



**Oxnard Union  
High School District**

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ANNUAL FINANCIAL REPORT

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**JUNE 30, 2010**

# OXNARD UNION HIGH SCHOOL DISTRICT

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# OXNARD UNION HIGH SCHOOL DISTRICT

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITORS' REPORT

Governing Board  
Oxnard Union High School District  
Oxnard, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxnard Union High School District (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2009-2010*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oxnard Union High School District, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information, such as management's discussion and analysis on pages 4 through 13 and budgetary comparison and other postemployment information on pages 51 through 54, 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.

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

Varrinck, Trinc, Day & Co., LLP  
Rancho Cucamonga, California  
January 4, 2011



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High School District**

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This section of Oxnard Union High School District's (the District) (OUHSD) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2010, with comparative information from 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

***The Financial Statements***

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

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

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

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

The *Fiduciary Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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

Total General Fund Revenue decreased by 2.1 percent from the previous fiscal year. The following table shows major revenue sources for fiscal year 2009-2010 compared with fiscal year 2008-2009.

#### **General Fund Revenue Comparison - Amount**

	2010	2009	Increase (Decrease)
Revenue Limit Sources (Includes Property Taxes)	\$ 88,274,520	\$100,188,968	\$ (11,914,448)
Federal Revenues	13,080,575	14,996,522	(1,915,947)
Other State Revenues	21,639,645	14,788,035	6,851,610
Other Local Revenues	8,782,664	11,222,072	(2,439,408)
	<u>\$131,777,404</u>	<u>\$141,195,597</u>	<u>\$ (9,418,193)</u>

Total General Fund Expenditures decreased by less than five percent from the previous fiscal year. The following table shows expenditures for fiscal year 2009-2010 compared with fiscal year 2008-2009.

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

	2010		2009		Change	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Certificated salaries	\$ 64,124,203	48.8%	\$ 67,501,437	49.0%	\$ (3,377,234)	-5.00%
Classified salaries	17,827,770	13.5%	18,553,609	13.5%	(725,839)	-3.91%
Employee benefits	31,196,582	23.7%	32,593,020	23.7%	(1,396,438)	-4.28%
Books and supplies	4,996,243	3.8%	5,934,324	4.3%	(938,081)	-15.81%
Services and other	11,783,552	9.0%	11,617,620	8.4%	165,932	1.43%
Other outgo	743,116	0.6%	187,294	0.1%	555,822	296.76%
Capital outlay and debt service	807,781	0.6%	1,307,025	1.0%	(499,244)	-38.20%
	<u>\$ 131,479,247</u>	<u>100.0%</u>	<u>\$ 137,694,329</u>	<u>100.0%</u>	<u>\$ (6,215,082)</u>	<u>-4.51%</u>

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

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

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



# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

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

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

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

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

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

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

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

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### *THE DISTRICT AS TRUSTEE*

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

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

### *THE DISTRICT AS A WHOLE*

#### *Net Assets*

The District's net assets were \$114,224,326 for the fiscal year ended June 30, 2010. Of this amount, the District reported a deficit to in their unrestricted net assets of (\$9,587,745). 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**

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Current and other assets	\$ 51,815,296	\$ 57,564,158
Capital assets	163,681,176	167,752,300
<b>Total Assets</b>	<b>215,496,472</b>	<b>225,316,458</b>
<b>Liabilities</b>		
Current liabilities	4,665,040	5,188,961
Long-term obligations	96,607,106	83,124,571
<b>Total Liabilities</b>	<b>101,272,146</b>	<b>88,313,532</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	108,760,424	104,250,531
Restricted	15,051,647	31,990,268
Unrestricted	(9,587,745)	762,127
<b>Total Net Assets</b>	<b>\$114,224,326</b>	<b>\$137,002,926</b>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010**

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

**Table 2**

	Governmental Activities	
	2010	2009
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,055,060	\$ 1,790,956
Operating grants and contributions	29,493,117	35,416,339
Capital grants and contributions	5,615	4,962
General revenues:		
State revenue limit sources	59,992,480	62,229,542
Property taxes	45,774,884	43,701,735
Other general revenues	6,187,205	12,389,834
<b>Total Revenues</b>	<b>142,508,361</b>	<b>155,533,368</b>
<b>Expenses</b>		
Instruction-related	113,200,494	122,762,049
Student support services	18,139,998	20,111,098
Administration	7,942,096	8,459,823
Maintenance and operations	13,839,261	14,092,000
Other	12,165,112	6,354,808
<b>Total Expenses</b>	<b>165,286,961</b>	<b>171,779,778</b>
<b>Change in Net Assets</b>	<b>\$ (22,778,600)</b>	<b>\$ (16,246,410)</b>

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

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### *Governmental Activities*

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

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

**Table 3**

	Net Cost of Services	
	2010	2009
Instruction-related	\$ 92,325,906	\$ 97,239,360
Student support services	10,871,050	11,746,128
Administration	6,876,077	7,217,246
Maintenance and operations	13,030,561	12,174,923
Other	11,629,575	6,189,864
<b>Total</b>	<b>\$134,733,169</b>	<b>\$134,567,521</b>

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

As the District completed this year, our governmental funds reported a combined fund balance of \$48,107,644, which is a decrease of \$5,246,381 from last year.

This decrease is due to the revenue limit \$252.99 per ADA reduction. In addition, school year was reduced to 177 days which equated to a 5.25 percent pay decrease, December 2009 through June 30, 2010.

### ***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 October 8, 2010. Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. These revisions occur at the First Interim and Second Interim reporting periods. The final amendment to the budget was included with the Unaudited Actuals and was adopted on September 8, 2010. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 51.)

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

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### *CAPITAL ASSET AND DEBT ADMINISTRATION*

#### *Capital Assets*

At June 30, 2010, the District had \$163,681,176 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 \$4,071,124, or 2.43 percent, from last year.

**Table 4**

	Governmental Activities	
	2010	2009
Land	\$ 27,716,042	\$ 27,716,042
Construction in process	2,960,876	2,367,985
Buildings and improvements	130,366,153	135,001,591
Furniture and equipment	2,638,105	2,666,682
Total	<u>\$163,681,176</u>	<u>\$167,752,300</u>

This year's addition of \$2,921,397 included the completion of the home football bleacher project at Adolfo Camarillo High School and technology infrastructure throughout the district.

Several capital projects are planned for the 2010-2011 year including the construction of solar fields at all six of our comprehensive sites. Other projects include expanding several classrooms to house additional students and equipment for career technical education classes. We anticipate capital additions to be \$27 million for the 2011-2012 year.

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

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### *Long-Term Obligations*

At the end of this year, the District had \$96,607,106 in outstanding debt versus \$83,124,571 last year, an increase of \$13,482,535. Long-term obligations consisted of:

**Table 5**

	Governmental Activities	
	2010	2009
General obligation bonds	\$ 44,613,845	\$ 45,995,212
Bond anticipation notes	12,144,264	11,857,957
Certificates of participation	3,915,000	4,225,000
Municipal leases	6,130,000	6,540,000
Municipal lease discount	(23,180)	(24,400)
Accumulated vacation	1,433,097	1,401,521
Supplemental early retirement	-	32,000
Assessments payable	5,609,620	-
Net OPEB obligation	22,784,460	13,097,281
Total	<u>\$ 96,607,106</u>	<u>\$ 83,124,571</u>

The District's outstanding general obligation debt of \$44,613,845 is significantly below the assessed value cap for voter approved debt.

Other obligations include municipal leases, compensated absences payable and postemployment benefits. We present more detailed information regarding our long-term obligations in Note 8 of the financial statements.

### ***SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2009-2010 ARE NOTED BELOW:***

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

### ***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:

# OXNARD UNION HIGH SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

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### Assumptions at Adopted Budget

#### *Revenue*

- Revenue Limit funded COLA of 4.25 percent (\$300), with 17.967 percent deficit factor.
- Other Revenue Limit Adjustments of \$252.99 per ADA.
- No growth in enrollment.
- 2009-2010 P2 ADA projected to be 15,169.98 which is 13.59 less than 2008-09 estimated P2.
- Statewide ADA is projected to decline 0.3 percent - projected to be a loss of 17,789 from prior year.
- No equalization aid.
- Base Revenue Limit \$7,374.82 (before deficit).
- Supplemental Hourly Programs are under Tier III of SBX3 4 and are subject to cuts with flexibility.
- Defer reimbursement for mandated cost claims, but requirement to provide mandated service continues. SSC continues to recommend reserving mandate reimbursement received in 2007-08 in Ending Fund Balance due to SCO audits disallowing almost \$53 million (81 percent of amounts reviewed) in audited claims.
- Anticipate Unrestricted Lottery revenue at \$109.50 per annual ADA and Restricted lottery (Prop 20) revenue at \$11.50 per ADA.
- Special Education receives no COLA.
- State Categorical Funding for 39 specified categorical programs in Tier II and III which are based on 2007-2008 funding receives no COLA and was reduced 19.84 percent. Tier I programs receive no COLA.
- Expect reductions in all Federal programs.

#### **Expenditures**

- The June 30, 2010, Unrestricted General Fund undesignated ending balance is currently forecast to be \$5,129,980.02 (2nd Interim Report) or 3.63 percent of \$141,252,817 total budgeted general fund expenditures.
- 2.00 percent Estimated Salary Increase for 2009-2010 Certificated Step. An additional \$200,000 is included for column movement based on estimated historical actual costs.
- No reduction in benefit levels.
- Maintain retiree benefits as they now exist.
- PERS Expense budgeted at 9.709 percent and CalPERS Reduction at 3.311 percent. CalPERS restoration (buyback) estimated to be 15.09 percent.
- Increase in health and welfare costs by 1.18 percent.
- School site allocation to \$50 per CBEDS.
- The contributions to restricted programs to cover projected encroachment are undetermined at this time.
- Unless changes (noted above) are made, all items are "rolled forward" at the level of the second interim report.
- Under the January Budget Proposal, contribution requirements are reduced to 1 percent. OUHSD budget is balanced including a 2.82 percent transfer.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010**

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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 of Business Services at Oxnard Union High School District, 309 South K Street, Oxnard, CA, or e-mail at [randy.winton@ouhsd.k12.ca.us](mailto:randy.winton@ouhsd.k12.ca.us).



