

WESTERN PLACER UNIFIED SCHOOL DISTRICT
600 SIXTH STREET, SUITE 400,
LINCOLN, CALIFORNIA 95648
Phone: 916.645.6350 Fax: 916.645.6356

MEMBERS OF THE GOVERNING BOARD

Paul Carras - President
Paul Long - Vice President
Kris Wyatt - Clerk
Brian Haley - Member
Damian Armitage - Member

DISTRICT ADMINISTRATION

Scott Leaman, Superintendent
Mary Boyle, Deputy Superintendent of Educational Services
Joyce Lopes, Assistant Superintendent of Business Services
Cathy Allen, Assistant Superintendent of Facilities and Maintenance Services

STUDENT ENROLLMENT

| School | 2009 CBEDS | 11/03/10 | 12/01/10 |
|------------------------------------|-------------------|-----------------|-----------------|
| Sheridan School (K-5) | 88 | 85 | 86 |
| First Street School (K-5) | 411 | 449 | 452 |
| Carlin C. Coppin Elementary (K-5) | 446 | 418 | 412 |
| Creekside Oaks Elementary (K-5) | 624 | 624 | 625 |
| Twelve Bridges Elementary (K-5) | 708 | 712 | 714 |
| Foskett Ranch Elementary (K-5) | 542 | 539 | 544 |
| Lincoln Crossing Elementary (K-5) | 608 | 611 | 614 |
| Glen Edwards Middle (6-8) | 632 | 694 | 688 |
| Twelve Bridges Middle School (6-8) | 837 | 818 | 816 |
| Lincoln High School (9-12) | 1,471 | 1,488 | 1,474 |
| Phoenix High School (10-12) | 80 | 69 | 76 |
| PCOE Home School | 0 | 0 | 0 |
| TOTAL: | 6,447 | 6,507 | 6,501 |

Preschool/Head Start

First & J Street 24
Carlin Coppin 23 - A.M. /20 - P.M.
Sheridan 20

Pre-K/Special Ed

Foskett 14
FSS PPPIP 37
Carlin Coppin 8

Adult Education 223

First-5 Program

First Street 20-A.M. / 17-P.M.

GLOBAL DISTRICT GOALS

- ~Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential.
- ~Foster a safe, caring environment where individual differences are valued and respected.
- ~Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
- ~Promote the involvement of the community, local government, business, service organizations, etc. as partners in the education of our students.
- ~Promote student health and nutrition in order to enhance readiness for learning.

Western Placer Unified School District
Regular Meeting of the Board of Trustees
January 4, 2011, 7:00 P.M.
LINCOLN HIGH SCHOOL – PERFORMING ARTS THEATER
790 J Street, Lincoln, CA 95648

AGENDA

2010-2011 Goals & Objectives (G & O) for the Management Team: Component I: Quality Student Performance; **Component II:** Curriculum Themes; **Component III:** Special Student Services; **Component IV:** Staff & Community Relations; **Component V:** Facilities/Administration/Budget.

All Open Session Agenda related documents are available to the public for viewing at the Western Placer Unified School District Office located at 600 Sixth Street, Fourth Floor in Lincoln, CA 95648.

6:10 P.M. START

1. **CALL TO ORDER** – Lincoln High School Performing Arts Theater

6:15 P.M.

2. **CLOSED SESSION** – Lincoln High School - Office Conference Room
 - 2.1 **PERSONNEL**
Public Employee Discipline/Dismissal/Release - CL 10/11.3
 - 2.2 **INTERDISTRICT ATTENDANCE APPEAL**
Interdistrict Request Appeal 10/11-44
 - 2.3 **STUDENT DISCIPLINE/EXPULSION PURSUANT TO E.C.48918**
Student Discipline/Expulsion Pursuant to E.C. 48918
Student Expulsion # 10-11 C

7:00 P.M.

3. **ADJOURN TO OPEN SESSION/PLEDGE OF ALLEGIANCE**–Lincoln High Theater
The Board of Trustees will disclose any action taken in Closed Session regarding the following items:
 - 3.1 **PERSONNEL**
Public Employee Discipline/Dismissal/Release - CL 10/11.3
Roll call vote:
 - 3.2 **INTERDISTRICT ATTENDANCE APPEAL**
Interdistrict Request Appeal 10/11-44
 - 3.3 **STUDENT DISCIPLINE/EXPULSION PURSUANT TO E.C.48918**
Student Discipline/Expulsion Pursuant to E.C. 48918
Student Expulsion # 10-11 C
4. **CONSENT AGENDA**

NOTICE TO THE PUBLIC

All items on the Consent Agenda will be approved with one motion, which is not debatable and requires a unanimous vote for passage. If any member of the Board, Superintendent, or the public, so request, items may be removed from this section and placed in the regular order of business following the approval of the consent agenda.

January 4, 2011

Agenda

- 4.1 Approval of Meeting Minutes for:
 - December 7, 2010 Reorganizational Board Meeting
 - December 21, 2010 Regular Board of Trustee Meeting
- 4.2 Approval of Warrants.
- 4.3 Approve Certificated Personnel Report.

*Roll call vote:***5. COMMUNICATION FROM THE PUBLIC**

This portion of the meeting is set aside for the purpose of allowing an opportunity for individuals to address the Board regarding matters not on the agenda, but within the board's subject matter jurisdiction. The Board is not allowed to take action on any item, which is not on the agenda except as authorized by Government Code Section 54954.2. Request forms for this purpose "Request to Address Board of Trustees" are located at the entrance to the Performing Arts Theater. Request forms are to be submitted to the Board Clerk prior to the start of the meeting.

6. REPORTS & COMMUNICATION

- 6.1 Lincoln High School, Student Advisory – Carlos DeLa Fuente
- 6.2 Western Placer Teacher's Association – Mike Agrippino
- 6.3 Western Placer Classified Employee Association – Mike Kimbrough
- 6.4 Superintendent - Scott Leaman

7. PUBLIC HEARING

Education Codes 35256 and 35258 require California School Districts and School Sites to complete the reporting requirements of the School Accountability Report Card (SARC) by February 1 annually. The SARC's present parents and community members with complete and up-to-date information on each school's performance and includes information on facilities, curriculum, student achievement, demographics, special programs, school safety, teacher credentials, compliance with Highly Qualified Teacher requirements, and other required data. In the past, the State has provided a template for reporting, with much of the data pre-populated, leaving the District and sites to complete the narrative and some of the data reporting requirements. Due to State budget and staffing reductions this year, the California Department of Education (CDE) has just informed the State Board of Education (SBE) that while the template will be available, the pre-populating of the data will not be done, greatly increasing the work of sites and district offices. With the pending holidays and the short timeline, CDE is offering a General Waiver Request to all districts for a 60-day extension of the February 1 timeline to April 1, to allow more time to complete these requirements.

8. ♦ ACTION ♦ DISCUSSION ♦ INFORMATION

Members of the public wishing to comment on any items should complete a yellow REQUEST TO ADDRESS BOARD OF TRUSTEES form located on the table at the entrance to the Performing Arts Theater. Request forms are to be submitted to the Board Clerk before each item is discussed.

- 8.1 Action **ADOPTION OF RESOLUTION #10/11. 8 APPROVING THE GENERAL WAIVER REQUEST FOR 60-DAY EXTENSION OF SARC REPORTING DEADLINE** – Boyle (10-11 G & O Component I, II, III, IV, V)
 - Education Codes 35256 and 35258 require California School Districts and School Sites to complete the reporting requirements of the School Accountability Report Card (SARC) by February 1 annually.

Roll call vote:

January 4, 2011

Agenda**8.2 Action ADOPTION OF NEW AND REVISED POLICIES, REGULATIONS AND EXHIBITS – Leaman** *(10-11 G & O Component I, II, III, IV, V)*

- The District Policy Committee and Management Team have reviewed the following new and revised policies/regulations/exhibits as per CSBA. They are now being presented for adoption by the Board of Trustees.

- AR 0520.3 Title I Program Improvement Districts

8.3 Discussion DISTRICT OPERATION OF STATE PRESCHOOL PROGRAMS FOR 2011/12 – Boyle *(10-11 G & O Component I, II, III, IV, V)*

- As stated in the December 7, 2010 Consent Agenda item re State Preschool Contract for 2010 – 2011, WPUSD has subcontracted the operation of our State Preschool Program to the Placer Community Action Council (PCAC) KidZKount program for a number of years. The State fully funds this program and PCAC has operated the program for the district, with our annual State Preschool Grant funds flowing through the district (less minimal indirect costs) to PCAC. Over the past four years, our district has become more involved in preschool education, primarily because of special education requirements. With the expansion of our special education preschool services and the necessity for inclusion of students with typical peers, increased State expectations for Kindergarten readiness, the necessity for collaboration between Kindergarten and preschool programs, and the pending changes in kindergarten enrollment eligibility dates, coordinating preschool programs is becoming a greater District responsibility and lends merit to the District operating the program directly. We would like to engage the Board in discussion regarding the merits of operating the State Preschool Program directly through the District beginning in 2011/2012, with no increased costs to the district.

8.4 Information HORIZON CHARTER SCHOOL ANNUAL AUDIT REPORT –**Lopes** *(10-11 G & O Component I, II, III, IV, V)*

- Western Placer Unified School District, as the sponsoring authority for Horizon Charter School, is responsible for fiscal oversight. Accordingly, their annual audit report is provided for your review. Gilbert Associates, Inc., prepared the annual audit report of Horizon Charter School for the fiscal year ended June 30, 2010 and 2009.

8.5 Information PRESENTATION OF THE ACTUARIAL STUDY OF THE DISTRICT'S RETIREE HEALTH BENEFITS – Lopes *(10-11 G & O Component I, II, III, IV, V)*

- In order to comply with Governmental Accounting Standards Board (GASB) Statement 45 the district must recognize its liability for the projected cost of future retiree health benefits. GASB 45 is the implementation of financial rule to account for the current and future costs of retiree health benefit obligations. The Governmental Accounting Standards Board (GASB) issued its new accounting standards for U.S. local public agencies in 2004, as a result of a growing concern that public agencies, like corporate entities in the 1990s, were not recognizing in their annual financial statements the total cost of promised post-employment health benefits for retired employees and thus not assessing the potential impact of these growing liabilities on future cash flow. GASB 45 requires public agencies to conduct regular actuarial studies to determine the actuarial accrued liability for retiree health benefits, to determine the annual cost to the district to fund this liability and to report the progress made in funding the liability.

