8.8	10,803	7.9	11,188	9.2
Capital outlay	884	0.6	1,237	0.9	917	0.8
Tuition and transfers out	56	0.0	(459)	(0.3)	(607)	(0.5)
<b>Total Expenditures</b>	<b>136,848</b>	<b>98.0</b>	<b>128,700</b>	<b>94.5</b>	<b>121,491</b>	<b>100.3</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,878</b>	<b>2.0</b>	<b>7,441</b>	<b>5.5</b>	<b>(314)</b>	<b>(0.3)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	0.0	197	0.1	691	0.6
Operating transfers out	(859)	(0.6)	(857)	(0.6)	(801)	(0.7)
<b>Total Financing Sources (Uses)</b>	<b>(859)</b>	<b>(0.6)</b>	<b>(660)</b>	<b>(0.5)</b>	<b>(110)</b>	<b>(0.1)</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>2,019</b>	<b>1.4</b>	<b>6,781</b>	<b>5.0</b>	<b>(424)</b>	<b>(0.4)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>22,516</b>		<b>15,735</b>		<b>16,159</b>	
<b>FUND BALANCE, ENDING</b>	<b>\$ 24,535</b>		<b>\$ 22,516</b>		<b>\$ 15,735</b>	

See accompanying note to supplementary information - unaudited.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION - UNAUDITED JUNE 30, 2008

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### NOTE 1 - PURPOSE OF SCHEDULES

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

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

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

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

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

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

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***INDEPENDENT AUDITORS' REPORTS***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board  
Oxnard Union High School District  
Oxnard, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High School District (the "District") as of and for the year ended June 30, 2008, which collectively comprise Oxnard Union High School District's basic financial statements and have issued our report thereon dated February 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Oxnard Union High School District's internal control over financial reporting 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings 2008-1 and 2008-2, and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider items 2008-1 and 2008-2 to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oxnard Union High School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as item 2008-3.

We noted certain matters that we reported to management of Oxnard Union High School District in a separate letter dated February 18, 2009.

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.

Vannuch, Tim, Day & Co., LLP

Rancho Cucamonga, California

February 18, 2009



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

Governing Board  
Oxnard Union High School District  
Oxnard, California

**Compliance**

We have audited the compliance of Oxnard Union High School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2008. 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.

As described in item 2008-3 in the accompanying schedule of findings and questioned costs, Oxnard Union High School District did not comply with requirements regarding meals claimed for reimbursement requirement in 7CFR 210.18 that are applicable to its National School Lunch Program. Compliance with such requirements is necessary, in our opinion, for Oxnard Union High School District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Oxnard Union High School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2008.

## 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in a district's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2008-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 2008-1 to be material weaknesses.

Oxnard Union High School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Oxnard Union High School District's response and, accordingly, we express no opinion on it.

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.

Vannink, Tui, Day & Co., LLP

Rancho Cucamonga, California  
February 18, 2009



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board
Oxnard Union High School District
Oxnard, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High School District as of and for the year ended June 30, 2008, and have issued our report thereon dated February 18, 2009. 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 2007-08, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

Table with 3 columns: Item, Procedures in Audit Guide, Procedures Performed. Rows include Attendance Accounting, Instructional Time, Community day schools, Morgan-Hart Class Size Reduction, and Instructional Materials.

	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
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 Construction Funds:		
School District bonds	3	Yes
State school facilities funds	1	Not Applicable
Excess sick leave	3	Yes
Notice of right to elect California State Teachers Retirement System (CalSTRS) membership	1	Yes
Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000)	2	Yes
State Lottery Funds (California State Lottery Act of 1984)	2	Yes
California School Age Families Education (Cal-SAFE) Program	3	Yes
School Accountability Report Card	3	Yes
Mathematics and Reading Professional Development	4	Not Applicable
Class Size Reduction Program (including in Charter Schools):		
General requirements	7	Not Applicable
Option one classes	3	Not Applicable
Option two classes	4	Not Applicable
District or charter schools with only one school serving K-3	4	Not Applicable
After School Education and Safety Program		
General requirements	4	Not Applicable
After school	4	Not Applicable
Before school	5	Not Applicable
Charter Schools:		
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

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

This report is intended solely for the information and use of the governing board, 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.