**OXNARD UNION HIGH SCHOOL DISTRICT**

**STATEMENT OF NET ASSETS  
JUNE 30, 2010**

	<b>Governmental Activities</b>
	<u>                    </u>
<b>ASSETS</b>	
Deposits and investments	\$ 30,167,612
Receivables	8,752,320
Due from other governmental units	12,516,089
Stores inventories	216,498
Deferred cost on issuance	162,777
Capital assets	
Land and construction in progress	30,676,918
Other capital assets	237,343,226
Less: Accumulated depreciation	<u>(104,338,968)</u>
Capital assets, net of accumulated depreciation	<u>163,681,176</u>
<b>Total Assets</b>	<b><u>215,496,472</u></b>
 <b>LIABILITIES</b>	
Accounts payable	3,307,423
Interest payable	1,120,165
Deferred revenue	237,452
Long-term obligations	
Current portion of long-term obligations	14,550,000
Noncurrent portion of long-term obligations	<u>82,057,106</u>
Total Long-Term Obligations	<u>96,607,106</u>
<b>Total Liabilities</b>	<b><u>101,272,146</u></b>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	108,760,424
Restricted for:	
Debt service	2,681,894
Capital projects	9,704,906
Educational programs	2,576,552
Other activities	88,295
Unrestricted	<u>(9,587,745)</u>
<b>Total Net Assets</b>	<b><u>\$ 114,224,326</u></b>

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

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	\$ 93,809,959	\$ 42,704	\$ 15,664,918	\$ 5,615	\$ (78,096,722)
Instruction-related activities:					
Supervision of instruction	3,387,268	2,969	4,165,984	-	781,685
Instructional library, media and technology	1,958,965	914	382,531	-	(1,575,520)
School site administration	14,044,302	5,746	603,207	-	(13,435,349)
Pupil services:					
Home-to-school transportation	1,684,610	-	563,361	-	(1,121,249)
Food services	5,416,007	902,397	3,034,146	-	(1,479,464)
All other pupil services	11,039,381	8,654	2,760,390	-	(8,270,337)
Administration:					
Data processing	2,216,854	-	-	-	(2,216,854)
All other administration	5,725,242	29,495	1,036,524	-	(4,659,223)
Plant services	13,839,261	57,035	751,665	-	(13,030,561)
Ancillary services	2,170,392	-	6,360	-	(2,164,032)
Community services	144,719	-	-	-	(144,719)
Interest on long-term obligations	3,180,529	-	-	-	(3,180,529)
Other outgo	6,669,472	5,146	524,031	-	(6,140,295)
<b>Total Governmental Activities</b>	<b>\$ 165,286,961</b>	<b>\$ 1,055,060</b>	<b>\$ 29,493,117</b>	<b>\$ 5,615</b>	<b>(134,733,169)</b>
General revenues and subventions					
Property taxes, levied for general purposes					40,803,672
Property taxes, levied for debt service					3,833,882
Taxes levied for other specific purposes					1,137,330
Federal and State aid not restricted to specific purposes					59,992,480
Interest and investment earnings					857,727
Interagency revenues					130,596
Miscellaneous					5,198,882
<b>Subtotal, General Revenues</b>					<b>111,954,569</b>
<b>Changes in Net Assets</b>					<b>(22,778,600)</b>
Net Assets - Beginning					137,002,926
Net Assets - Ending					<b>\$ 114,224,326</b>

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>General Fund</b>	<b>Adult Education Fund</b>	<b>Cafeteria Fund</b>
<b>ASSETS</b>			
Deposits and investments	\$ 7,903,897	\$ 788,156	\$ 73,740
Receivables	8,099,147	16,705	565,561
Due from other funds	1,264,581	-	990
Due from other governments	12,516,089	-	-
Stores inventories	190,653	-	25,845
<b>Total Assets</b>	<b>\$ 29,974,367</b>	<b>\$ 804,861</b>	<b>\$ 666,136</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,488,121	\$ 139,628	\$ 40,393
Due to other funds	990	665,233	599,348
Deferred revenue	237,452	-	-
<b>Total Liabilities</b>	<b>2,726,563</b>	<b>804,861</b>	<b>639,741</b>
<b>Fund Balances:</b>			
Reserved for:			
Revolving fund	10,000	-	550
Stores inventories	190,653	-	25,845
Legally restricted balance	2,576,552	-	-
Unreserved:			
Designated	18,897,671	-	-
Undesignated, reported in:			
General Fund	5,572,928	-	-
Special revenue funds	-	-	-
Debt service funds	-	-	-
Capital projects funds	-	-	-
<b>Total Fund Balances</b>	<b>27,247,804</b>	<b>-</b>	<b>26,395</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 29,974,367</b>	<b>\$ 804,861</b>	<b>\$ 666,136</b>

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

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<b>Capital Facilities Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 9,293,790	\$ 6,838,396	\$ 5,269,633	\$ 30,167,612
32,222	23,223	15,462	8,752,320
-	-	-	1,265,571
-	-	-	12,516,089
-	-	-	216,498
<u>\$ 9,326,012</u>	<u>\$ 6,861,619</u>	<u>\$ 5,285,095</u>	<u>\$ 52,918,090</u>
\$ 77,775	\$ 257,010	\$ 304,496	\$ 3,307,423
-	-	-	1,265,571
-	-	-	237,452
<u>77,775</u>	<u>257,010</u>	<u>304,496</u>	<u>4,810,446</u>
-	-	-	10,550
-	-	-	216,498
-	-	-	2,576,552
-	-	-	18,897,671
-	-	-	5,572,928
-	-	721,871	721,871
-	-	3,802,059	3,802,059
9,248,237	6,604,609	456,669	16,309,515
<u>9,248,237</u>	<u>6,604,609</u>	<u>4,980,599</u>	<u>48,107,644</u>
<u>\$ 9,326,012</u>	<u>\$ 6,861,619</u>	<u>\$ 5,285,095</u>	<u>\$ 52,918,090</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2010**

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<b>Total Fund Balance - Governmental Funds</b>		\$ 48,107,644
<b>Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is:	\$ 268,020,144	
Accumulated depreciation is:	<u>(104,338,968)</u>	163,681,176
Net Capital Assets		
Expenditures relating to issuance of debt of next fiscal year were recognized in modified accrual basis, but should not be recognized in accrual basis.		162,777
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.		(1,120,165)
Long-term obligations at year-end consist of:		
Bonds payable	(44,613,845)	
Bond anticipation notes	(12,144,264)	
Certificates of participation	(3,915,000)	
Municipal lease	(6,130,000)	
Discount on municipal lease	23,180	
Compensated absences (vacations)	(1,433,097)	
Supplemental early retirement	(5,609,620)	
Net OPEB obligation	<u>(22,784,460)</u>	
Total Long-Term Obligations		<u>(96,607,106)</u>
<b>Total Net Assets - Governmental Activities</b>		<u><u>\$ 114,224,326</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, 2010**

	<b>General Fund</b>	<b>Adult Education Fund</b>	<b>Cafeteria Fund</b>
<b>REVENUES</b>			
Revenue limit sources	\$ 88,274,520	\$ -	\$ -
Federal sources	13,080,575	928	2,965,921
Other State sources	21,639,645	-	240,563
Other local sources	8,782,664	374,995	1,051,379
<b>Total Revenues</b>	<b>131,777,404</b>	<b>375,923</b>	<b>4,257,863</b>
<b>EXPENDITURES</b>			
Current			
Instruction	80,958,029	2,092,975	-
Instruction related activities:			
Supervision of instruction	3,166,550	-	-
Instructional library, media, and technology	1,800,995	-	-
School site administration	9,850,277	901,590	-
Pupil services:			
Home-to-school transportation	1,333,011	-	-
Food services	4,195	-	4,964,847
All other pupil services	9,952,509	242,645	-
Administration:			
Data processing	2,216,854	-	-
All other administration	4,933,102	178,574	138,161
Plant services	13,555,584	335,453	271,664
Facility acquisition and construction	267,971	62,861	2,211
Ancillary services	2,170,392	-	-
Community services	144,719	-	-
Other outgo	1,059,852	-	-
Debt service			
Principal	54,375	-	-
Interest and other	10,832	-	-
<b>Total Expenditures</b>	<b>131,479,247</b>	<b>3,814,098</b>	<b>5,376,883</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>298,157</b>	<b>(3,438,175)</b>	<b>(1,119,020)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,277,187	1,465,804	550,972
Transfers out	(2,160,658)	-	-
<b>Net Financing Sources (Uses)</b>	<b>(883,471)</b>	<b>1,465,804</b>	<b>550,972</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(585,314)</b>	<b>(1,972,371)</b>	<b>(568,048)</b>
<b>Fund Balance - Beginning</b>	<b>27,833,118</b>	<b>1,972,371</b>	<b>594,443</b>
<b>Fund Balance - Ending</b>	<b>\$ 27,247,804</b>	<b>\$ -</b>	<b>\$ 26,395</b>

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

<b>Capital Facilities Fund</b>	<b>Special Reserve Fund For Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 88,274,520
-	-	-	16,047,424
-	-	33,082	21,913,290
2,006,568	178,248	3,879,273	16,273,127
<u>2,006,568</u>	<u>178,248</u>	<u>3,912,355</u>	<u>142,508,361</u>
-	-	-	83,051,004
-	-	-	3,166,550
-	-	-	1,800,995
-	-	2,180	10,754,047
-	-	-	1,333,011
-	-	-	4,969,042
-	-	-	10,195,154
-	-	-	2,216,854
19,898	-	-	5,269,735
-	-	-	14,162,701
265,794	656,434	1,177,170	2,432,441
-	-	-	2,170,392
-	-	-	144,719
-	-	-	1,059,852
355,625	-	1,740,000	2,150,000
222,391	29,471	2,615,551	2,878,245
<u>863,708</u>	<u>685,905</u>	<u>5,534,901</u>	<u>147,754,742</u>
<u>1,142,860</u>	<u>(507,657)</u>	<u>(1,622,546)</u>	<u>(5,246,381)</u>
369,961	-	1,967,468	5,631,392
(1,967,468)	(226,079)	(1,277,187)	(5,631,392)
<u>(1,597,507)</u>	<u>(226,079)</u>	<u>690,281</u>	<u>-</u>
(454,647)	(733,736)	(932,265)	(5,246,381)
9,702,884	7,338,345	5,912,864	53,354,025
<u>\$ 9,248,237</u>	<u>\$ 6,604,609</u>	<u>\$ 4,980,599</u>	<u>\$ 48,107,644</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010**