January 4, 2011

Agenda**8.6 Discussion RECEIPT OF THE 2009-10 AUDITED FINANCIAL STATEMENTS****- Lopes** *(10-11 G & O Component I, II, III, IV, V)*

•The 2009-10 Unaudited Actuals were presented to the Board of Trustees in September. The firm of Perry-Smith & Co. has performed the required independent annual audit and submitted our audit report to the State Controller's Office by December 15 as required by law. The auditors will be present at the Board meeting to present highlights of the Audited Financial Statements.

8.7 Information/ROCKWELL RANCH – Leaman *(10-11 G & O Component I, II, III, IV, V)*

Discussion •The district was approached by Caltrans to acquire a 500 acre parcel of land north of the Lincoln High School Farm known as the Rockwell Ranch. The ranch is fully mitigated and will have an endowment assigned to the property from Caltrans. At a meeting with LHSF teachers, it was established that ownership of the property had to meet educational, financial, and liability criteria to move forward.

8.8 Discussion LINCOLN HIGH SCHOOL FARM DEED RESTRICTON –**Leaman** *(10-11 G & O Component I, II, III, IV, V)*

•Discussion of the implementation of resolution #09/10.24 (attached) are ongoing with the Farm Foundation. A variety of options have been gathered and will be discussed.

9. BOARD OF TRUSTEES**9.1 FUTURE AGENDA ITEMS**

The following are a number of agenda items that the Board of Trustees has been monitoring. They are NOT action items for tonight's meeting, but are noted here for continuing purposes and to ensure that when there are changes or new information they will be called up as Action/Discussion/Information.

- Relationship with Sierra Community College
- Twelve Bridges High School
- Lincoln Crossing Elementary South/Facilities Update

9.2 BOARD MEMBER REPORTS/COMMENTS**10. ESTABLISHMENT OF NEXT MEETING(S)**

The President will establish the following meeting(s):

- January 18, 2011 7:00 P.M., Regular Meeting of the Board of Trustee – Glen Edwards Middle School – Multi-Purpose Room

11. ADJOURNMENT

BOARD BYLAW 9320: Individuals requiring disability-related accommodations or modifications including auxiliary aids and services in order to participate in the Board meeting should contact the Superintendent or designee in writing at least two days prior to meeting date. (American Disabilities Act) Government Code 54954.1

Posted: 12/27/10

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**DISCLOSURE
OF ACTION
TAKEN IN
CLOSED SESSION,
IF ANY**

Western Placer Unified School District

CLOSED SESSION AGENDA

Place: Lincoln High School – Main Office Conference Room

Date: Tuesday, January 4, 2011

Time: 6:15 P.M.

1. LICENSE/PERMIT DETERMINATION
 2. SECURITY MATTERS
 3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
 4. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
 5. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
 6. LIABILITY CLAIMS
 7. THREAT TO PUBLIC SERVICES OR FACILITIES
 8. **PERSONNEL**
 - * PUBLIC EMPLOYEE APPOINTMENT
 - * PUBLIC EMPLOYEE EMPLOYMENT
 - * PUBLIC EMPLOYEE PERFORMANCE EVALUATION
 - * PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE
 - * COMPLAINTS OR CHARGES AGAINST AN EMPLOYEE
 9. CONFERENCE WITH LABOR NEGOTIATOR
 10. **STUDENTS**
 - * STUDENT DISCIPLINE/EXPULSION PURSUANT TO E.C. 48918
 - * STUDENT PRIVATE PLACEMENT
 - * INTERDISTRICT ATTENDANCE APPEAL
 - * STUDENT ASSESSMENT INSTRUMENTS
 - * STUDENT RETENTION APPEAL, Pursuant to BP 5123
1. LICENSE/PERMIT DETERMINATION
 - a. Specify the number of license or permit applications.
 2. SECURITY MATTERS
 - a. Specify law enforcement agency
 - b. Title of Officer,
 3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
 - a. Property: specify the street address, or if no street address the parcel number or unique other reference to the property under negotiation.
 - b. Negotiating parties: specify the name of the negotiating party, not the agent who directly or through an agent will negotiate with the agency's agent.

- c. Under negotiations: specify whether the instructions to the negotiator will concern price, terms of payment or both.
4. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
 - a. Name of case: specify by reference to claimant's name, names or parties, case or claim number.
 - b. Case name unspecified: specify whether disclosure would jeopardize service of process or existing settlement negotiations.
5. **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**
 - a. Significant exposure to litigation pursuant to subdivision (b) of Government Code section 54956.9 (if the agency expects to be sued) and also specify the number of potential cases.
 - b. Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9 (if the agency intends to initiate a suit) and specify the number of potential cases.
6. **LIABILITY CLAIMS**
 - a. Claimant: specify each claimants name and claim number (if any). If the claimant is filing a claim alleging district liability based on tortuous sexual conduct or child abuse, the claimant's name need not be given unless the identity has already been publicly disclosed.
 - b. Agency claims against.
7. **THREATS TO PUBLIC SERVICES OR FACILITIES**
 - a. Consultation with: specify name of law enforcement agency and title of officer.
8. **PERSONNEL:**
 - A. **PUBLIC EMPLOYEE APPOINTMENT**
 - a. Identify title or position to be filled.
 - B. **PUBLIC EMPLOYEE EMPLOYMENT**
 - a. Identify title or position to be filled.
 - C. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
 - a. Identify position of any employee under review.
 - D. **PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE**
 - a. It is not necessary to give any additional information on the agenda.
 - E. **COMPLAINTS OR CHARGES AGAINST AN EMPLOYEE, UNLESS EMPLOYEE REQUESTS OPEN SESSION**
 - a. No information needed
9. **CONFERENCE WITH LABOR NEGOTIATOR**
 - a. Name any employee organization with whom negotiations to be discussed are being conducted.
 - b. Identify the titles of unrepresented individuals with whom negotiations are being conducted.
 - c. Identify by name the agency's negotiator
10. **STUDENTS:**
 - A. **STUDENT DISCIPLINE/EXPULSION PURSUANT TO E.C. 48918**
 - B. **STUDENT PRIVATE PLACEMENT**
 - Pursuant to Board Policy 6159.2
 - C. **INTERDISTRICT ATTENDANCE APPEAL**
 - a. Education Code 35146 and 48918
 - D. **STUDENT ASSESSMENT INSTRUMENTS**
 - a. Reviewing instrument approved or adopted for statewide testing program.
 - E. **STUDENT RETENTION/ APPEAL**
 - a. Pursuant to Board Policy 5123

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Public Employee Discipline/
Dismissal/Release

- CL 10/11.3

AGENDA ITEM AREA:

Closed Session

REQUESTED BY:

Ryan Davis
Director, Human Services



ENCLOSURES:

Yes

DEPARTMENT:

Personnel

FINANCIAL INPUT/SOURCE:

General/Categorical

MEETING DATE:

January 4, 2010

ROLL CALL REQUIRED:

Yes

BACKGROUND:

Board of Trustees will disclose any action taken in closed session in regard to Employee # CL 10/11.3 Discipline/Dismissal/Release.

RECOMMENDATION:

Administration recommends the Board of Trustees disclose action taken in closed session in regard to Employee # CL 10/11.3 Discipline/Dismissal/Release.

3.1

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
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5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Interdistrict Appeal

AGENDA ITEM AREA:

Disclosure of Action Taken in
Closed Session

REQUESTED BY:

Scott Leaman,
Superintendent

ENCLOSURES:

No

DEPARTMENT:

Administration

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

The Board of Trustees will discuss disclose any action taken in closed session regarding the following transfer appeals:

- a. Interdistrict Request Appeal 10/11-44

ADMINISTRATION RECOMMENDATION:

Disclose any action taken.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

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4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Student Discipline/
Expulsion
Student #10-11 C

AGENDA ITEM AREA:

Closed Session

REQUESTED BY:

ENCLOSURES:

DEPARTMENT:

Kris Knutson
District Hearing Officer

FINANCIAL INPUT/SOURCE:

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

BACKGROUND:

The Board of Trustees will disclose any action taken during closed session in regards to the expulsion of Student #10-11 C

RECOMMENDATION:

The administration recommends the Board of Trustees disclose any action taken in regards to the above item.

CONSENT

AGENDA

ITEMS

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
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5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Approval of Minutes:

- December 7, 2010 – Reorganizational Meeting
- December 21, 2010 – Regular Meeting

AGENDA ITEM AREA:

CONSENT AGENDA

REQUESTED BY:

Scott Leaman,
Superintendent

ENCLOSURES:

Yes

DEPARTMENT:

Administration

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

The Board of Trustees will consider adoption of the following minutes:

- December 7, 2010 Reorganizational Meeting
- December 21, 2010 Regular Meeting

RECOMMENDATION:

Administration recommends the Board of Trustees take action to approve minutes.

Western Placer Unified School District
Annual Organizational Meeting of the Board of Trustees
December 7, 2010, 7:00 P.M.
LINCOLN HIGH SCHOOL – PERFORMING ARTS THEATER
790 J Street, Lincoln, CA 95648

MINUTES

2010-2011 Goals & Objectives (G & O) for the Management Team: Component I: Quality Student Performance; Component II: Curriculum Themes; Component III: Special Student Services; Component IV: Staff & Community Relations; Component V: Facilities/Administration/Budget.

All Open Session Agenda related documents are available to the public for viewing at the Western Placer Unified School District Office located at 600 Sixth Street, Fourth Floor in Lincoln, CA 95648.