*Vannink, Tinn, Day & Co., LLP*

Rancho Cucamonga, California  
February 18, 2009

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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, 2008**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Qualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>Yes</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>Yes</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>Yes</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for major programs:	<u>Qualified</u>
Unqualified for all major programs except for the Child Nutrition Cluster, which was qualified.	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>Yes</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>NCLB, Title I, Part A, Basic Grants</u>
<u>84.011</u>	<u>NCLB, Title I, Part C, Migrant Education</u>
<u>84.027</u>	<u>Individuals with Disabilities Education Act Cluster</u>
<u>10.553 and 10.555</u>	<u>Child Nutrition Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 333,133</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2008

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The following findings represent 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 findings have been coded as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
30000	Internal Control
60000	Miscellaneous

### 2008-1 30000, 60000 MATERIAL WEAKNESS

#### *COMPONENT UNIT*

##### **Finding**

The District is required to provide health benefits to retirees meeting eligibility requirements, according to bargaining unit agreements. The District has established the Oxnard Union High School District Retiree Health Benefits Plan Trust, a component unit of the District, to hold funds for future retiree health benefits. The Trust has been funded solely with contributions from the Oxnard Union High School District's funds.

According to government accounting standards, the Trust should be included as a discretely-presented component unit of the District. However, the Trust has not obtained an annual audit for the fiscal year ended June 30, 2008, and the District has not included it in the government-wide financial statements.

##### **Recommendation**

The Trust should obtain a financial statement audit for the fiscal year ending June 30, 2009. This would allow the District to include the activity of the Trust in the government-wide financial statements as of that date and for the year then ended.

##### **District Response**

The District will obtain a financial statement audit for the fiscal year ending June 30, 2009.

# OXNARD UNION HIGH SCHOOL DISTRICT

## FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2008

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### 2008-2 30000 MATERIAL WEAKNESS

#### *CAFETERIA FUND - MEALS SERVED*

##### **Finding**

The District is paid by State and Federal agencies for free, reduced-price, and paid lunches served to children eligible for free, reduced-price, and paid lunches, respectively. The meals must be counted, recorded, consolidated and reported through a system which consistently yields correct claims.

We noted that school-site cafeteria managers manually enter meals counts for meals served outside of the point of sale system. The District was unable to provide supporting documentation for these manual entries to the system. .

Additionally, it was noted the position "Director of Instructional Support Services" is responsible for overseeing and monitoring students' participation in free and reduced-price lunch program, as well as Transitional Assistance for Needy Families (TANF), and prepare appropriate reports. As of June 30, 2008, fiscal audit year, the position was vacant and the responsibilities regarding the monitoring were not formally reassigned.

##### **Recommendation**

The District should develop and implement a procedure to tally those meals served outside of the point of sale system and maintain these records in accordance with the District's records retention plan. The records should identify the students served, either by name or identification number, so that their eligibility status may be verified.

Additionally, the District should formally reassign the monitoring duties to provide monthly recaps and written reports to management for each site.

##### **District Response**

All meals counted as free, reduced-price, and paid are now supported by documentation that allows matching claims submitted to the names and ID numbers of the students served.

In addition to the vacant Director of Instructional Support position the Cafeteria Staff Accountant position is also responsible for independently overseeing and monitoring students' participation in the free and reduced-price lunch program. The person in that position now regularly monitors all school sites for compliance with state and federal regulations including the proper documentation and reporting of reimbursement claims.

# OXNARD UNION HIGH SCHOOL DISTRICT

## FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2008

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The following finding represents significant deficiencies, material weaknesses, and/or instances of noncompliance including questioned costs that are required to be reported by OMB Circular A-133. The findings have been coded as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
50000	Federal Compliance

### 2008-3 50000 MATERIAL WEAKNESS

*UNITED STATES DEPARTMENT OF AGRICULTURE, PASSED THROUGH THE CALIFORNIA DEPARTMENT OF EDUCATION, CHILD NUTRITION CLUSTER, CFDA 10.553 AND CFDA 10.555*

#### **Criteria or Specific Requirements**

All free, reduced-price, and paid lunches claimed for reimbursement are served only to children eligible for free, reduced-price, and paid lunches, respectively, and are counted, recorded, consolidated and reported through a system which consistently yields correct claims, in accordance with the requirements set forth in 7CFR 210.18.