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<b>Total Net Change in Fund Balances - Governmental Funds</b>		\$ (5,246,381)
<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	\$ 2,921,397	
Depreciation expense	<u>(6,979,021)</u>	(4,057,624)
Loss on disposal of capital assets is reported in the government-wide statement of net assets, but is not recorded in the governmental funds.		(13,500)
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 \$32,000 were made towards the existing plan. Vacation earned was more than the amounts used by \$31,576.		424
Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment relates to the cafeteria assessments payable.		(5,609,620)
The annual amortization of the accrued debt issue costs and discounts is as follows:		
Municipal lease issue costs	(12,436)	
Municipal lease discount	<u>(1,220)</u>	(13,656)
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.		1,430,000
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.		310,000
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.		410,000
The accretion of interest on capital appreciation bonds and bond anticipation notes 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.		(334,940)

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



**OXNARD UNION HIGH SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES (Continued) FOR THE YEAR ENDED JUNE 30, 2010**

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In the Statement of Activities Other Postemployment Benefit Obligations (OPEB) are measured by an actuarially determined Annual Required Contribution (ARC). In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, amounts contributed toward the OPEB obligation were less than the ARC by \$9,687,179.	\$ (9,687,179)
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>33,876</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><u>\$ (22,778,600)</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, 2010**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Deposits and investments	\$ 1,366,187
<b>Total Assets</b>	<u>\$ 1,366,187</u>
<b>LIABILITIES</b>	
Due to student groups	\$ 1,366,187
<b>Total Liabilities</b>	<u>\$ 1,366,187</u>

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

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

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

#### Component Units

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

The Oxnard Union High School District, the Ventura County Schools Public Facilities Financing Corporation, and the Golden West Schools Financing Authority (the Corporations) have a financial and operational relationship which meets the reporting entity definition criteria of the Government Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the District's portion of the Corporations as component units of the District. Accordingly, the District's financial activities of the Corporations have been included in the Capital Facilities Fund, the Special Reserve Fund for Capital Outlay Projects, and the COP Debt Service Fund, in the financial statements of the District.

#### Other Related Entities

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

#### Basis of Presentation - Fund Accounting

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

---

**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.

**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, except for State revenues which, as a result of Senate Bill 4 of the 2009-2010 Third Extraordinary Session (SBX3 4), may be used for any educational purpose.

**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).

**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 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:

**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.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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**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, except for State apportionments which, as a result of Senate Bill 4 of the 2009-2010 Third Extraordinary Session (SBX3 4), may be used for any educational purpose.

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

**Capital Project Funds** The Capital Project funds are 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.).

**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. Such funds have no equity accounts since all assets are due to individuals or entities at some future time.

The District's Agency Fund accounts for associated student body (ASB) activities.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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### **Basis of Accounting - Measurement Focus**

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

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

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

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

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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**Revenues - Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

### **Investments**

Investments held at June 30, 2010, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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### Stores Inventories

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

### Capital Assets and Depreciation

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

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

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

### Interfund Balances

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

### Compensated Absences

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

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



# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2010**

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

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

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

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

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

### **Fund 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 \$15,051,647 of restricted net assets.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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### 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.

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

### Property Tax

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

### New Accounting Pronouncements

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for the financial statements for periods beginning after June 15, 2010. Early implementation is encouraged.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

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### NOTE 2 - DEPOSITS AND INVESTMENTS

#### Summary of Deposits and Investments

Deposits and investments as of June 30, 2010, were classified in the accompanying financial statements as follows:

Governmental activities	\$ 30,167,612
Fiduciary funds	1,366,187
Total Deposits and Investments	<u>\$ 31,533,799</u>

Deposits and investments as of June 30, 2010, consisted of the following:

Cash on hand and in banks	\$ 1,391,317
Cash in revolving	10,550
Investments	30,131,932
Total Deposits and Investments	<u>\$ 31,533,799</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, 2010**

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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, 2010**

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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	Maturity Date
County Pool	\$29,312,696	248 days*
Certificates of Deposit	141,854	1/17/2012 - 3/5/2012
U.S. Agency Securities	404,816	5/18/2015
U.S. Agency Securities	167,982	7/1/2017 - 2/1/2019
Local Agency Bonds	258,834	9/1/2018 - 11/1/2019
Total	\$ 30,286,182	

\*Weighted average days to maturity.

**Credit Risk**

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

Investment Type	Minimum Legal Rating	Rating June 30, 2010	Fair Value
County Pool	Not Required	Not Required	\$ 29,312,696
Certificates of Deposit	Not Required	Not Required	141,854
U.S. Agency Securities	AA	AAA	404,816
U.S. Agency Securities	AA	AA	167,982
Local Agency Bonds	Not Required	Not Required	258,834
Total Investments			\$ 30,286,182

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2010**

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

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2010, of the District's bank balance of \$1,512,431, \$760,047 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 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, 2010**

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**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2010, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund
Federal Government				
Categorical aid	\$ 3,748,674	\$ -	\$ 496,854	\$ -
State Government				
Apportionment	12,743,303	-	-	-
Categorical aid	2,333,441	-	29,778	-
Lottery	996,341	-	-	-
Local Government				
Interest	77,040	16,705	1,319	32,222
Other Local Sources	716,437	-	37,610	-
Total	<u>\$ 20,615,236</u>	<u>\$ 16,705</u>	<u>\$ 565,561</u>	<u>\$ 32,222</u>
	Special Reserve Fund For Capital Outlay Projects	Non-Major Governmental Funds	Total	
Federal Government				
Categorical aid	\$ -	\$ -	\$ 4,245,528	
State Government				
Apportionment	-	-	12,743,303	
Categorical aid	-	-	2,363,219	
Lottery	-	-	996,341	
Local Government				
Interest	23,223	15,462	165,971	
Other Local Sources	-	-	754,047	
Total	<u>\$ 23,223</u>	<u>\$ 15,462</u>	<u>\$ 21,268,409</u>	

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 27,716,042	\$ -	\$ -	\$ 27,716,042
Construction in Progress	2,367,985	2,904,115	2,311,224	2,960,876
Total Capital Assets Not Being Depreciated	<u>30,084,027</u>	<u>2,904,115</u>	<u>2,311,224</u>	<u>30,676,918</u>
Capital Assets Being Depreciated:				
Land Improvements	33,311,172	130,871	-	33,442,043
Buildings and Improvements	195,378,758	1,738,835	-	197,117,593
Furniture and Equipment	6,774,790	458,800	450,000	6,783,590
Total Capital Assets Being Depreciated	<u>235,464,720</u>	<u>2,328,506</u>	<u>450,000</u>	<u>237,343,226</u>
Total Capital Assets	<u>265,548,747</u>	<u>5,232,621</u>	<u>2,761,224</u>	<u>268,020,144</u>
Less Accumulated Depreciation:				
Land Improvements	22,828,713	1,098,901	-	23,927,614
Buildings and Improvements	70,859,626	5,406,243	-	76,265,869
Furniture and Equipment	4,108,108	473,877	436,500	4,145,485
Total Accumulated Depreciation	<u>97,796,447</u>	<u>6,979,021</u>	<u>436,500</u>	<u>104,338,968</u>
Governmental Activities Capital Assets, Net	<u>\$ 167,752,300</u>	<u>\$ (1,746,400)</u>	<u>\$ 2,324,724</u>	<u>\$ 163,681,176</u>

Depreciation expense was charged to governmental functions as follows:

<b>Governmental Activities</b>	
Instruction	\$ 3,908,252
School site administration	2,442,658
Home-to-school transportation	209,371
Food services	279,160
Plant services	139,580
Total Depreciation Expenses All Activities	<u>\$ 6,979,021</u>



**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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**NOTE 5 - INTERFUND TRANSACTIONS**

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

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2010, between major and non-major governmental funds are as follows:

Due To	Due From			Total
	General Fund	Adult Education Fund	Cafeteria Fund	
General Fund	\$ -	\$ 665,233	\$ 599,348	\$ 1,264,581
Cafeteria Fund	990	-	-	990
Total	\$ 990	\$ 665,233	\$ 599,348	\$ 1,265,571

The balance of \$599,348 is due to the General Fund from the Cafeteria Fund for payroll and operating expenses.

The balance of \$665,233 is due to the General Fund from the Adult Education Fund for flexibility transfer.

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**Operating Transfers**

Interfund transfers for the year ended June 30, 2010, consisted of the following:

Transfer To	Transfer From				Total
	General Fund	Capital Facilities Fund	Special Reserve Fund For Capital Outlay Projects	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 1,277,187	\$ 1,277,187
Adult Education Fund	1,465,804	-	-	-	1,465,804
Cafeteria Fund	550,972	-	-	-	550,972
Capital Facilities Fund	143,882	-	226,079	-	369,961
Non-Major Governmental Funds	-	1,967,468	-	-	1,967,468
<b>Total</b>	<b>\$ 2,160,658</b>	<b>\$ 1,967,468</b>	<b>\$ 226,079</b>	<b>\$ 1,277,187</b>	<b>\$ 5,631,392</b>

The General Fund transferred to the Capital Facilities Fund for site lease payments.	\$ 143,882
The General Fund transferred to the Cafeteria Fund to cover expenditures.	550,972
The General Fund transferred to the Adult Education Fund for apportionment.	1,465,804
The Child Development Fund transferred to the General Fund to close out fund.	36
The Deferred Maintenance Fund transferred to the General Fund for flexibility transfer.	1,277,151
The Special Reserve Fund for Capital Outlay Projects transferred to the Capital Facilities Fund for construction projects.	226,079
The Capital Facilities Fund transferred to the County School Facilities Fund for technology projects.	1,500,000
The Capital Facilities Fund transferred to the COP Debt Service Fund for debt service payments.	467,468
<b>Total</b>	<b>\$ 5,631,392</b>

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2010, consisted of the following:

	General Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund
Vendor payables	\$ 1,830,844	\$ 113,841	\$ 37,553	\$ 10,000
Salaries and benefits	657,277	25,162	2,840	-
Capital outlay	-	625	-	67,775
Total	<u>\$ 2,488,121</u>	<u>\$ 139,628</u>	<u>\$ 40,393</u>	<u>\$ 77,775</u>

  