6:25 P.M. START

1. CALL TO ORDER – Lincoln High School Performing Arts Theater

MEMBERS PRESENT:

Paul Carras
Brian Haley
Paul Long

MEMBERS ABSENT:

Terry Gage, Member
Ana Stevenson, Member

Others Present

Scott Leaman, Superintendent
Mary Boyle, Deputy Superintendent of Educational Services
Ryan Davis, Director of Personnel Services
Joyce Lopes, Assistant Superintendent of Business
Cathy Allen, Assistant Superintendent of Facilities & Maintenance Services
Rosemary Knutson, Secretary to the Superintendent
Stephanie Dumm, Lincoln News Messenger
Damian Armitage, New Board Member
Kris Wyatt, New Board Member

6:30 P.M.

2. CLOSED SESSION – Lincoln High School - Office Conference Room

2.1 PERSONNEL

Public Employee Discipline/Dismissal/Release - CL 10/11.2

2.2 CONFERENCE WITH LABOR NEGOTIATOR

Update on Certificated & Classified Negotiations

7:00 P.M.

3. ADJOURN TO OPEN SESSION/PLEDGE OF ALLEGIANCE–Lincoln High Theater The Board of Trustees will disclose any action taken in Closed Session regarding the following items:

3.1 PERSONNEL

Public Employee Discipline/Dismissal/Release - CL 10/11.2

4.1.1

December 7, 2010

Minutes

Motion by Mr. Long to approve the separation and release agreement for one classified employee CL 10/11.2, seconded by Mr. Haley, and passed by 3-0 roll call vote. Roll Call: Haley, Long, Carras

3.2 CONFERENCE WITH LABOR NEGOTIATOR

Update on Certificated & Classified Negotiations

No report at this time.

4. OATH OF OFFICE

The Superintendent will administer the Oath of Office to Kris Wyatt and Damian Armitage, as elected members and Brian Haley as an uncontested candidate of the Board of Trustees to serve until the end of their terms.

Mr. Leaman administered the oath of office to three Board Members, Brian Haley, Kris Wyatt, and Damian Armitage. After administering the oath of office, Board Members Kris Wyatt, and Damian Armitage took their seats at the Board of Trustees table.

5. REORGANIZATION OF THE BOARD OF TRUSTEES

As per Board Bylaw 9100 the Board shall hold an annual organization meeting within the time limits prescribed by law (Education Code 35143). At this meeting the Board shall:

5.1 Elect a President, Vice President, and Clerk from its Members

~As per Education code 35143 and Board Bylaw 9100 the Board of Trustees shall hold an annual organizational meeting to elect a President, Vice President and Clerk from its members.

Mr. Leaman took over the meeting at this time for the election process. Motion by Mr. Long to nominate Paul Carras again for President, seconded by Mr. Haley and passed by a 5-0 vote.

Motion by Mr. Haley to nominate Paul Long for Vice President, seconded by Mr. Armitage, and passed by a 5-0 vote.

Motion by Mr. Long to nominate Kris Wyatt for Clerk, seconded by Mr. Haley, and passed by 5-0 vote.

5.2 Appoint A Secretary to the Board

~According to Board Bylaw 9122, the Superintendent shall act as Secretary of the Governing Board.

Motion by Mr. Armitage, seconded by Mrs. Wyatt, and passed by a 5-0 vote to have Scott Leaman as Secretary of Board.

5.3 Authorization of Signatures

~As per Board Bylaw 9100, the board of Trustees will authorize district officials as those who are authorized to sign district documents.

4.1.2

Motion by Mr. Haley, seconded by Mr. Long, and passed by a 5-0 vote to accept the list of authorized signers.

5.4 Develop a Schedule of Regular Meetings for the Year

~The Board of Trustees must annually develop a schedule of regular meetings for the upcoming year.

Motion by Mr. Armitage, seconded by Mrs. Wyatt, and passed by a 5-0 vote to approve the board calendar of meetings.

5.5 Appoint Committee Assignments

~The Board of Trustees will discuss committee assignments.

Foundation Education – Motion by Mr. Carras, seconded by Mrs. Wyatt, and passed by a 5-0 vote that Paul Long and Brian Haley serve on the Education Foundation Committee.

Farm Foundation – Motion by Mr. Long, seconded by Mr. Haley, and passed by a 5-0 vote to nomination Kris Wyatt to serve on the Farm Foundation Committee.

Farm Foundation - Mr. Long requested to continue serving on the Farm Foundation, seconded by Mr. Armitage and passed by a 5-0 vote that Paul Long continue serving on the Farm Foundation Committee.

Wellness Committee - Kris Wyatt volunteered to be on the Wellness Committee, seconded by Mr. Long, and passed by a 5-0 vote.

Board Policy Committee – Damian Armitage volunteered to serve on the Policy Committee seconded by Mr. Long.

6. CONSENT AGENDA

- 6.1 Approval of Meeting Minutes for:
 - November 2, 2010, & November 16, 2010 Regular Board of Trustee Meeting
- 6.2 Approval of Warrants.
- 6.3 Approve Certificated Personnel Report.
- 6.4 State Preschool Contracts for 2010-2011 with Placer Community Action Council KidZKount.
- 6.5 Approve Notice of Completion for Lincoln High School Relocatable Classrooms and Campus Modernization Increment 2 of 2.

Motion by Mr. Haley, seconded by Mr. Long, and passed by a 5-0 vote to approve consent agenda as presented. Roll call vote: Long, Wyatt, Armitage, Haley, Carras

7. COMMUNICATION FROM THE PUBLIC

Regina Hinnenkamp thanked the board of trustees for the opportunity to speak in regards to Kindergarten aides positions, expressing how fortunate the students have been

4.1.3

Minutes

this year for having the support and care of a one hour instructional aide. This has had a tremendous effect on our students. The aides are very special people. She shared the appreciation of her own aide Mrs. Tofft, and how much work she does in one short hour. She enters the classroom ready to prepare for the daily assignment; she assists the students with writing and math; she gives special attention to Special Education students, and English Language Learner students. She expressed how lucky her students are to have Mrs. Tofft, and expressed how instrumental the aides are to the education of our students.

Jill Loya reported the following library report:

- November 12th through the 15th I attended the 1st combined CLA/CSLA Navigating the New: Charting the Future Together – which is the California Library Association and the California School Library Association.
- Friday, November 12th attended the “2011 Summer Reading Workshop” at the Sacramento Convention Center, which is also the site of this year’s CLA/CSLA 2010.
- The month of November/December is a busy time for Field Trips at the Twelve Bridges Library – I will be hosting over 6 Western Placer classes. This time of year is wonderful for field trips giving teachers a much needed break and students the opportunity to see the resources available at the library so that they can visit the library during their winter break.
- Tomorrow night we are having our annual Christmas Family Story Time from 6 – 7 p.m. – or pajama story time- John and Carol Noon will be reading the Grinch, giving out special treats and children will have time to make an ornament to take home.
- The 12 Bridges & Carnegie Libraries will be closed to the public December 27th – January 2nd, 2011. The City of Lincoln will be closing all of their facilities. This week gives the staff time to catch up on projects, clean and plan for 2011 or take a week of vacation.
- Many students from LHS are volunteering at the homework center.

Cassandra Walker, LHS Ag. Science Teacher had her FFA Student Officers give an FFA update. Trevor Peterson, President; Tyler Newberry, Treasurer; Shannon Dudley, Sentinel; Candis Dudley, Historian; Emily Borsh, Student Advisor. They passed out a work program for the Lincoln FFA Chapter. The student’s shared FFA activities and events planned for the 2010-2011 school year. They reviewed goals and objectives for Recreation; Supervised Agricultural Experience Program; Leadership; Community Service; and Public Relations.

8. REPORTS & COMMUNICATION

- 8.1 Lincoln High School, Student Advisory – Carlos DeLa Fuente was absent
- 8.2 Western Placer Teacher’s Association – Mike Agrippino will report on item 9.3
- 8.3 Western Placer Classified Employee Association – Mike Kimbrough welcomed the new board members.
- 8.4 Superintendent - Scott Leaman reported the following:
 - City office will be closed
 - The December 21st board meeting will be at City Hall/District Office, and Tom Delapp will be presenting a workshop for the new board members.
 - There will be a meeting on January 4, 2011

4.14

December 7, 2010

Minutes

- Working on Mariner Ranch, information will be brought on January 4th.
- Participating in the Linking Education grant through the Ervine Foundation.
- Will be attending the City Council Meeting next week.
- The MOU on the Twelve Bridges Library pays 15% on the library.

9. ♦ ACTION ♦ DISCUSSION ♦ INFORMATION

9.1 Action

ADOPTION OF NEW AND REVISED POLICIES, REGULATIONS**AND EXHIBITS – Leaman (10-11 G & O Component I, II, III, IV, V)**

• The District Policy Committee and Management Team have reviewed the following new and revised policies/regulations/exhibits as per CSBA. They are now being presented for adoption by the Board of Trustees.

- BP/AR 0520.3 Title I Program Improvement Districts
- AR 4112.23 Special Education Staff
- BP 5131 Conduct
- BP 5141.6 School Health Services
- AR/Exhibit 5144.1 Suspension and Expulsion/Due Process
- BP/AR 5145.12 Search and Seizure
- AR 6162.51 Standardized Testing and Reporting Program
- AR 6162.52 High School Exit Examination

Mr. Armitage requested AR 0520.3 be tabled. Motion by Mr. Haley, seconded by Mr. Long and passed 5-0 vote to adopted new and revised policies with the exception of AR 0520.3.

9.2 Discussion/
Action**SECOND AMENDMENT TO MEMORANDUM OF****UNDERSTANDING WITH SUNCAL LINCOLN CROSSING LLC****REGARDING RESERVATION OF PROBABLE SCHOOL SITE(S)****WITHIN THE LINCOLN CROSSING PLAN AREA – Allen (10-11 G**

& O Component I, II, III, IV, V)

• Pursuant to direction from the Board of Trustees given to staff on November 16, 2010 regarding renegotiating the Second Amendment to Memorandum of Understanding (MOU) between LB/L-SunCal Lincoln Crossing LLC and the WPUSD, staff met with the Developer and was able to secure additional extension options and a reduction in the reservation amount as was requested by the Board. The property owner has agreed to extend the timeline for purchase of the southern elementary school site ultimately until 2016 (upon annual requests for extensions by WPUSD) and has agreed to lower the annual reservation payment from \$75,000 to \$25,000; half of which will be applied to the purchase price of the property if the District is able to exercise its option during any or all renewal periods. The other half will be used by the Developer to maintain the site as required by various public agencies. Legal counsel has been consulted and opines that the agreement does not raise any concerns so long as it meets the District's expectations and needs.