#### **Condition**

Site managers manually enter meals counts for meals served outside of the point of sale system. The District was unable to provide supporting documentation for manual entries to the system. However, audit results indicate that the reimbursement claims for 2007-2008 are supported by backup documentation from the point of sale system for the sample selected for testing.

#### **Cause**

The employee claims that the previous food service director instructed site managers to inflate meal counts. Site managers may have estimated meal counts for those served outside of the point of sale system.

#### **Questioned Costs**

Questioned costs are undetermined at this time.

#### **Cause**

Site managers have estimated meal counts for those served outside of the point of sale system.

#### **Effect**

It is possible that the free, reduced-price and paid meal counts recorded on the reimbursement claims forms for 2007-2008 and prior years are misstated.

# OXNARD UNION HIGH SCHOOL DISTRICT

## FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2008

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### **Recommendation**

The District has engaged the services of a certified fraud examiner to investigate the matter. When the results of the examination are known, the District should ensure that procedures to properly categorize and count all meals served in the point of sale system are in place. Site managers should maintain records of meals served outside of the point of sale system in order to substantiate manual entries. Such records should include the name of the student served and his or her eligibility to receive free, reduced-price, or full-price meals.

The District should consider implementing a fraud reporting system so that employees know that management expects such issues to be reported immediately.

### **District Response**

An accountant from the District office has resumed regular cafeteria monitoring and assistance visits to all cafeterias to make sure that the only meals counted as free and reduced are those for which adequate supporting documentation has been collected and maintained for audit purposes.

The District has hired an outside consulting firm to assist staff in bringing all areas of nutrition services operations into compliance with all state, federal and local rules and regulations.

The District has hired an outside forensic auditor to determine the validity of the fraud claim made by an employee.

The District is working to implement a fully integrated telephone and web-based "hotline" system to anonymously report unethical behavior, concerns, issues, events, suggestions and questions.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

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None reported.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

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



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, 2008, 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 February 18, 2009, on the government-wide financial statements of the District.

### ***INTERNAL CONTROL***

#### ***Associated Student Body Accounts***

##### ***Channel Island High School***

#### **Observation**

In reviewing the financial statements for the student body accounts, we noted that a club account had a negative balance. 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.

**Observation**

In reviewing the monthly bank account reconciliations and the financial statements, we noted that the savings and certificate of deposit bank accounts do not equal the balances reflected on the financial statements. The purpose of performing the monthly reconciliation is to ensure that no errors have occurred in the banks' posting of transactions and that the account activity is accurately reported in the student body's financial statements.

**Recommendation**

Site personnel should ensure that the bank account balances are reconciled to the financial statements monthly. Any unidentified activity should be investigated and adjustments made accordingly.

*Frontier High School*

**Observation**

In reviewing the monthly bank account reconciliations and the financial statements, we noted that the checking account balance does not equal the balance reflected on the financial statements. The purpose of performing the monthly reconciliation is to ensure that no errors have occurred in the banks' posting of transactions and that the account activity is accurately reported in the student body's financial statements.

**Recommendation**

Site personnel should ensure that the bank account balances are reconciled to the financial statements monthly. Any unidentified activity should be investigated and adjustments made accordingly.

*Hueneme High School*

**Observation**

In reviewing the monthly bank account reconciliations and the financial statements, we noted that the balance for the savings account does not equal the balance reflected on the financial statements. The purpose of performing the monthly reconciliation is to ensure that no errors have occurred in the banks' posting of transactions and that the account activity is accurately reported in the student body's financial statements.

**Recommendation**

Site personnel should ensure that the bank account balances are reconciled to the financial statements monthly. Any unidentified activity should be investigated and adjustments made accordingly.

*Oxnard High School*

**Observation**

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

**Observation**

In reviewing the monthly bank account reconciliations and the financial statements, we noted that the balances for two of the bank accounts do not equal the balances reflected on the financial statements. It appears that interest earnings for these savings accounts have not been posted to the financial statements for several months.

**Reconciliation**

Site personnel should ensure that the bank account balances are reconciled to the financial statements monthly. Any unidentified activity should be investigated and adjustments made accordingly.

*Pacifica High School*

**Observation**

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

*Rio Mesa High School*

**Observation**

In reviewing the financial statements for the student body accounts, we noted that seven club accounts had negative balances totaling nearly \$12,000. 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.

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

*Vannink, Tri, Day & Co., LLP*

Rancho Cucamonga, California  
February 18, 2009