	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Vendor payables	\$ 24,201	\$ -	\$ 2,016,439
Salaries and benefits	-	-	685,279
Capital outlay	232,809	304,496	605,705
Total	<u>\$ 257,010</u>	<u>\$ 304,496</u>	<u>\$ 3,307,423</u>

**NOTE 7 - DEFERRED REVENUE**

Deferred revenue at June 30, 2010, consisted of the following:

	General Fund
Federal financial assistance	\$ 54,311
State categorical aid	106,872
Other local	76,269
Total	<u>\$ 237,452</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**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, 2009	Additions	Deductions	Balance June 30, 2010	Due in One Year
General obligation bonds	\$45,995,212	\$ 48,633	\$ 1,430,000	\$44,613,845	\$ 1,495,000
Bond anticipation notes	11,857,957	286,307	-	12,144,264	12,290,000
Certificates of participation	4,225,000	-	310,000	3,915,000	330,000
Municipal leases	6,540,000	-	410,000	6,130,000	435,000
Municipal lease discount	(24,400)	-	(1,220)	(23,180)	-
Accumulated vacation - net	1,401,521	31,576	-	1,433,097	-
Supplemental early retirement	32,000	-	32,000	-	-
Assessments payable	-	5,609,620	-	5,609,620	-
Net OPEB obligation	13,097,281	16,251,837	6,564,658	22,784,460	-
	<u>\$83,124,571</u>	<u>\$22,227,973</u>	<u>\$ 8,745,438</u>	<u>\$96,607,106</u>	<u>\$14,550,000</u>

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

**General Obligation Refunding Bonds**

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2010
				Outstanding July 1, 2009	Principal Accretion	Redeemed	
April 1999	8/1/2027	4.6% - 5.8%	\$ 10,199,913	\$ 7,905,212	\$ 48,633	\$ 305,000	\$ 7,648,845
May 2001	8/1/2030	4.0% - 6.2%	31,705,000	26,120,000	-	705,000	25,415,000
May 2003	8/1/2027	2.0% - 4.5%	14,180,000	11,970,000	-	420,000	11,550,000
			<u>\$ 56,084,913</u>	<u>\$ 45,995,212</u>	<u>\$ 48,633</u>	<u>\$ 1,430,000</u>	<u>\$ 44,613,845</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2010**

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### 1999 Series A

Series A of the 1999 Revenue General Obligation Refunding Bonds were issued in April 1999. These bonds were issued to refund the 1997 General Obligation Bonds, Series B. The Taxable General Obligation Refunding Bonds, 1999 Series A were issued for \$10,199,913, with interest rates ranging from 4.6 percent to 5.8 percent. The refunding bonds mature at various dates with the final maturity of August 1, 2027. The remaining balance for Series A of the 1999 General Obligation Bonds is \$7,648,845.

### 2001 Series A

Series A of the 2001 General Obligations Refunding Bond were issued May 17, 2001. These bonds were issued to refund the 1997 General Obligation Bonds Series C, D, and E. The Taxable General Obligation Refunding Bonds, 2001 Series A were issued for \$31,705,000, with interest rates ranging from 4.0 percent to 6.2 percent. The refunding bonds mature at various dates with the final maturity of August 1, 2030. The remaining balance for Series A of the 2001 General Obligation Bonds is \$25,415,000.

### 2003 Series A

Series A of the 2003 General Obligation Refunding Bonds were issued in May 2003. These bonds were issued to refund the 1997 General Obligation Bonds, Series A. The Taxable General Obligation Refunding Bonds, 2003 Series A were issued for \$14,180,000, with interest rates ranging from 2.0 percent to 4.5 percent. The refunding bonds mature at various dates with the final maturity of August 1, 2027. The remaining balance for Series A of the 2003 General Obligation Bonds is \$11,550,000.

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>
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	1,755,000	2,149,318	-	3,904,318
2015	1,855,000	2,061,943	-	3,916,943
2016-2020	10,905,000	8,751,952	-	19,656,952
2021-2025	13,705,000	5,377,679	232,495	19,315,174
2026-2030	10,665,000	1,543,583	636,350	12,844,933
2031	110,000	3,410	-	113,410
Total	<u>\$ 43,745,000</u>	<u>\$ 26,802,309</u>	<u>\$ 868,845</u>	<u>\$ 71,416,154</u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2010**

### Bond Anticipation Notes

In September 2008, the District issued the 2008 General Obligation Bond Anticipation Notes, Series A and Series B in the amounts of \$9,266,916 and \$2,468,313, respectively. The notes mature in the 2010-2011 fiscal year with an interest rate of 2.40 percent. The notes were issued to refund the Lease Revenue Bonds, Series A and Series B with the expectation that the notes will be refunded through the issuance of General Obligation Bonds which were approved by the voters of the District at an election held on November 2, 2004, which approved the issuance of up to \$135,000,000 principal amount of General Obligation Bonds. The balance of the 2008 General Obligation Bond Anticipation Notes outstanding at June 30, 2010, was \$12,290,000.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Principal Accretion</u>	<u>Total</u>
2011	<u>\$ 12,144,264</u>	<u>\$ 145,736</u>	<u>\$ 12,290,000</u>

### Certificates of Participation

During the 2000-2001 fiscal year, the District issued Certificates of Participation in the amount of \$1,860,000, to refund the outstanding balance of the 1993-1994 Certificates of Participation. The 2000 certificates mature during the 2019-2020 fiscal year with interest rates ranging from 6.40 percent to 7.50 percent. The balance of the 1993-1994 certificates outstanding at June 30, 2010, was \$1,170,000.

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, 2010, was \$2,745,000.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 330,000	\$ 163,184	\$ 493,184
2012	330,000	150,730	480,730
2013	350,000	136,715	486,715
2014	370,000	121,020	491,020
2015	375,000	104,999	479,999
2016-2020	<u>2,160,000</u>	<u>252,899</u>	<u>2,412,899</u>
Total	<u>\$ 3,915,000</u>	<u>\$ 929,547</u>	<u>\$ 4,844,547</u>

### Municipal Leases

During the 2003-2004 fiscal year, the District entered into a lease agreement to finance the construction of the swimming pool at Rio Mesa High School. The lease carries an interest rate of four percent. The lease will be fully paid in September 2013. The balance outstanding for the 2004 municipal lease is \$1,120,000.

During the 2004-2005 fiscal year, the District entered into a lease agreement to finance the purchase of a parcel of land for the future construction of a high school in the Camarillo area. The lease carries an interest rate of 4.5 percent. The lease will be fully paid in 2028. The balance outstanding for the 2005 municipal lease is \$5,010,000.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2010**

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The 2005 municipal lease was issued at a discount of \$30,500. The discount will be amortized over the term of the lease in the government-wide statements and has a balance of \$23,180 remaining.

The debt service requirements for the leases are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 435,000	\$ 246,019	\$ 681,019
2012	450,000	229,906	679,906
2013	470,000	213,019	683,019
2014	490,000	195,129	685,129
2015	205,000	182,403	387,403
2016-2020	1,175,000	787,687	1,962,687
2021-2025	1,475,000	520,887	1,995,887
2026-2029	1,430,000	164,250	1,594,250
Total	<u>\$ 6,130,000</u>	<u>\$ 2,539,300</u>	<u>\$ 8,669,300</u>

### Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2010, amounted to \$1,433,097. Accumulated vacation will be paid by the fund for which the employee worked.

### Assessments Payable

The District has received information that reimbursement claims filed for the Child Nutrition Program were overstated or misclassified regarding meals served during the 2004-2005 through 2007-2008 fiscal years. The California Department of Education's, Nutrition Services Division, and declared assessments payable totaling \$5,609,620. The District is currently awaiting approval from the California Department of Education and the United States Department of Agriculture to enter into a payment plan as the repayment schedule has yet to be determined. At June 30, 2010, the remaining unpaid assessment was \$5,609,620.

### Other Postemployment Benefit (OPEB) Obligation

The District implemented GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* during the year ended June 30, 2010. The District's annual required contribution for the year ended June 30, 2010, was \$15,466,000 and contributions made by the District during the year were \$5,216,658. Interest on the net OPEB obligation and adjustments to the annual required contribution were \$785,837 and (\$1,348,000), respectively, which resulted in an increase to the net OPEB obligation of \$9,687,179. As of June 30, 2010, the net OPEB obligation was \$22,784,460. See Note 10 for additional information regarding the OPEB obligation and the postemployment benefit plan.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 9 - FUND BALANCES**

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

	General Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund
Reserved				
Revolving cash	\$ 10,000	\$ -	\$ 550	\$ -
Stores inventories	190,653	-	25,845	-
Restricted programs	<u>2,576,552</u>	-	-	-
Total Reserved	<u>2,777,205</u>	-	<u>26,395</u>	-
Unreserved				
Designated				
Economic uncertainties	3,926,758	-	-	-
Other designation	<u>14,970,913</u>	-	-	-
Total Designated	<u>18,897,671</u>	-	-	-
Undesignated	<u>5,572,928</u>	-	-	9,248,237
Total Unreserved	<u>24,470,599</u>	-	-	<u>9,248,237</u>
Total	<u>\$ 27,247,804</u>	<u>\$ -</u>	<u>\$ 26,395</u>	<u>\$ 9,248,237</u>
		Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Reserved				
Revolving cash		\$ -	\$ -	\$ 10,550
Stores inventories		-	-	216,498
Restricted programs		-	-	2,576,552
Total Reserved		<u>-</u>	<u>-</u>	<u>2,803,600</u>
Unreserved				
Designated				
Economic uncertainties		-	-	3,926,758
Other designation		-	-	14,970,913
Total Designated		<u>-</u>	<u>-</u>	<u>18,897,671</u>
Undesignated		<u>6,604,609</u>	<u>4,980,599</u>	<u>26,406,373</u>
Total Unreserved		<u>6,604,609</u>	<u>4,980,599</u>	<u>45,304,044</u>
Total		<u>\$ 6,604,609</u>	<u>\$ 4,980,599</u>	<u>\$ 48,107,644</u>



# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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### NOTE 10 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

#### Plan Description

The Oxnard Union High School District Retiree Health Benefits Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Oxnard Union High School District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 528 retirees and beneficiaries currently receiving benefits and 793 active plan members. The Plan is presented in these financial statements as the Retiree Benefits Trust Fund. Separate financial statements are prepared for the Trust.