Cathy Allen discussed the renegotiating on the MOU for the probable school site. Motion by Mrs. Wyatt, seconded by Mr. Long, and passed by a 5-0 vote to approve the second amendment to Memorandum of Understanding.

4.15

December 7, 2010

Minutes**9.3 Information/BUDGET REDUCTIONS - Lopes** (10-11 G & O Component III, IV, V)

Discussion/ •The district is currently deficit spending and faced with budget reductions. The
Action Board of Trustees has given direction to staff to achieve a balanced budget. The Board of Trustees needs to give the budget committee a target amount of reductions for 2011-12, 2012-13, and future years if necessary. In preparation, the Board has reviewed budget assumptions, enrollment data, revenue assumptions and the multi-year projections at the prior two months board meetings.

Joyce Lopes reported the following assumptions:

- 8% decline in property taxes which is 5% more than anticipated
- 2010-11 mid year cuts of 3.85%, predicted by FCMAT , School Services and SI&A
- Zero COLA for 11-12 per school services

She reviewed current changes and discussed recommendations.

Mike Agrippino reported after reviewing the budget information and listening to the presentation, the Teachers Association strongly urges the Board to adopt the 2013-14 balanced budget. He expressed how hard it is to believe we're going through this process again, and knows how disappointing this is to everyone. He expressed the board's awareness of the potential consciences in the budget cuts, he encouraged the board to be aware that behind numbers, figures and dollar signs, there are people. There are lives that will be significantly affected, our ability to carry on mission for our student's education, programs that have been developed, and people's lives are just a few of the items that will be at stake next year. The hope is that the board looks at the decision tonight as a living, breathing document that can be changed as the information becomes available. The hope is that that the final decisions be made thoughtfully and carefully and not with any political motivation or agendas. This task is just too important to be done any other way than with an open mind and open heart.

Mr. Haley agrees with Joyce

Mr. Long as being a board member, funding for public education and our personal lives feel we need to even this out. We will have to move further down the road, and hope.

Mrs. Wyatt shared she was just taking it all in

Mr. Armitage agreed with Mr. Long, there will be some belt tightening. He has concerns with budget cuts down the road.

Mr. Carras shared the state has an interesting way, and this will not be easy, we have been very fortunate but will not be escaping cuts.

The recommendation from Joyce Lopes and Mr. Leaman is to have the budget committee identify 3 millions in potential cuts, with the ideas of roll it back to 1.8 million.

Motion Mr. Long, seconded by Mrs. Wyatt, and passed by a 5-0 vote to have a balance budget 2013-14, and direct the budget committee to identify 3 million in cuts for this fiscal school year, with an amount to be

4.1.6

December 7, 2010

Minutes

determined for cuts to be established at a later time when we have additional information.

9.4 Action **DISTRICT VOTING REPRESENTATIVE - Leaman** (10-11 G & O
Component III, IV, V)

•Placer County Office of Education requires a voting representative from each district to vote on the Placer County Committee. The district Board of Trustees is required to select one voting representative from the current Board of Trustees.

Mr. Leaman reported, PCOE is requesting a district voting representative, Motion by Mr. Long, seconded by Mr. Haley, and passed by 5-0 vote that Mr. Carras be on the PCOE voting committee.

9.5 Discussion **BUDGET COMMITTEE PARAMETERS - Leaman** (10-11 G & O
Component III, IV, V)

•The board has engaged in ongoing discussions concerning budget reductions since the beginning of the school year. Included in these discussions was the formation of a budget reduction committee. The process described in the attached document is similar to what the district has used in the past two reduction cycles. This committee would be formed under the leadership of the district office.

Mr. Leaman reviewed the parameters of the committee that will be put together. He discussed the process that was used for the last budget committee, and what will be put in place for the next budget committee. Action will need to take place during the first meeting in May.

10. BOARD OF TRUSTEES

10.1 FUTURE AGENDA ITEMS

The following are a number of agenda items that the Board of Trustees has been monitoring. They are NOT action items for tonight's meeting, but are noted here for continuing purposes and to ensure that when there are changes or new information they will be called up as Action/Discussion/Information.

- Relationship with Sierra Community College
- Twelve Bridges High School – would like update on where we are, in January.

10.2 BOARD MEMBER REPORTS/COMMENTS

Mr. Long thanked Cassandra Walker for having her students present on FFA, and welcomed both new Board Members. He also commented on the article in the Sacramento Bee Metro Section, that showed voting statistics.

Mr. Haley welcomed the two new Board Members, and expressed that the board has always tried to do the right thing.

Mrs. Wyatt expressed what an honor to serve on the school board, close friend brought over an article from December 12, 1944, which listed all the LHS Lincoln men who served in the arm services. She thanked the board for the well wishes.

Mr. Armitage recognized the students that we listed in the paper for the honor roll.

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Minutes

Mr. Carras welcomed the new Board Members, and thanked Mr. Leaman and Mr. Lyche for presenting before the PCOE Board.

11. ESTABLISHMENT OF NEXT MEETING(S)

The President will establish the following meeting(s):

➤December 21, 2010 7:00 P.M., Board of Trustee Meeting/Workshop, District Office

12. ADJOURNMENT

There being no further business the meeting was adjourned at 8:35 p.m.

Paul Carras, Board President

Kris Wyatt, Clerk

Scott Leaman, Superintendent

Rosemary Knutson, Secretary to the Superintendent

Adopted:

Ayes:

Noes:

Absent:

BOARD BYLAW 9320: Individuals requiring disability-related accommodations or modifications including auxiliary aids and services in order to participate in the Board meeting should contact the Superintendent or designee in writing at least two days prior to meeting date. (American Disabilities Act) Government Code 54954.1

4.18

Western Placer Unified School District
Regular Meeting of the Board of Trustees
December 21, 2010, 7:00 P.M.
CITY HALL/DISTRICT OFFICE – FIRST FLOOR
600 Sixth Street, Lincoln, CA 95648

MINUTES

2010-2011 Goals & Objectives (G & O) for the Management Team: Component I: Quality Student Performance; Component II: Curriculum Themes; Component III: Special Student Services; Component IV: Staff & Community Relations; Component V: Facilities/Administration/Budget.

All Open Session Agenda related documents are available to the public for viewing at the Western Placer Unified School District Office located at 600 Sixth Street, Fourth Floor in Lincoln, CA 95648.

6:30 P.M. START

1. **CALL TO ORDER** – City Hall/District Office – First Floor

MEMBERS PRESENT:

Paul Carras
Brian Haley
Paul Long
Kris Wyatt
Damian Armitage

Others Present

Scott Leaman, Superintendent
Mary Boyle, Deputy Superintendent of Educational Services
Ryan Davis, Director of Personnel Services
Joyce Lopes, Assistant Superintendent of Business
Cathy Allen, Assistant Superintendent of Facilities & Maintenance Services
Rosemary Knutson, Secretary to the Superintendent
Stephanie Dumm, Lincoln News Messenger

6:35 P.M.

2. **CLOSED SESSION** – City Hall/District Office – Fourth Floor

- 2.1 **CONFERENCE WITH LABOR NEGOTIATOR**

Bargaining groups: WPTA & CSEA Negotiations

Agency Negotiators: Scott Leaman, Superintendent, Mary Boyle, Deputy

Superintendent of Educational Services, Ryan Davis, Director of Human Services

- 2.2 **PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE**

7:00 P.M.

3. **ADJOURN TO OPEN SESSION/PLEDGE OF ALLEGIANCE** – City Hall/District Office – First Floor

- 3.1 **CONFERENCE WITH LABOR NEGOTIATOR**

Bargaining groups: WPTA & CSEA Negotiations

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Minutes

Agency Negotiators: Scott Leaman, Superintendent, Mary Boyle, Deputy Superintendent of Educational Services, Ryan Davis, Director of Human Services

No action taken

3.2 PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

No action was taken

4. CONSENT AGENDA

- 4.1 Certificated Personnel Report
- 4.2 Approve California Environmental Quality Act Certification for the Glen Edwards Middle School Fire Repair and Rebuild.
- 4.3 Approve Legal Services Contract between The Wright Law Office and Western Placer Unified School District.
- 4.4 Approve Legal Services Contract between Law Office of David W. Girard and Western Placer Unified School District for the 2009-10 School Year.
- 4.5 Approve Legal Services Contract between Law Office of David W. Girard and Western Placer Unified School District for the 2010-11 School Year.

Motion by Mr. Haley, seconded by Mrs. Wyatt, and passed by a 5-0 vote to approve consent agenda as presented. Roll call vote: Haley, Armitage, Long, Wyatt, Carras

5. COMMUNICATION FROM THE PUBLIC

No communication from the public.

6. REPORTS & COMMUNICATION

- 6.1 Lincoln High School, Student Advisory – Carlos DeLa Fuente was not present
- 6.2 Western Placer Teacher's Association – Mike Agrippino had no report
- 6.3 Western Placer Classified Employee Association – Mike Kimbrough was not present
- 6.4 Superintendent - Scott Leaman
 - Presented a letter from the Governor regarding lawsuit that was filed regarding students being charged illegal fees. Mr. Leaman will meet with administration to discuss student fees.

7. ♦ACTION ♦DISCUSSION ♦INFORMATION

7.1 Discussion/ APPROVAL OF CONTRACT FOR ARCHITECTURAL AND ENGINEERING SERVICES BETWEEN RAINFORTH GRAU ARCHITECTS AND THE WESTERN PLACER UNIFIED – Allen (10-11 G & O Component I, IV, V)

- On October 10, 2010 a fire erupted at Glen Edwards Middle School during which severe damage was done to over 50% of Wing B. We have worked with Travelers Insurance and have agreed upon an amount 'not to exceed' for architectural/engineering services for plan preparation and submittal to the Division of State Architect (DSA) through contract close-out. Rainforth Grau

4.1.10

December 21, 2010

Minutes

Architects is in the district's pool of competitively selected architects and is also the firm that completed the GEMS Master Plan.

Cathy Allen reviewed the contract being presented for rebuild of the fire damages to Glen Edwards. Motion by Mr. Armitage, seconded by Mr. Long and passed by a 5-0 vote to approve contract with Rainforth Grau Architects.

7.2 Action**FIRST INTERIM REPORT – Lopes** *(10-11 G & O Component I, II, III, IV, V)*

• The District Board of Trustees shall certify in writing whether or not the district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the two subsequent fiscal years. The certifications shall be classified as positive, qualified, or negative, pursuant to standards and criteria adopted by the State Board of Education (EC §33127).

In certifying the 2010/11 First Interim report as positive, the Board confirms its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.

The district will need to implement \$9.5 million in ongoing budget reductions over the next three fiscal years, or identify other available ongoing revenues, to retain a positive certification. Staff will convene a district budget committee in January to begin the process of identifying potential areas for reduction.

Joyce Lopes presented the 2010-11 First Interim and reviewed the Following:

- State Economic Conditions
- K-12 Proposition 98 Spending Per ADA (Inflation Adjusted)
- Staff-to-Student Ratios
- 2008-09 K-12 Student Expenditures

STATE Budget – October 4, 2010

- Eliminated the 0.39% COLA with a 17.963% deficit
- Legislature removed 3.85% reduction
- Enrollment is higher than anticipated at 1% vs. budgeted 0.5%
- Federal Jobs Funding of \$1.2 million (one-time funds)

Since Then:

- State has a \$60.8 billion budget "gap"
- WPUSD estimated mid-year cuts = 3.85% reduction
- Updated property tax decline from 3% to 8.8%

Budget Assumptions – Revenue**Budget Assumptions – Expenditures****Major Revenue Changes to Fund Balance since adopted Budget****Major Expenditure Changes to Fund Balance since Adopted Budget****Adopted Budget vs. First Interim****Multiple Year Projections****Components of Fund Balance****Cash Flow****Budget Reductions**

- Need to achieve balanced budget by 2013-14
- Reconvene Budget Committee January 2011

4.1.11

December 21, 2010

Minutes

- Target \$3 million in reductions for 11-12 and backfill \$1.2 million Federal Jobs Funds
- Target additional \$3.5 million for 12-13
- Target remainder (\$2.75 million) for 13-14
- Keep an eye on State budget and economic conditions

Timeline – January to May 2011

- January 6 - First Committee Meeting
- February – Recommendations submitted, rubric applied and costs determined
- March – Committee vote
- April – Community Presentations
Initial Budget Reduction proposal presented to Board of Trustees
- May – Final budget reduction proposal to Board of Trustees
Final Budget assumptions to Board

After some discussion there was a motion by Mr. Long, seconded by Mrs. Wyatt, and passed by a 5-0 vote to approve the First Interim Report.

8. BOARD OF TRUSTEES

- 8.1 **New Board Workshop** – Thomas DeLapp, Communication Resources
Mr. Tom DeLapp will present training on Communications and School Board Protocol. The training will begin immediately after the board meeting.

8.2 FUTURE AGENDA ITEMS

The following are a number of agenda items that the Board of Trustees has been monitoring. They are NOT action items for tonight's meeting, but are noted here for continuing purposes and to ensure that when there are changes or new information they will be called up as Action/Discussion/Information.

- Relationship with Sierra Community College
- Twelve Bridges High School
- Lincoln Crossing Elementary South

8.3 BOARD MEMBER REPORTS/COMMENTS

Mr. Long had no report

Mrs. Wyatt shared she had attended performances at both Creekside Oaks and Carlin C. Coppin. She also gave an update on Mr. DeLoach, who was involved in Hwy. 65 accident which was Friday, December 17th. He is both a Husband and Father of two of our employees.

Mr. Carras commended Mr. Leaman and Mrs. Boyle on getting information out so promptly regarding the article on the dropout rate.

Mr. Haley had no report

Mr. Armitage had no report

9. ESTABLISHMENT OF NEXT MEETING(S)

- The President will establish the following meeting(s):
 - January 4, 2011 7:00 P.M., Regular Board of Trustees Meeting – Lincoln High School, Performing Arts Theater
 - January 18, 2011 7:00 P.M., Regular Meeting of the Board of Trustee – Glen Edwards Middle School – Multi-Purpose Room

4.1.12

10. ADJOURNMENT

There being no further business the meeting was adjourned at 7:53 p.m.

The workshop began at 7:54 p.m. Mr. DeLapp presented a power point on Communicating Leadership, which included meeting protocols, norms of conduct and Communication techniques for Superintendents and School Boards. The workshop ended at 8:57 p.m.

Paul Carras, Board President

Kris Wyatt, Clerk

Scott Leaman, Superintendent

Rosemary Knutson, Secretary to the Superintendent

Adopted:

Ayes:

Noes:

Absent:

| |
|---|
| <p>BOARD BYLAW 9320: Individuals requiring disability-related accommodations or modifications including auxiliary aids and services in order to participate in the Board meeting should contact the Superintendent or designee in writing at least two days prior to meeting date. (American Disabilities Act) Government Code 54954.1</p> |
|---|

4.1.13

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Approval of Warrants

AGENDA ITEM AREA:

Consent Agenda

REQUESTED BY:

Joyce Lopes
Superintendent of Business Service

ENCLOSURES:

Warrants may be found at
www.wpusd.k12.ca.us

DEPARTMENT:

Business Services

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

The Board of Trustees will consider approval of warrants paid since the December 7, 2010 board meeting.

RECOMMENDATION:

Administration recommends the Board of Trustees take action to approve warrants as submitted.

Checks Dated 12/17/10

| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
|--------------|------------|-------------------------------|------------------|-----------------|--------------|
| 85161969 | 12/17/2010 | COMMERCIAL APPLIANCE SERVICE | 13-4300 | | 320.31 |
| 85161970 | 12/17/2010 | CROWN DISTRIBUTING INC. | 13-4710 | | 971.85 |
| 85161971 | 12/17/2010 | "DANIELSEN COMPANY, THE" | 13-4380 | 544.67 | |
| | | | 13-4710 | 4,045.73 | |
| | | | Unpaid Sales Tax | 9.60- | 4,585.60 |
| 85161972 | 12/17/2010 | ED JONES FOOD SERVICE | 13-4710 | | 4,844.06 |
| 85161973 | 12/17/2010 | PIZZA GUYS | 13-4710 | | 1,282.50 |
| 85161974 | 12/17/2010 | PROPACIFIC FRESH | 13-4710 | | 256.05 |
| 85161975 | 12/17/2010 | RAY MORGAN CO. / CHICO | 13-4300 | | 129.90 |
| 85161976 | 12/17/2010 | SARA LEE | 13-4710 | | 486.00 |
| 85161977 | 12/17/2010 | SEVEN UP BOTTLING CO OF SF | 13-4710 | | 147.20 |
| 85161978 | 12/17/2010 | SIERRA OFFICE SUPPLIES & | 13-4300 | | 323.28 |
| 85161979 | 12/17/2010 | SYSCO SACRAMENTO | 13-4380 | | |
| | | | 13-4710 | | 1,653.00 |
| 85161980 | 12/17/2010 | VENDMART OF SACRAMENTO | 13-4710 | | 1,029.64 |
| 85161981 | 12/17/2010 | Regina H. Hinnenkamp | 01-4300 | | 51.84 |
| 85161982 | 12/17/2010 | Barbara K. Matiska | 01-4300 | | 108.23 |
| 85161983 | 12/17/2010 | Susan K. Mentze | 01-4300 | | 107.83 |
| 85161984 | 12/17/2010 | Karen A. Roberts | 01-4300 | | 182.19 |
| 85161985 | 12/17/2010 | Charles W. Youtsey | 01-4300 | | 5.19 |
| 85161986 | 12/17/2010 | Clelia Jocoy | 01-5200 | | 17.10 |
| 85161987 | 12/17/2010 | Tracy L. Gruber | 01-4300 | | 37.00 |
| 85161988 | 12/17/2010 | Wendy S. Hamasaki | 01-4300 | | 52.30 |
| 85161989 | 12/17/2010 | Kelli A. Manos | 01-4300 | | 24.89 |
| 85161990 | 12/17/2010 | Nancie C. Ross | 01-4300 | | 76.21 |
| 85161991 | 12/17/2010 | ADD SOME CLASS | 01-4400 | | 2,167.40 |
| 85161992 | 12/17/2010 | ALERT SERVICES INC | 01-4300 | | 1,499.91 |
| 85161993 | 12/17/2010 | ATLAS PEN & PENCIL CORP. | 01-4300 | | 57.49 |
| 85161994 | 12/17/2010 | RECOLOGY FMRLY AUBURN | 01-5540 | | 135.00 |
| | | PLACER DISPOSAL | | | |
| 85161995 | 12/17/2010 | B&H PHOTO VIDEO | 01-4300 | 372.35 | |
| | | | Unpaid Sales Tax | 28.37- | 343.98 |
| 85161996 | 12/17/2010 | BSN SPORTS SPORTS SUPPLY | 01-4300 | | 225.42 |
| | | GROUP | | | |
| 85161997 | 12/17/2010 | BURKETT'S OFFICE | 01-4300 | | 1,467.79 |
| 85161998 | 12/17/2010 | CALTRONICS BUSINESS SYSTEMS | 01-4300 | | |
| | | | 01-5600 | | 7,300.58 |
| 85161999 | 12/17/2010 | CDW GOVERNMENT INC | 01-4300 | | 178.63 |
| 85162000 | 12/17/2010 | CHEVRON | 01-4300 | | 82.00 |
| 85162001 | 12/17/2010 | NANCY R. CRAIG DBA CLASSROOMS | 01-4300 | | 28.27 |
| | | IN ACTION | | | |
| 85162002 | 12/17/2010 | D C CONNECT | 01-5800 | | 750.00 |
| 85162003 | 12/17/2010 | DELL | 01-4300 | | 25.71 |
| 85162004 | 12/17/2010 | FOLLETT EDUCATIONAL SERVICES | 01-4300 | | 225.16 |
| 85162005 | 12/17/2010 | FOLLETT LIBRARY RESOURCES | 01-4300 | | 996.82 |
| 85162006 | 12/17/2010 | FULL COMPASS SYSTEMS | 01-4300 | 1,600.63 | |
| | | | Unpaid Sales Tax | 121.97- | 1,478.66 |
| 85162007 | 12/17/2010 | GOLD COUNTRY CLASSIFIED INC. | 01-4300 | | 548.00 |
| 85162008 | 12/17/2010 | LINCOLN ACE HARDWARE / AG | 01-4300 | | 49.22 |
| 85162009 | 12/17/2010 | LRP PUBLICATIONS | 01-4300 | 59.57 | |
| | | | Unpaid Sales Tax | 4.12- | 55.45 |
| 85162010 | 12/17/2010 | MEISSNER SEWING MACHINE CO. | 01-4300 | | 185.96 |
| 85162011 | 12/17/2010 | RIEBES AUTO PARTS | 01-4300 | | 529.55 |
| 85162012 | 12/17/2010 | NASCO MODESTO | 01-4300 | | 115.11 |
| 85162013 | 12/17/2010 | NORTHEAST STAGE | 01-4400 | 3,865.63 | |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Page 1 of 3