#### Contribution Information

The contribution requirements of Plan members and the District are established and may be amended by the District and the Oxnard Federation of Teachers (OFT), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2009-2010, the District contributed \$5,216,658 to the Plan, all of which was used for current premiums.

#### Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 15,466,000
Interest on net OPEB obligation	785,837
Adjustment to annual required contribution	<u>(1,348,000)</u>
Annual OPEB cost (expense)	14,903,837
Contributions made	<u>(5,216,658)</u>
Increase in net OPEB obligation	9,687,179
Net OPEB obligation, beginning of year	<u>13,097,281</u>
Net OPEB obligation, end of year	<u><u>\$ 22,784,460</u></u>

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

### Trend Information

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

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2009	\$ 18,509,000	\$ 5,411,719	29.2%	\$ 13,097,281
2010	14,903,837	5,216,658	35.0%	22,784,460

### Funded Status and Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
July 1, 2009	\$ 33,145,000	\$ 185,563,000	\$ 152,418,000	17.9%	\$ 90,313,000	168.8%

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

### Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a six percent investment rate of return. Healthcare cost trend rates reflected a decrease from the levels of increases in recent years to a level of 5 percent annually after 10 years. The remaining amortization period at July 1, 2010, was 28 years. The actuarial value of assets was determined to be \$33,145,000 in this actuarial valuation. The allocation of OPEB cost is based on years of service.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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### 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.

#### Employee Medical Benefits

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

### NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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

#### CalSTRS

##### Plan Description

The District contributes to CalSTRS; a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, California 95826.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2010**

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### **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 2009-2010 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, 2010, 2009, and 2008, were \$5,239,770, \$5,537,185, and \$5,477,434, respectively, and equal 100 percent of the required contributions for each year.

### **CalPERS**

#### **Plan Description**

The District contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95811.

#### **Funding Policy**

Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2009-2010 was 9.709 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2010, 2009, and 2008, were \$1,860,492, \$1,899,487, and \$1,840,269, 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 on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,797,142 (4.267 percent of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been included in the budget amounts recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budget amounts reported in the General Fund - Budgetary Comparison Schedule.

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2010**

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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.

#### **Litigation**

The District is involved in various litigations arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2010.

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

### **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 (VCFAST) joint powers authority (JPA). Payments for courier services are paid to the VCFAST. The relationships between the District, the pools and the JPA are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2010, the District made payments of \$833,766, \$19,626,552, and \$3,214 to VCSSFA, CSEBO, and VCFAST, respectively.

# **OXNARD UNION HIGH SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2010**

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### **NOTE 15 - FISCAL ISSUES RELATING TO BUDGET REDUCTIONS**

The State of California continues to suffer the effects of a recessionary economy. California school districts are reliant on the State of California to appropriate the funding necessary to continue the level of educational services expected by the State constituency. With the implementation of education trailer bill Senate Bill 16 of the 2009-2010 Fourth Extraordinary Session (SBX4 16) (Chapter 23, Statutes of 2009), 25 percent of current year appropriations have now been deferred to a subsequent period, creating significant cash flow management issues for districts in addition to requiring substantial budget reductions, ultimately impacting the ability of California school districts to meet their goals for educational services.

### **NOTE 16 - SUBSEQUENT EVENTS**

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

The District issued \$9,930,000 of Tax and Revenue Anticipation Notes dated July 5, 2010. The notes mature on July 1, 2011, and yield 1.02 percent interest. The notes were sold to supplement cash flow. Repayment requirements are that a percentage of principal and interest be deposited with the Fiscal Agent each month beginning February 2011, until 100 percent of principal and interest due is on account in May 2011.

#### **General Obligation Bonds**

On August 11, 2010, the District issued \$50,000,000 of 2004 Election General Obligation Bonds, Series A. The bonds mature on August 1, 2040, with interest yields of 0.5 to 4.78 percent. The net proceeds from the issuance will be used for repayment of the outstanding Bond Anticipation Notes Series A and Series B and to finance additional capital projects.

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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, 2010**

	Budgeted Amounts		Actual (GAAP Basis)	Variations -
	(GAAP Basis)			Positive
	Original	Final		(Negative) Final to Actual
<b>REVENUES</b>				
Revenue limit sources	\$ 92,695,619	\$ 88,235,836	\$ 88,274,520	\$ 38,684
Federal sources	8,291,684	13,809,492	13,080,575	(728,917)
Other State sources	12,303,595	14,435,605	21,639,645	7,204,040
Other local sources	8,796,446	8,977,011	8,782,664	(194,347)
<b>Total Revenues<sup>1</sup></b>	<b>122,087,344</b>	<b>125,457,944</b>	<b>131,777,404</b>	<b>6,319,460</b>
<b>EXPENDITURES</b>				
Current				
Certificated salaries	58,775,156	62,748,034	64,124,203	(1,376,169)
Classified salaries	16,665,024	17,219,668	17,827,770	(608,102)
Employee benefits	28,951,469	30,390,723	31,196,582	(805,859)
Books and supplies	5,070,674	6,711,599	4,996,243	1,715,356
Services and operating expenditures	12,088,945	14,426,133	11,783,552	2,642,581
Capital outlay	-	435,558	742,574	(307,016)
Other outgo	263,337	204,185	743,116	(538,931)
Debt service				
Principal	54,375	54,375	54,375	-
Interest	10,832	10,832	10,832	-
<b>Total Expenditures<sup>1</sup></b>	<b>121,879,812</b>	<b>132,201,107</b>	<b>131,479,247</b>	<b>721,860</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>207,532</b>	<b>(6,743,163)</b>	<b>298,157</b>	<b>7,041,320</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,277,152	1,277,187	35
Transfers out	(205,368)	(4,588,612)	(2,160,658)	2,427,954
<b>Net Financing Sources (Uses)</b>	<b>(205,368)</b>	<b>(3,311,460)</b>	<b>(883,471)</b>	<b>2,427,989</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,164</b>	<b>(10,054,623)</b>	<b>(585,314)</b>	<b>9,469,309</b>
<b>Fund Balance - Beginning</b>	<b>27,833,118</b>	<b>27,833,118</b>	<b>27,833,118</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 27,835,282</b>	<b>\$ 17,778,495</b>	<b>\$ 27,247,804</b>	<b>\$ 9,469,309</b>

<sup>1</sup> On behalf payments of \$2,797,142 are included in the actual revenues and expenditures, but have not been included in the budgeted amounts.



**OXNARD UNION HIGH SCHOOL DISTRICT**

**ADULT EDUCATION FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Budgeted Amounts (GAAP Basis)</b>		<b>Actual (GAAP Basis)</b>	<b>Variances - Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal sources	\$ -	\$ -	\$ 928	\$ 928
Other State sources	3,666,411	-	-	-
Other local sources	340,668	340,668	374,995	34,327
<b>Total Revenues</b>	<b>4,007,079</b>	<b>340,668</b>	<b>375,923</b>	<b>35,255</b>
<b>EXPENDITURES</b>				
Current				
Certificated salaries	1,400,849	1,461,586	1,428,686	32,900
Classified salaries	470,305	470,305	439,106	31,199
Employee benefits	625,825	615,851	569,814	46,037
Books and supplies	223,069	210,322	201,014	9,308
Services and operating expenditures	1,019,635	1,044,971	923,447	121,524
Capital outlay	171,036	57,846	73,459	(15,613)
Other outgo	115,428	165,891	178,572	(12,681)
<b>Total Expenditures</b>	<b>4,026,147</b>	<b>4,026,772</b>	<b>3,814,098</b>	<b>212,674</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(19,068)</b>	<b>(3,686,104)</b>	<b>(3,438,175)</b>	<b>247,929</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,068	3,715,754	1,465,804	(2,249,950)
<b>Net Financing Sources (Uses)</b>	<b>19,068</b>	<b>3,715,754</b>	<b>1,465,804</b>	<b>(2,249,950)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>29,650</b>	<b>(1,972,371)</b>	<b>(2,002,021)</b>
<b>Fund Balance - Beginning</b>	<b>1,972,371</b>	<b>1,972,371</b>	<b>1,972,371</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,972,371</b>	<b>\$ 2,002,021</b>	<b>\$ -</b>	<b>\$ (2,002,021)</b>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**CAFETERIA FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Budgeted Amounts</b>		<b>Actual</b> <b>(GAAP Basis)</b>	<b>Variances -</b>
	<b>(GAAP Basis)</b>			<b>Positive</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b> <b>Final</b> <b>to Actual</b>
<b>REVENUES</b>				
Federal sources	\$ 2,806,949	\$ 2,850,807	\$ 2,965,921	\$ 115,114
Other State sources	242,649	242,649	240,563	(2,086)
Other local sources	1,870,041	1,800,041	1,051,379	(748,662)
<b>Total Revenues<sup>1</sup></b>	<b>4,919,639</b>	<b>4,893,497</b>	<b>4,257,863</b>	<b>(635,634)</b>
<b>EXPENDITURES</b>				
Current				
Classified salaries	1,946,589	1,802,502	1,780,868	21,634
Employee benefits	1,036,678	995,686	935,271	60,415
Books and supplies	5,872	73,514	340,176	(266,662)
Services and operating expenditures	2,896,971	3,042,398	2,140,681	901,717
Capital outlay	-	91,868	41,724	50,144
Other outgo	154,735	155,924	138,163	17,761
<b>Total Expenditures<sup>1</sup></b>	<b>6,040,845</b>	<b>6,161,892</b>	<b>5,376,883</b>	<b>785,009</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,121,206)</b>	<b>(1,268,395)</b>	<b>(1,119,020)</b>	<b>149,375</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	686,558	550,972	(135,586)
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>686,558</b>	<b>550,972</b>	<b>(135,586)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,121,206)</b>	<b>(581,837)</b>	<b>(568,048)</b>	<b>13,789</b>
<b>Fund Balance - Beginning</b>	<b>594,443</b>	<b>594,443</b>	<b>594,443</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ (526,763)</b>	<b>\$ 12,606</b>	<b>\$ 26,395</b>	<b>\$ 13,789</b>

<sup>1</sup> The fair market value of commodities received from the Federal government and used in the cafeteria program in the amount of \$192,397, is included in the actual revenues and expenditures, but has not been included in the budgeted amounts.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING  
PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2010**

<b>Schedule of Funding Progress</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age Normal (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ([b - a] / c)</b>
July 1, 2008	\$ 32,621,000	\$ 209,375,000	\$ 176,754,000	15.6%	\$89,145,000	198.3%
July 1, 2009	33,145,000	185,563,000	152,418,000	17.9%	90,313,000	168.8%

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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, 2010**

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):			
Carl D. Perkins Vocational and Technical Education Act of 1998			
Voc & Applied Tech Secondary II C, Sec 131	84.048	14894	\$ 360,675
Vocational Programs Postsecondary and Adult II C, Sec 132	84.048	14893	928
Total Carl D. Perkins Vocational and Technical Education Act of 1998			<u>361,603</u>
Department of Rehabilitation: Workability II, Transitions Partnership	84.158	10006	215,735
Passed through Ventura County Special Education Local Plan Area:			
Individuals with Disabilities Act (IDEA)			
Special Education (IDEA) Cluster			
Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	2,657,769
Basic Local Assistance ARRA, Part B, Section 611	84.391	15003	2,207,574
Total Special Education (IDEA) Cluster			<u>4,865,343</u>
No Child Left Behind Act (NCLB)			
Title I, Part A Cluster			
Title I, Part A - Basic Grants Low Income and Neglected	84.010	14329	871,001
Title I, Part A - ARRA Basic Grants Low Income and Neglected	84.389	15005	844,354
Title I, Part A Schoolwide program	84.010	10003	1,968,692
Total Title I, Part A Cluster			<u>3,684,047</u>
ARRA - State Fiscal Stabilization Fund (SFSF)	84.394	24997	6,868,193
Title I, Part C, Migrant Ed Cluster			
Title I, Part C, Migrant Ed	84.011	14326	1,041,312
Title I, Part C, Migrant Ed Summer Program	84.011	10005	191,214
Total Title I, Part C, Migrant Ed Cluster			<u>1,232,526</u>
Title II, Part A Cluster			
Title II, Part A - Improving Teacher Quality Local Grants	84.367	14341	447,508
Title II, Part A - Administrator Training	84.367	14344	12,230
Total Title II, Part A Cluster			<u>459,738</u>
Title II, Part D - Enhancing Education Through Technology (EETT), Formula Grants			
	84.318	14344	20,333
Title III Cluster			
Title III - Immigrant Education Program	84.365	14346	\$ 53,631
Title III - Limited English Proficient (LEP) Student Program	84.365	10084	81,710
Total Title III Cluster			<u>135,341</u>

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2010**

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):			
Title IV, Part A - Safe and Drug Free Schools and Communities, Formula Grants	84.186	14347	\$ 28,484
Title V, Part A - Innovative Education Strategies	84.298A	14354	5
Total U.S. Department of Education			<u>17,871,348</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through California Department of Education (CDE):			
Child Nutrition Cluster			
Basic School Breakfast Program	10.553	13390	787
Especially Needy Breakfast	10.553	13526	713,236
National School Lunch Program	10.555	13524	1,922,534
Meal Supplement	10.555	13396	230
Summer Food Service Program	10.559	13004	92,845
Food Distribution	10.555	[2]	192,397
Total Child Nutrition Cluster			<u>2,922,029</u>
Peanut Corporation of America Recall	[1]	03798	33
American Recovery and Reinvestment Act (ARRA) Equipment Assistance Grants	10.579	15006	43,858
Total U.S. Department of Agriculture			<u>2,965,920</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through California Department of Health Services:			
Medicaid Cluster			
Medi-Cal Billing Option	93.778	10013	234,740
Medical Administrative Activities Program	93.778	10060	147,620
Total Medicaid Cluster			<u>382,360</u>
Total U.S. Department of Health and Human Services			<u>382,360</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Junior Reserve Officer Training Corps - Air Force	12.000	[2]	99,449
Total U.S Department of Defense			<u>99,449</u>

[1] Catalog number not available.

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

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. DEPARTMENT OF JUSTICE			
Passed through the City of Oxnard			
Public Safety Partnership and Community Policing Grants	16.710	[2]	\$ 45,625
Total U.S Department of Justice			<u>45,625</u>
Total Federal Programs			<u><u>\$ 21,364,702</u></u>

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

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2010

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### ORGANIZATION

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

### GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Robert Q. Valles	President	2010
Socorro Lopez Hanson	Vice President	2010
Ken Benefield	Clerk	2010
Steve W. Stocks	Member	2012
Richard D. Jaquez	Member	2012

### ADMINISTRATION

Bob Carter, Ed.D.	Superintendent
Randy Winton	Assistant Superintendent, Business Services
Rocky Valles, Ed. D.	Assistant Superintendent, Human Resources
William Dabbs	Assistant Superintendent, Educational Services

See accompanying note to supplementary information.



**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2010**

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	Final Report	
	Second Period Report	Annual Report
SECONDARY		
Regular classes	13,994	13,819
Continuation education	324	319
Opportunity schools	38	38
Home and hospital	24	26
Special education	680	677
Total	<u>15,060</u>	<u>14,879</u>

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2010**

Grade Level	1982-83	Reduced 1982-83	1986-87	Reduced 1986-87	2009-10	Number of Days		Status
	Actual Minutes	Actual Minutes	Minutes Requirement	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grades 9 - 12	59,712	58,100	64,800	63,000				
Grade 9					63,325	175	-	Complied
Grade 10					63,325	175	-	Complied
Grade 11					63,325	175	-	Complied
Grade 12					63,325	175	-	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, 2010**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2010.

See accompanying note to supplementary information.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

	(Budget) 2011 <sup>1</sup>	2010	2009	2008
<b>GENERAL FUND</b>				
Revenues	\$ 119,956,354	\$ 131,777,404	\$ 141,195,597	\$ 139,725,772
Other sources and transfers in	-	1,277,187	-	-
Total Revenues and Other Sources	119,956,354	133,054,591	-	139,725,772
Expenditures	127,456,788	131,479,247	137,694,329	136,847,986
Other uses and transfers out	4,928,585	2,160,658	202,636	858,965
Total Expenditures and Other Uses	132,385,373	133,639,905	137,896,965	137,706,951
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ (12,429,019)</b>	<b>\$ (585,314)</b>	<b>\$ 3,298,632</b>	<b>\$ 2,018,821</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 14,818,785</b>	<b>\$ 27,247,804</b>	<b>\$ 27,833,118</b>	<b>\$ 24,534,486</b>
<b>AVAILABLE RESERVES<sup>2</sup></b>	<b>\$ 11,810,981</b>	<b>\$ 10,159,657</b>	<b>\$ 9,636,120</b>	<b>\$ 13,116,108</b>
<b>AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO<sup>3</sup></b>	<b>8.9%</b>	<b>7.8%</b>	<b>7.1%</b>	<b>9.7%</b>
<b>LONG-TERM OBLIGATIONS</b>	<b>N/A</b>	<b>\$ 96,607,106</b>	<b>\$ 83,124,571</b>	<b>\$ 72,711,008</b>
<b>AVERAGE DAILY ATTENDANCE AT P-2</b>	<b>14,888</b>	<b>15,060</b>	<b>15,153</b>	<b>15,117</b>

The General Fund balance has increased by \$2,713,318 over the past two years. The fiscal year 2010-2011 budget projects a decrease of \$12,429,019 (45.61 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 2010-2011 fiscal year. Total long-term obligations have increased by \$23,896,098 over the past two years.

Average daily attendance has decreased by 57 over the past two years. An additional decline of 172 ADA is anticipated during fiscal year 2010-2011.

<sup>1</sup> Budget 2011 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, Special Reserve Fund for Other Than Capital Outlay Projects.

<sup>3</sup> On behalf payments of \$2,797,142, \$3,124,414, and \$2,998,974 have been excluded from the calculation of available reserves for the fiscal years ending June 30, 2010, 2009, and 2008.

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2010**

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

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2010**

	<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	\$ -	\$ -	\$ 657,675
Receivables	-	-	2,296
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 659,971</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Unreserved:			
Undesignated, reported in:			
Special revenue funds	-	-	659,971
Debt service funds	-	-	-
Capital projects funds	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>659,971</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 659,971</b>

See accompanying note to supplementary information.

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<b>Foundation Special Reserve 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>
\$ 61,687	\$ 757,730	\$ 3,235,104	\$ 557,437	\$ 5,269,633
213	3,435	9,518	-	15,462
<u>\$ 61,900</u>	<u>\$ 761,165</u>	<u>\$ 3,244,622</u>	<u>\$ 557,437</u>	<u>\$ 5,285,095</u>
\$ -	\$ 304,496	\$ -	\$ -	\$ 304,496
-	304,496	-	-	304,496
61,900	-	-	-	721,871
-	-	3,244,622	557,437	3,802,059
-	456,669	-	-	456,669
<u>61,900</u>	<u>456,669</u>	<u>3,244,622</u>	<u>557,437</u>	<u>4,980,599</u>
<u>\$ 61,900</u>	<u>\$ 761,165</u>	<u>\$ 3,244,622</u>	<u>\$ 557,437</u>	<u>\$ 5,285,095</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Child Development Fund</b>	<b>Deferred Maintenance Fund</b>	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>
<b>REVENUES</b>			
Other State sources	\$ -	\$ -	\$ -
Other local sources	36	-	11,955
<b>Total Revenues</b>	<u>36</u>	<u>-</u>	<u>11,955</u>
<b>EXPENDITURES</b>			
Current			
Instruction-related activities:			
School site administration	-	-	-
Facility acquisition and construction	-	-	-
Debt service			
Principal	-	-	-
Interest and other	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>36</u>	<u>-</u>	<u>11,955</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(36)	(1,277,151)	-
<b>Net Financing Sources (Uses)</b>	<u>(36)</u>	<u>(1,277,151)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>(1,277,151)</u>	<u>11,955</u>
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>1,277,151</u>	<u>648,016</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,971</u>

See accompanying note to supplementary information.