4.2.1

Checks Dated 12/17/10

| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
|--------------|------------|--|------------------|-----------------|--------------|
| | | | Unpaid Sales Tax | 285.28- | 3,580.35 |
| 85162014 | 12/17/2010 | OFFICE DEPOT | 01-4300 | | 905.38 |
| 85162015 | 12/17/2010 | ORIENTAL TRADING COMPANY INC | 01-4300 | 228.57 | |
| | | | Unpaid Sales Tax | 18.84- | 209.73 |
| 85162016 | 12/17/2010 | PENWORTHY COMPANY | 01-4300 | | 103.31 |
| 85162017 | 12/17/2010 | PCOE | 01-5200 | | 515.00 |
| 85162018 | 12/17/2010 | POSTMASTER / TBMS | 01-4300 | | 440.00 |
| 85162019 | 12/17/2010 | PRESTWICK HOUSE INC | 01-4300 | 490.00 | |
| | | | Unpaid Sales Tax | 33.61- | 456.39 |
| 85162020 | 12/17/2010 | PURCHASE POWER | 01-4300 | | 1,048.86 |
| 85162021 | 12/17/2010 | RAY MORGAN CO. / CHICO | 01-4300 | | 97.30 |
| 85162022 | 12/17/2010 | RAY MORGAN CO. EQUIPMENT PURCHASES | 01-4300 | | 4.33 |
| 85162023 | 12/17/2010 | RESOURCES FOR EDUCATORS INC. | 01-4300 | | 207.00 |
| 85162024 | 12/17/2010 | RISO PRODUCTS OF SAC INC | 01-4300 | | 3,559.23 |
| 85162025 | 12/17/2010 | SAFeway INC | 01-4300 | | 74.70 |
| 85162026 | 12/17/2010 | SCANTRON CORPORATION | 01-4300 | | 150.89 |
| 85162027 | 12/17/2010 | SCHOLASTIC BOOK CLUBS | 01-4300 | 119.07 | |
| | | | Unpaid Sales Tax | 9.07- | 110.00 |
| 85162028 | 12/17/2010 | SCHOOL SPECIALTY INC | 01-4300 | | 34.00 |
| 85162029 | 12/17/2010 | SIERRA HAY & FEED | 01-4300 | | 38.65 |
| 85162030 | 12/17/2010 | SIERRA SAFETY COMPANY INC | 01-4300 | | 37.00 |
| 85162031 | 12/17/2010 | SPEAK EASIES | 01-4300 | | 191.22 |
| 85162032 | 12/17/2010 | STAPLES ADVANTAGE | 01-4300 | | 2,182.98 |
| 85162033 | 12/17/2010 | WE DO PROMOTIONS | 01-4300 | | 170.88 |
| 85162034 | 12/17/2010 | NWN CORPORATION FORMERLY WESTERN BLUE | 01-4300 | | |
| | | | 01-4400 | | 1,280.60 |
| 85162035 | 12/17/2010 | BRIAN HALEY | 01-5200 | | 355.16 |
| 85162036 | 12/17/2010 | Mayela Cerda-Martinez | 01-5200 | | 619.00 |
| 85162037 | 12/17/2010 | Deborah E. Benedict | 01-4300 | | |
| | | | 01-5200 | | 148.02 |
| 85162038 | 12/17/2010 | Rhianon R. Zinzun | 01-5200 | | 15.00 |
| 85162039 | 12/17/2010 | Shietel Chhana | 01-5200 | | 249.00 |
| 85162040 | 12/17/2010 | A-Z BUS SALES INC | 01-4365 | | 503.70 |
| 85162041 | 12/17/2010 | AIRGAS | 01-5830 | | 46.25 |
| 85162042 | 12/17/2010 | ALDAR ACADEMY | 01-5800 | | 5,146.37 |
| 85162043 | 12/17/2010 | APPROVED SAFE & LOCK | 01-4300 | | |
| | | | 01-5600 | | 307.47 |
| 85162044 | 12/17/2010 | BANK OF AMERICA #0287 BUSINESS CARD | 01-4300 | | 59.00 |
| 85162045 | 12/17/2010 | BANK OF NEW YORK MELLON TR CO | 49-7438 | | 11.24 |
| 85162046 | 12/17/2010 | C & S TELECOMMUNICATIONS INC | 01-5600 | | |
| | | | 01-5800 | | 300.00 |
| 85162047 | 12/17/2010 | CITY OF LINCOLN / PG&E REIMB | 01-5510 | | 2,638.82 |
| 85162048 | 12/17/2010 | CITY OF LINCOLN | 01-5550 | | |
| | | | 01-5570 | | 19,674.63 |
| 85162049 | 12/17/2010 | CLEMENSON ENTERPRISES INC DBA CEI | 01-4300 | 228.44 | |
| | | | Unpaid Sales Tax | 16.37- | 212.07 |
| 85162050 | 12/17/2010 | DELTA EDUCATION INC | 01-4100 | | 711.82 |
| 85162051 | 12/17/2010 | DIVERSE NETWORK ASSOCIATES | 01-5800 | | 740.00 |
| 85162052 | 12/17/2010 | ESS ENVIRONMENTAL | 01-5800 | | 2,849.00 |
| 85162053 | 12/17/2010 | GRAINGER | 01-4300 | | 24.83 |
| 85162054 | 12/17/2010 | GRAYBAR ELECTRIC COMPANY INC | 01-4300 | | 53.16 |
| 85162055 | 12/17/2010 | GUTIERREZ LAW GROUP | 01-5810 | | 92.50 |
| 85162056 | 12/17/2010 | HOME DEPOT | 01-4300 | | 1,077.49 |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

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4.2.2

Checks Dated 12/17/10

| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
|--------------|------------|------------------------------------|------------------|-----------------|-------------------|
| 85162057 | 12/17/2010 | INTEGRATED FIRE SYSTEMS INC | 01-5800 | | 6,100.75 |
| 85162058 | 12/17/2010 | J & J SCREEN & GLASS | 01-5600 | | 145.92 |
| 85162059 | 12/17/2010 | LEADER SERVICES | 01-5800 | | 497.40 |
| 85162060 | 12/17/2010 | LINCOLN ACE HARDWARE/MAINT | 01-4300 | | 116.89 |
| 85162061 | 12/17/2010 | MCGRAW-HILL | 01-4100 | | 371.04 |
| 85162062 | 12/17/2010 | MEDICAB OF SACRAMENTO/SIERRA | 01-5800 | | 2,682.30 |
| 85162063 | 12/17/2010 | PACIFIC GAS & ELECTRIC CO | 01-5510 | | 7,475.57 |
| 85162064 | 12/17/2010 | PLACER LEARNING CENTER | 01-5800 | | 4,679.23 |
| 85162065 | 12/17/2010 | PLATT ELECTRIC SUPPLY, INC. | 01-4300 | | 25.72 |
| 85162066 | 12/17/2010 | PEARSON - PSYCHOLOGICAL CORP. | 01-4300 | | 989.41 |
| 85162067 | 12/17/2010 | RAY MORGAN CO. EQUIPMENT PURCHASES | 01-5600 | | 179.29 |
| 85162068 | 12/17/2010 | RSD - REFRIGERATION SUPPLIES | 01-4300 | | 331.25 |
| 85162069 | 12/17/2010 | SAC VAL JANITORIAL SALES | 01-4300 | | 44.58 |
| 85162070 | 12/17/2010 | SCHOOL INNOVATIONS & ADVOCACY INC. | 01-5800 | | 6,600.00 |
| 85162071 | 12/17/2010 | SCHOOL STEPS, INC. | 01-5800 | | 5,640.63 |
| 85162072 | 12/17/2010 | SIERRA OFFICE SUPPLIES & | 01-4300 | | 153.55 |
| 85162073 | 12/17/2010 | SUPER DUPER SCHOOL COMPANY | 01-4300 | 73.19 | |
| | | | Unpaid Sales Tax | 3.29- | 69.90 |
| 85162074 | 12/17/2010 | THE PERSONNEL ADVISOR | 01-5800 | | 179.00 |
| 85162075 | 12/17/2010 | THE WILLIAMS ACADEMY | 01-5800 | | 526.17 |
| 85162076 | 12/17/2010 | VALLEY ROCK LANDSCAPE MTRL INC | 01-4300 | | 116.91 |
| 85162077 | 12/17/2010 | NWN CORPORATION FORMERLY | 01-4300 | | 1,797.38 |
| | | WESTERN BLUE | | | |
| 85162078 | 12/17/2010 | ZEP SALES & SERVICE | 01-4300 | | 183.08 |
| | | | Total | 110 | 125,276.58 |