<b>Foundation Special Reserve 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>
\$ -	\$ -	\$ 33,082	\$ -	\$ 33,082
3,563	5,616	3,846,289	11,814	3,879,273
<u>3,563</u>	<u>5,616</u>	<u>3,879,371</u>	<u>11,814</u>	<u>3,912,355</u>
2,180	-	-	-	2,180
-	1,177,170	-	-	1,177,170
-	-	1,430,000	310,000	1,740,000
-	-	2,441,083	174,468	2,615,551
<u>2,180</u>	<u>1,177,170</u>	<u>3,871,083</u>	<u>484,468</u>	<u>5,534,901</u>
<u>1,383</u>	<u>(1,171,554)</u>	<u>8,288</u>	<u>(472,654)</u>	<u>(1,622,546)</u>
-	1,500,000	-	467,468	1,967,468
-	-	-	-	(1,277,187)
-	1,500,000	-	467,468	690,281
1,383	328,446	8,288	(5,186)	(932,265)
60,517	128,223	3,236,334	562,623	5,912,864
<u>\$ 61,900</u>	<u>\$ 456,669</u>	<u>\$ 3,244,622</u>	<u>\$ 557,437</u>	<u>\$ 4,980,599</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GENERAL FUND SELECTED FINANCIAL INFORMATION  
THREE-YEAR SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES  
OF FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2010**

(Amounts in thousands)

	Actual Results for the Years					
	2009-2010		2008-2009		2007-2008	
	Amount	Percent of Revenue	Amount	Percent of Revenue	Amount	Percent of Revenue
<b>REVENUES</b>						
Federal revenue	\$ 13,081	9.9	\$ 14,997	10.6	\$ 7,370	5.3
State and local revenue included in revenue limit	88,275	67.0	100,189	71.0	102,711	73.5
Other State revenue	21,640	16.4	14,788	10.4	19,412	13.9
Other local revenue	1,955	1.5	4,475	3.2	3,625	2.6
Tuition and transfers in	6,826	5.2	6,746	4.8	6,608	4.7
<b>Total Revenues</b>	<b>131,777</b>	<b>100.0</b>	<b>141,195</b>	<b>100.0</b>	<b>139,726</b>	<b>100.0</b>
<b>EXPENDITURES</b>						
Salaries and Benefits						
Certificated salaries	64,124	48.7	67,501	47.8	66,302	47.5
Classified salaries	17,828	13.5	18,554	13.1	18,375	13.2
Employee benefits	31,197	23.7	32,593	23.1	31,306	22.4
<b>Total Salaries and Benefits</b>	<b>113,149</b>	<b>85.9</b>	<b>118,648</b>	<b>84.0</b>	<b>115,983</b>	<b>83.1</b>
Books and supplies	4,996	3.8	5,934	4.2	7,685	5.5
Contracts and operating expenses	11,784	8.9	11,618	8.2	12,240	8.8
Capital outlay	743	0.6	1,241	0.9	884	0.6
Tuition and transfers out	807	0.6	253	0.2	56	0.0
<b>Total Expenditures</b>	<b>131,479</b>	<b>99.8</b>	<b>137,694</b>	<b>97.5</b>	<b>136,848</b>	<b>98.0</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>298</b>	<b>0.2</b>	<b>3,501</b>	<b>2.5</b>	<b>2,878</b>	<b>2.0</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Incoming transfers/other sources	1,277	1.0	-	0.0	-	0.0
Outgoing transfers/other uses	(2,160)	(1.6)	(203)	(0.1)	(859)	(0.6)
<b>Total Financing Sources (Uses)</b>	<b>(883)</b>	<b>(0.6)</b>	<b>(203)</b>	<b>(0.1)</b>	<b>(859)</b>	<b>(0.6)</b>
<b>INCREASE IN FUND BALANCE</b>	<b>(585)</b>	<b>(0.4)</b>	<b>3,298</b>	<b>2.3</b>	<b>2,019</b>	<b>1.4</b>
<b>FUND BALANCE, BEGINNING</b>	<b>27,833</b>		<b>24,535</b>		<b>22,516</b>	
<b>FUND BALANCE, ENDING</b>	<b>\$ 27,248</b>		<b>\$ 27,833</b>		<b>\$ 24,535</b>	

See accompanying note to supplementary information.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE BY OBJECT  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>General Fund</b>	<b>Adult Fund</b>	<b>Cafeteria Fund</b>
<b>REVENUES</b>			
Revenue limit sources	\$ 88,274,520	\$ -	\$ -
Federal sources	13,080,575	928	2,965,921
Other State sources	21,639,645	-	240,563
Other local sources	8,782,664	374,995	1,051,379
<b>Total Revenues</b>	<b>131,777,404</b>	<b>375,923</b>	<b>4,257,863</b>
<b>EXPENDITURES</b>			
Current expenditures			
Certificated salaries	64,124,202	1,428,686	-
Classified salaries	17,827,770	439,106	1,780,868
Employee benefits	31,196,582	569,814	935,271
Books and supplies	4,996,243	201,014	340,176
Services and operating expenditures	11,783,552	923,445	2,140,683
Other outgo	743,117	178,574	138,161
Capital outlay	742,574	73,459	41,724
Debt service - principal	54,375	-	-
Debt service - interest and other	10,832	-	-
<b>Total Expenditures</b>	<b>131,479,247</b>	<b>3,814,098</b>	<b>5,376,883</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>298,157</b>	<b>(3,438,175)</b>	<b>(1,119,020)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	36	1,465,804	550,972
Other sources	1,277,151	-	-
Operating transfers out	(2,160,658)	-	-
<b>Total Financing Sources (Uses)</b>	<b>(883,471)</b>	<b>1,465,804</b>	<b>550,972</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(585,314)</b>	<b>(1,972,371)</b>	<b>(568,048)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>27,833,118</b>	<b>1,972,371</b>	<b>594,443</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 27,247,804</b>	<b>\$ -</b>	<b>\$ 26,395</b>

See accompanying note to supplementary information.

<b>Capital Facilities Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 88,274,520
-	-	-	16,047,424
-	-	33,082	21,913,290
2,006,568	178,248	3,879,273	16,273,127
<u>2,006,568</u>	<u>178,248</u>	<u>3,912,355</u>	<u>142,508,361</u>
-	-	-	65,552,888
-	-	-	20,047,744
-	-	-	32,701,667
-	-	-	5,537,433
62,923	-	13,208	14,923,811
-	-	-	1,059,852
224,344	656,434	1,166,142	2,904,677
355,625	-	1,740,000	2,150,000
220,816	29,471	2,615,551	2,876,670
<u>863,708</u>	<u>685,905</u>	<u>5,534,901</u>	<u>147,754,742</u>
<u>1,142,860</u>	<u>(507,657)</u>	<u>(1,622,546)</u>	<u>(5,246,381)</u>
369,961	-	1,967,468	4,354,241
-	-	(1,277,151)	-
<u>(1,967,468)</u>	<u>(226,079)</u>	<u>(36)</u>	<u>(4,354,241)</u>
<u>(1,597,507)</u>	<u>(226,079)</u>	<u>690,281</u>	<u>-</u>
(454,647)	(733,736)	(932,265)	(5,246,381)
9,702,884	7,338,345	5,912,864	53,354,025
<u>\$ 9,248,237</u>	<u>\$ 6,604,609</u>	<u>\$ 4,980,599</u>	<u>\$ 48,107,644</u>

**OXNARD UNION HIGH SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE BY OBJECT  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Child Development Fund</b>	<b>Deferred Maintenance Fund</b>	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>
<b>REVENUES</b>			
Other State sources	\$ -	\$ -	\$ -
Other local sources	36	-	11,955
<b>Total Revenues</b>	<u>36</u>	<u>-</u>	<u>11,955</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Services and operating expenditures	-	-	-
Capital outlay	-	-	-
Debt service - principal	-	-	-
Debt service - interest and other	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>36</u>	<u>-</u>	<u>11,955</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	-	-
Operating transfers out	(36)	-	-
Other sources	-	(1,277,151)	-
<b>Total Financing Sources (Uses)</b>	<u>(36)</u>	<u>(1,277,151)</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>(1,277,151)</u>	<u>11,955</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>1,277,151</u>	<u>648,016</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,971</u>

See accompanying note to supplementary information.

<b>Foundation Special Reserve 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>
\$ -	\$ -	\$ 33,082	\$ -	\$ 33,082
3,563	5,616	3,846,289	11,814	3,879,273
<u>3,563</u>	<u>5,616</u>	<u>3,879,371</u>	<u>11,814</u>	<u>3,912,355</u>
2,180	11,028	-	-	13,208
-	1,166,142	-	-	1,166,142
-	-	1,430,000	310,000	1,740,000
-	-	2,441,083	174,468	2,615,551
<u>2,180</u>	<u>1,177,170</u>	<u>3,871,083</u>	<u>484,468</u>	<u>5,534,901</u>
<u>1,383</u>	<u>(1,171,554)</u>	<u>8,288</u>	<u>(472,654)</u>	<u>(1,622,546)</u>
-	1,500,000	-	467,468	1,967,468
-	-	-	-	(36)
-	-	-	-	<u>(1,277,151)</u>
-	1,500,000	-	467,468	690,281
1,383	328,446	8,288	(5,186)	(932,265)
60,517	128,223	3,236,334	562,623	5,912,864
<u>\$ 61,900</u>	<u>\$ 456,669</u>	<u>\$ 3,244,622</u>	<u>\$ 557,437</u>	<u>\$ 4,980,599</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  
 FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Certificates of Participation</b>	<b>ACHS Growth</b>	<b>PHS Startup</b>
<b>REVENUES</b>			
Other local sources	\$ 37,615	\$ 9,560	\$ 88,466
<b>EXPENDITURES</b>			
Capital outlay	-	-	-
Debt service - interest and other	-	29,471	-
<b>Total Expenditures</b>	<b>-</b>	<b>29,471</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>37,615</b>	<b>(19,911)</b>	<b>88,466</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers out	-	-	-
<b>Total Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>37,615</b>	<b>(19,911)</b>	<b>88,466</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,547,082</b>	<b>456,231</b>	<b>3,638,698</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,584,697</b>	<b>\$ 436,320</b>	<b>\$ 3,727,164</b>

See accompanying note to supplementary information.

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<b>RMHS Pool</b>	<b>Lease Revenue Bonds</b>	<b>Total Special Reserve Fund for Capital Outlay Projects</b>
\$ 7,437	\$ 35,170	\$ 178,248
-	656,434	656,434
-	-	29,471
-	656,434	685,905
7,437	(621,264)	(507,657)
(226,079)	-	(226,079)
(226,079)	-	(226,079)
(218,642)	(621,264)	(733,736)
226,066	1,470,268	7,338,345
<u>\$ 7,424</u>	<u>\$ 849,004</u>	<u>\$ 6,604,609</u>



# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2010

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### NOTE 1 - PURPOSE OF SCHEDULES

#### Schedule of Expenditures of Federal Awards

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

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent timing differences between the recording of revenues and expenditures of Federal funds. The unspent balances are reported as legally restricted ending balances within the General Fund.

Description	CFDA Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures and Changes in Fund Balance:		\$ 16,047,424
ARRA State Fiscal Stabilization Funds (SFSF)	84.394	5,383,012
Medical Administrative Activities Program	93.778	(337,627)
Medi-Cal Billing Option	93.778	(33,801)
Retiree Drug Subsidy Program	93.616	305,694
Total Schedule of Expenditures of Federal Awards		<u>\$ 21,364,702</u>

#### Local Education Agency Organization Structure

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

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

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

# OXNARD UNION HIGH SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2010

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### **Schedule of Instructional Time**

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

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirement, whichever is greater, as required by *Education Code* Section 46201. Senate Bill 2 of the 2009-2010 Fourth Extraordinary Session (SBX4 2) allows for an equivalent five-day reduction to the required number of instructional minutes for the fiscal years 2009-2010 through 2012-2013.

### **Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

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

### **Schedule of Financial Trends and Analysis**

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

### **Schedule of Charter Schools**

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

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

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.

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

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

### **Statements of 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.

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***INDEPENDENT AUDITORS' REPORTS***

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

Governing Board  
Oxnard Union High School District  
Oxnard, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oxnard Union High School District as of and for the year ended June 30, 2010, which collectively comprise Oxnard Union High School District's basic financial statements and have issued our report thereon dated January 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 2010-1 through 2010-3. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oxnard Union High School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We noted certain matters that we reported to management of Oxnard Union High School District in a separate letter dated January 4, 2011.

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

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.

*Vaurine K. Tripp, Day & Co., LLP*  
Rancho Cucamonga, California  
January 4, 2011



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

Governing Board  
Oxnard Union High School District  
Oxnard, California

**Compliance**

We have audited 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 could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010. Oxnard Union High School District's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Oxnard Union High School District's management. Our responsibility is to express an opinion on Oxnard Union High School District's compliance based on our audit.

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

In our opinion, Oxnard Union High School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010.

## 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Oxnard Union High School District's internal control over compliance.

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

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

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

Vavrinek, Trinc, Day & Co., LLP  
Rancho Cucamonga, California  
January 4, 2011



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, 2010, and have issued our report thereon dated January 4, 2011. 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 2009-2010, 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 (Attendance reporting, Kindergarten continuance, Independent study, Continuation education), Instructional Time (School districts, County offices of education), Instructional Materials (General requirements), Ratios of Administrative Employees to Teachers, Classroom Teacher Salaries, Early retirement incentive, Gann limit calculation, School Accountability Report Card, Public hearing requirement - receipt of funds.



	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
<b>Class Size Reduction Program (including in Charter Schools):</b>		
General requirements	7	Not Applicable
Option one classes	3	Not Applicable
Option two classes	4	Not Applicable
District or charter schools with only one school serving K-3	4	Not Applicable
<b>After School Education and Safety Program:</b>		
General requirements	4	Not Applicable
After school	4	Not Applicable
Before school	5	Not Applicable
<b>Charter Schools:</b>		
Contemporaneous records of attendance	1	Not Applicable
Mode of instruction	1	Not Applicable
Non classroom-based instruction/independent study	15	Not Applicable
Determination of funding for non classroom-based instruction	3	Not Applicable
Annual instruction minutes classroom based	3	Not Applicable

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.

*Vaurine K. Trine, Day & Co., LLA*  
Rancho Cucamonga, California  
January 4, 2011

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

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**OXNARD UNION HIGH SCHOOL DISTRICT**

**SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	<u>No</u>
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027 and 84.391 (ARRA)</u>	<u>Special Education (IDEA) Cluster (includes ARRA)</u>
<u>84.010 and 84.389 (ARRA)</u>	<u>Title I, Part A Cluster (includes ARRA)</u>
<u>84.394 (ARRA)</u>	<u>ARRA - State Fiscal Stabilization Fund (SFSF)</u>
<u>10.553, 10.555, 10.559</u>	<u>Child Nutrition Cluster</u>
<u>93.778</u>	<u>Medicaid Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 640,941</u>
Auditee qualified as low-risk auditee?	<u>No</u>

**STATE AWARDS**

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<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, 2010

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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>
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

**2010-1    60000**

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

#### **Finding**

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

#### **Recommendation**

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

#### **District Response**

The District is continuing to work with a large international consulting firm with extensive experience in managing and advising nutrition programs in public schools.

The District has also increased the number of POS (point of sale) stations to expedite and increase the number of meals served which will increase the number of meals claimed for reimbursement.

# OXNARD UNION HIGH SCHOOL DISTRICT

## FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2010

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2010-2 30000

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

#### *Rio Mesa High School*

##### **Finding**

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

##### **Recommendation**

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

##### **District Response**

The District will provide a review on fiduciary responsibilities and monitor the accounts on a monthly basis.

2010-3 30000

### *SAFEGUARDING OF CASH COLLECTIONS*

##### **Finding**

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

##### **Recommendation**

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

**OXNARD UNION HIGH SCHOOL DISTRICT**

**FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010**

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**District Response**

The District will ensure the manager's office doors are closed and locked when cash is present.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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None reported.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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None reported.



# OXNARD UNION HIGH SCHOOL DISTRICT

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2010

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

### Financial Statement Findings

2009-1 60000

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

##### **Finding**

The cafeteria fund has incurred operating deficits in two of the past three years. The cafeteria fund balance decreased during the year from \$2,975,410 to \$594,443. The practice of deficit spending is lowering the cafeteria fund balance to levels that could lead to the cafeteria fund encroaching on the general fund to maintain daily operations. The participation has continued to decrease significantly causing a drop in the overall Federal, State, Paid meals, and a-la-carte revenues.

##### **Recommendation**

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

##### **Current Status**

Not implemented, see current year finding 2010-1.

2009-2 30000

#### *BEVERAGE SALES MONITORING/RECONCILIATION*

##### **Finding**

During site cafeteria visits, there did not appear to be a control in place to monitor beverages sold during the day. This could allow for an employee to either take beverages without paying or give beverages to students and pocket the cash. Since there is no reconciliation being performed between items sold in the system and a beginning and ending inventory count to correspond to those items sold this increases the likelihood of fraudulent activity occurring.

##### **Recommendation**

The cafeteria should implement procedures to account for and reconcile beverages sold during the day to reduce the likelihood of fraudulent activity.

**OXNARD UNION HIGH SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010**

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**Current Status**

Implemented.

**2009-3 30000**

***SAFEGUARDING OF CASH COLLECTIONS***

**Finding**

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

**Recommendation**

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

**Current Status**

Not implemented; see current year finding 2010-3.

**2009-4 30000**

***RISK MANAGEMENT – EXCESS WORKERS' COMPENSATION SURPLUS***

**Finding**

The use of excess workers' compensation surplus was not in accordance with the guidelines established in 1996 "Request for Surplus Workers' Compensation Monies". The Risk Management department requested release of funds on April 8, 2009, but did not provide posting instruction to the accounting department for the returned contribution of \$400,000 (dated April 15, 2009) as an abatement or reduction of worker compensation rate in 2008-2009. Subsequently, the monies have been maintained in the unrestricted General Fund reserves and were not expended as of June 30, 2009. The outstanding balance for remaining unreleased surplus funds is approximately \$273,000 as of June 30, 2009.

# OXNARD UNION HIGH SCHOOL DISTRICT

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2010

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### **Recommendation**

Any excess surplus funds for workers' compensation contributions returned by the Ventura County Schools' Self-Funding Authority (VCSSFA) that were generated by voluntarily paying higher contribution for "programs to assist in further reduction of claims " should be used to adjust the current year's contribution rates charged to abate each of the Federal, State and District programs.

### **Current Status**

Implemented.

### **State Awards Findings**

#### **2009-5 40000 SIGNIFICANT DEFICIENCY**

#### ***COMPETITIVE FOOD SALES***

#### **Finding**

During site cafeteria visits it appeared as though the ASB student store may be in direct competition with the cafeteria. State regulations have established laws regarding food sales on school premises including vending machines and student stores. The intent is to ensure that such sales do not impair the ability of the food service department to remain financially sound.

#### **Recommendation**

The District should monitor the food sales activities more closely to ensure they meet the conditions set forth under the applicable laws and regulations for food sales on school campuses by student and adult organizations.

#### **Current Status**

Implemented.



Governing Board  
Oxnard Union High School District  
Oxnard, California

In planning and performing our audit of the financial statements of Oxnard Union High School District (the District), for the year ended June 30, 2010, 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 January 4, 2011, on the government-wide financial statements of Oxnard Union High School District.

### ***INTERNAL CONTROL***

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

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

#### **Observation**

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

#### **Recommendation**

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

#### **Observation**

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

### **Recommendation**

The District should incorporate a procedure to ensure that all nutritional items purchased by teachers are reviewed and approved according to the SB 12 and SB 19 guidelines. We noted the food standards for all schools (K-12) are to strengthen and implement the competitive food standards originally described in SB 19 (The Pupil Nutrition, Health, and Achievement Act of 2001). An individually sold snack may have no more than 35 percent of its calories from fat (excluding legumes, nuts, nut butters, seeds, eggs, vegetables that have not been deep-fried, and cheese packaged for individual sale). No more than ten percent of its calories from saturated fat (excluding eggs and cheese packaged for individual sale) and 35 percent sugar by weight (excluding fruits and vegetables). No item sold should be more than 175 calories (elementary schools) and 250 calories (middle and high schools). An individually sold entree may have no more than four grams of fat per 100 calories, 400 calories and must qualify under the Federal Meal Program. The only beverages that may be sold to students are milk, water or juice that is at least 50 percent fruit juice with no added sweeteners.

### ***Prior Year Observations and Recommendations***

#### ***INTERNAL CONTROL***

##### ***Rio Mesa High School - Associated Student Body Accounts***

#### **Observation**

In reviewing the financial statements for the student body accounts, we noted that seven club accounts had negative balances totaling nearly \$50,000. 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.

#### **Current Status**

Not implemented, see current year finding 2010-2.

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

*Vavrine K, Trine Day & Co., LLP*  
Rancho Cucamonga, California  
January 4, 2011