Fund Summary

| Fund | Description | Check Count | Expensed Amount |
|------|---------------------------------|-------------|-------------------|
| 01 | General Fund | 97 | 109,756.87 |
| 13 | Cafeteria Fund | 12 | 16,034.19 |
| 49 | Mello Roos Capital Projects | 1 | 11.24 |
| | Total | 110 | 125,802.30 |
| | Less Unpaid Sales Tax Liability | | 525.72- |
| | Net (Check Amount) | | 125,276.58 |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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4.2.3

| Checks Dated 12/10/10 | | | | | |
|-----------------------|------------|---------------------------------------|------------------|-----------------|--------------|
| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
| 85160430 | 12/10/2010 | CROWN DISTRIBUTING INC. | 13-4710 | | 470.02 |
| 85160431 | 12/10/2010 | CRYSTAL CREAM & BUTTER CO | 13-4710 | | 6,732.42 |
| 85160432 | 12/10/2010 | "DANIELSEN COMPANY, THE" | 13-4380 | 331.12 | |
| | | | 13-4710 | 2,888.37 | |
| | | | Unpaid Sales Tax | 22.14- | 3,208.42 |
| 85160433 | 12/10/2010 | ED JONES FOOD SERVICE | 13-4710 | | 8,129.58 |
| 85160434 | 12/10/2010 | ETRITIONWARE HARRIS COMPUTER SYSTEMS | 13-4710 | | 475.80 |
| 85160435 | 12/10/2010 | MISSION UNIFORM SERVICE INC | 13-4300 | | 489.97 |
| 85160436 | 12/10/2010 | PIZZA GUYS | 13-4710 | | 1,628.62 |
| 85160437 | 12/10/2010 | PROPACIFIC FRESH | 13-4710 | | 347.05 |
| 85160438 | 12/10/2010 | SARA LEE | 13-4710 | | 486.23 |
| 85160439 | 12/10/2010 | SYSCO SACRAMENTO | 13-4380 | | |
| | | | 13-4710 | | 2,106.02 |
| 85160440 | 12/10/2010 | VENDMART OF SACRAMENTO | 13-4710 | | 2,231.71 |
| 85160441 | 12/10/2010 | WPUSD PETTY CASH FUND | 01-4300 | | |
| | | | 01-5800 | | |
| | | | 01-8675 | | |
| | | | 01-9550 | | |
| | | | 13-4710 | | 1,159.62 |
| 85160442 | 12/10/2010 | CALTRONICS BUSINESS SYSTEMS | 01-4300 | | 109.59 |
| 85160443 | 12/10/2010 | DELLA CHARTER SERVICE | 01-5800 | | 1,363.00 |
| 85160444 | 12/10/2010 | DISCOUNT MAGAZINE SUB SERVICE | 01-4300 | | 298.49 |
| 85160445 | 12/10/2010 | FOLLETT EDUCATIONAL SERVICES | 01-4100 | | 454.00 |
| 85160446 | 12/10/2010 | HIGHLIGHTS TOP SECRET ADVENTURES | 01-4300 | | 294.09 |
| 85160447 | 12/10/2010 | LAKE SHORE LEARNING MATERIALS | 01-4300 | | 71.55 |
| 85160448 | 12/10/2010 | OFFICE DEPOT | 01-4300 | | 506.98 |
| 85160449 | 12/10/2010 | ORIENTAL TRADING COMPANY INC | 01-4300 | 125.57 | |
| | | | Unpaid Sales Tax | 10.54- | 115.03 |
| 85160450 | 12/10/2010 | PEACH CERAMIC ARTS | 01-4300 | | 680.00 |
| 85160451 | 12/10/2010 | PERMA-BOUND | 01-4200 | | 19.88 |
| 85160452 | 12/10/2010 | PCOE | 01-5200 | | 300.00 |
| 85160453 | 12/10/2010 | RAY MORGAN CO. / CHICO | 01-4300 | | |
| | | | 01-5600 | | |
| | | | 01-5800 | | 1,099.98 |
| 85160454 | 12/10/2010 | REALLY GOOD STUFF | 01-5800 | 303.03 | |
| | | | Unpaid Sales Tax | 20.79- | 282.24 |
| 85160455 | 12/10/2010 | RELIABLE PRINT SOLUTIONS INC | 01-4300 | | 435.67 |
| 85160456 | 12/10/2010 | ROBERT NOYES | 01-5800 | | 500.00 |
| 85160457 | 12/10/2010 | SCHOLASTIC BOOK CLUBS | 01-4300 | | 58.00 |
| 85160458 | 12/10/2010 | SCHOOL SPECIALTY INC | 01-4300 | | 38.18 |
| 85160459 | 12/10/2010 | SEE'S CANDY | 01-4300 | | 1,841.60 |
| 85160460 | 12/10/2010 | SIERRA SAFETY COMPANY INC | 01-4300 | | 59.54 |
| 85160461 | 12/10/2010 | STAPLES ADVANTAGE | 01-4300 | | |
| | | | 01-4400 | | 3,696.94 |
| 85160462 | 12/10/2010 | STUDENT SUPPLY | 01-4300 | 135.26 | |
| | | | Unpaid Sales Tax | 10.11- | 125.15 |
| 85160463 | 12/10/2010 | TROXELL COMMUNICATIONS | 01-4300 | | 610.54 |
| 85160464 | 12/10/2010 | U.S. SCHOOL SUPPLY | 01-4300 | 141.33 | |
| | | | Unpaid Sales Tax | 10.08- | 131.25 |
| 85160465 | 12/10/2010 | UNIPLASTICS | 01-4300 | 1,414.50 | |
| | | | Unpaid Sales Tax | 49.50- | 1,365.00 |
| 85160466 | 12/10/2010 | US BANK BUSINESS EQUIPMENT | 01-5600 | | 999.00 |
| 85160467 | 12/10/2010 | NWN CORPORATION FORMERLY WESTERN BLUE | 01-4300 | | |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

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4.2.4

| Checks Dated 12/10/10 | | | | | |
|-----------------------|------------|---|------------------|-----------------|--------------|
| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
| | | | 01-4400 | | 4,091.78 |
| 85160468 | 12/10/2010 | XPRESSMATS.COM A SMART SIGN STORE | 01-4300 | 409.18 | |
| | | | Unpaid Sales Tax | 31.18- | 378.00 |
| 85160469 | 12/10/2010 | Scott M. Leaman | 01-4300 | | 16.23 |
| 85160470 | 12/10/2010 | Clinton J. Nelson | 01-4300 | | 75.00 |
| 85160471 | 12/10/2010 | Mary Lou Resendes | 01-5200 | | 32.00 |
| 85160472 | 12/10/2010 | Rhianon R. Zinzun | 01-5200 | | 15.00 |
| 85160473 | 12/10/2010 | Nancy L. Currey | 01-5200 | | 25.30 |
| 85160474 | 12/10/2010 | Joyce Lopes | 01-5200 | | 868.88 |
| 85160475 | 12/10/2010 | ACHIEVEMENT PRODUCTS FOR CHILDREN | 01-4300 | | 134.08 |
| 85160476 | 12/10/2010 | ADVANCED INTEGRATED PEST | 01-5800 | | 1,218.00 |
| 85160477 | 12/10/2010 | AWARDS BY KAY | 01-4300 | | 193.03 |
| 85160478 | 12/10/2010 | BOOST CONFERENCE | 01-5200 | | 1,275.00 |
| 85160479 | 12/10/2010 | BUS WEST - FRESNO | 01-4365 | | 368.24 |
| 85160480 | 12/10/2010 | CAPITOL CLUTCH AND BRAKE INC | 01-4365 | | 333.83 |
| 85160481 | 12/10/2010 | CYBERGUYS! | 01-4300 | | 239.75 |
| 85160482 | 12/10/2010 | DECISIONINSTIE LLC | 25-5800 | | 5,330.96 |
| 85160483 | 12/10/2010 | EATON INTERPRETING SVCS INC | 01-5800 | | 105.00 |
| 85160484 | 12/10/2010 | FAR WEST RENTS & READY MIX | 01-4300 | | |
| | | | 01-5600 | | 492.89 |
| 85160485 | 12/10/2010 | FILTERFRESH - NEXT GENERATION COFFEE SYSTEMS INC. | 01-5800 | | 135.00 |
| 85160486 | 12/10/2010 | FOLLETT EDUCATIONAL SERVICES | 01-4100 | | |
| | | | 01-4300 | | 4,521.70 |
| 85160487 | 12/10/2010 | FUN AND FUNCTION | 01-4300 | 181.80 | |
| | | | Unpaid Sales Tax | 12.37- | 169.43 |
| 85160488 | 12/10/2010 | GRAINGER . | 01-4300 | | 266.37 |
| 85160489 | 12/10/2010 | HEALTH ED | 01-5200 | | 338.00 |
| 85160490 | 12/10/2010 | JANE JOHNSON | 01-5800 | | 1,757.50 |
| 85160491 | 12/10/2010 | K S TELECOM INC | 01-5800 | | 197.50 |
| 85160492 | 12/10/2010 | LAGUNA PHYSICAL THERAPY & HAND REHABILITATION | 01-5800 | | 418.00 |
| 85160493 | 12/10/2010 | LAKESHORE LEARNING MATERIALS | 01-4300 | | 184.76 |
| 85160494 | 12/10/2010 | LAW OFFICE OF ELLIS COLEMAN | 01-5810 | | 25,386.75 |
| 85160495 | 12/10/2010 | LD PRODUCTS | 01-4300 | | 13.71 |
| 85160496 | 12/10/2010 | LEARNING SOLUTIONS INC | 01-5800 | | 3,341.66 |
| 85160497 | 12/10/2010 | LINCOLN ACE HARDWARE/MAINT | 01-4300 | | 156.09 |
| 85160498 | 12/10/2010 | LORETTE B. SHEA | 01-5800 | | 332.50 |
| 85160499 | 12/10/2010 | LOY MATTISON DBA LOY MATTISON ENTERPRISES | 01-5800 | | 1,306.25 |
| 85160500 | 12/10/2010 | LPA INC. | 21-6210 | | 2,493.75 |
| 85160501 | 12/10/2010 | MCGRAW-HILL | 01-4100 | | 2,904.33 |
| 85160502 | 12/10/2010 | MEDCO SCHOOL FIRST AID | 01-4300 | | 423.85 |
| 85160503 | 12/10/2010 | MEDICAB OF SACRAMENTO/SIERRA | 01-5800 | | 2,485.60 |
| 85160504 | 12/10/2010 | MEDS-PDN | 01-5200 | | 398.00 |
| 85160505 | 12/10/2010 | MISSION UNIFORM SERVICE INC | 01-4300 | | |
| | | | 01-5800 | | 1,047.94 |
| 85160506 | 12/10/2010 | DON MASON DBA MOUNTAIN CLEAR WATER CO. | 01-5600 | | 24.00 |
| 85160507 | 12/10/2010 | RIEBES AUTO PARTS | 01-4365 | | |
| | | | 01-5830 | | 1,484.97 |
| 85160508 | 12/10/2010 | NATIONAL AUTISM RESOURCE | 01-4300 | | 263.13 |
| 85160509 | 12/10/2010 | ORIENTAL TRADING COMPANY INC | 01-4300 | 649.12 | |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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4.2.5

Checks Dated 12/10/10

| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
|--------------|------------|-----------------------------|------------------|-----------------|--------------|
| | | | Unpaid Sales Tax | 16.02- | 633.10 |
| 85160510 | 12/10/2010 | PACIFIC GAS & ELECTRIC CO | 01-5510 | | 940.05 |
| 85160511 | 12/10/2010 | PLACER COUNTY SELPA | 01-5200 | | 30.00 |
| 85160512 | 12/10/2010 | RED SCHOOLHOUSE SOFTWARE | 01-5800 | | 23,750.00 |
| 85160513 | 12/10/2010 | SAC VAL JANITORIAL SALES | 01-4300 | | 1,208.59 |
| 85160514 | 12/10/2010 | SAFEWAY INC | 01-4300 | 523.25 | |
| | | | Unpaid Sales Tax | 31.71- | 491.54 |
| 85160515 | 12/10/2010 | SCHOOL FACILITY CONSULTANTS | 21-5800 | | 137.50 |
| 85160516 | 12/10/2010 | SCHOOL SPECIALTY INC | 01-4300 | | 467.39 |
| 85160517 | 12/10/2010 | SCHOOL STEPS, INC. | 01-5800 | | 7,851.75 |
| 85160518 | 12/10/2010 | SHERIDAN AUTO PARTS | 01-4365 | | 360.90 |
| 85160519 | 12/10/2010 | SIERRA OFFICE SUPPLIES & | 01-4300 | | 628.02 |
| 85160520 | 12/10/2010 | SIERRA PEDIATRIC THERAPY | 01-5800 | | 1,201.75 |
| 85160521 | 12/10/2010 | SIG SCHOOLS INSURANCE GROUP | 01-3701 | | 791.17 |
| 85160522 | 12/10/2010 | SPURR | 01-5530 | | 4,815.22 |
| 85160523 | 12/10/2010 | TAG / AMS INC | 01-5800 | | 325.00 |
| 85160524 | 12/10/2010 | UNIVERSAL SPECIALTIES, INC. | 01-4300 | | 378.87 |
| 85160525 | 12/10/2010 | WAVE DIVISION HOLDINGS | 01-5560 | | 6,850.00 |
| 85160526 | 12/10/2010 | WILSON WAY TIRE CO. INC. | 01-4340 | | |
| | | | 01-4360 | | |
| | | | 01-4365 | | 689.27 |
| 85160527 | 12/10/2010 | Sarah C. Bagwell | 01-5800 | | 10.00 |
| 85160528 | 12/10/2010 | Tina M. Biles | 01-5800 | | 10.00 |
| 85160529 | 12/10/2010 | Erik S. Bost | 01-5800 | | 50.00 |
| 85160530 | 12/10/2010 | Ronald A. Buda | 01-5800 | | 25.00 |
| 85160531 | 12/10/2010 | Shannon M. Ceccato | 01-5800 | | 10.00 |
| 85160532 | 12/10/2010 | Mike T. Hankins | 01-5800 | | 25.00 |
| 85160533 | 12/10/2010 | Charles L. Langston | 01-5800 | | 25.00 |
| 85160534 | 12/10/2010 | Ann M. Long | 01-5800 | | 50.00 |
| 85160535 | 12/10/2010 | Janene L. Malatesta | 01-5800 | | 50.00 |
| 85160536 | 12/10/2010 | Caryl J. Nichols | 01-5800 | | 125.00 |
| 85160537 | 12/10/2010 | Jason R. Noonan | 01-5800 | | 25.00 |
| 85160538 | 12/10/2010 | Lili M. Paddeck | 01-5800 | | 10.00 |
| 85160539 | 12/10/2010 | Joann Skinner-Kita | 01-5800 | | 50.00 |
| 85160540 | 12/10/2010 | Randall A. Woods | 01-5800 | | 50.00 |
| 85160541 | 12/10/2010 | Mary Cederholm | 01-5800 | | 10.00 |
| 85160542 | 12/10/2010 | Mary Jane A. Masys | 01-5800 | | 50.00 |
| 85160543 | 12/10/2010 | Sandra J. Walker | 01-5800 | | 10.00 |
| 85160544 | 12/10/2010 | Kelley M. Stauffer | 01-5800 | | 10.00 |
| 85160545 | 12/10/2010 | Daniel T. Alcorn | 01-5800 | | 25.00 |
| 85160546 | 12/10/2010 | Lori J. Fury | 01-5800 | | 25.00 |
| 85160547 | 12/10/2010 | Jacqueline S. Banderas | 01-5800 | | 25.00 |
| 85160548 | 12/10/2010 | Sandra J. Kepler | 01-5800 | | 25.00 |
| 85160549 | 12/10/2010 | April L. Davenport | 01-5800 | | 50.00 |
| 85160550 | 12/10/2010 | Kimberly A. Moss | 01-5800 | | 50.00 |
| 85160551 | 12/10/2010 | Kristine H. Hernandez | 01-5800 | | 10.00 |
| 85160552 | 12/10/2010 | Courtney J. Amalong | 01-5800 | | 50.00 |
| 85160553 | 12/10/2010 | Joseph Uptain-Villa | 01-5800 | | 25.00 |
| 85160554 | 12/10/2010 | Kendra M. Christiansen | 01-5800 | | 50.00 |
| 85160555 | 12/10/2010 | Lynne L. Mele | 01-5800 | | 10.00 |
| 85160556 | 12/10/2010 | Carrie M. Braasch | 01-5800 | | 10.00 |
| | | | Total | 127 | 160,665.04 |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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4.2.6

Checks Dated 12/10/10

| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
|--------------|------------|---------------------|-------------|-----------------|--------------|
|--------------|------------|---------------------|-------------|-----------------|--------------|

| Fund Summary | | | |
|--------------|---------------------------------|-------------|-----------------|
| Fund | Description | Check Count | Expensed Amount |
| 01 | General Fund | 113 | 126,273.94 |
| 13 | Cafeteria Fund | 12 | 26,632.26 |
| 21 | Building Fund #1 | 2 | 2,631.25 |
| 25 | Capital Facilities Fund | 1 | 5,330.96 |
| | Total | 127 | 160,868.41 |
| | Less Unpaid Sales Tax Liability | | 203.37- |
| | Net (Check Amount) | | 160,665.04 |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

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4.2.7

Checks Dated 12/03/10

| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
|--------------|------------|---|------------------|-----------------|--------------|
| 85158795 | 12/03/2010 | Eureka Union Elementary School District | 01-5715 | | 2,000.00 |
| 85158796 | 12/03/2010 | Leeson Design | 01-4300 | | 250.00 |
| 85158797 | 12/03/2010 | Vincent R. Hurtado | 01-4300 | | 32.46 |
| 85158798 | 12/03/2010 | Lori Reitman | 01-4300 | | 2,205.57 |
| 85158799 | 12/03/2010 | Cheryl A. Metheny | 01-4300 | | 58.55 |
| 85158800 | 12/03/2010 | Sruti V. Vadgama | 01-4300 | | 595.00 |
| 85158801 | 12/03/2010 | Kevin D. Kurtz | 01-4300 | | 15.47 |
| 85158802 | 12/03/2010 | Jennifer C. Hladun | 01-4300 | | |
| | | | 01-5200 | | 156.80 |
| 85158803 | 12/03/2010 | Shelly E. Adams | 01-4300 | | 70.15 |
| 85158804 | 12/03/2010 | AIRGAS | 01-4300 | | 1,137.61 |
| 85158805 | 12/03/2010 | ASCA AMERICAN SCHOOL COUNSELOR | 01-5300 | | 115.00 |
| 85158806 | 12/03/2010 | ATHLETICS UNLIMITED | 01-4300 | | 3,012.12 |
| 85158807 | 12/03/2010 | AUBURN HARDWOODS | 01-4300 | | 299.92 |
| 85158808 | 12/03/2010 | AUBURN JOURNAL | 01-4300 | | 548.00 |
| 85158809 | 12/03/2010 | B STREET THEATRE | 01-5800 | | 830.00 |
| 85158810 | 12/03/2010 | BEAR RIVER SUPPLY INC | 01-4300 | | 2,817.53 |
| 85158811 | 12/03/2010 | BLACK DOG GRAPHICS | 01-4300 | | 258.83 |
| 85158812 | 12/03/2010 | CA ODYSSEY OF THE MIND INC | 01-5300 | | 237.50 |
| 85158813 | 12/03/2010 | "CALIFORNIA ASSOCIATION, Future Farmers Of America" | 01-4300 | | 2,178.50 |
| 85158814 | 12/03/2010 | CALTRONICS BUSINESS SYSTEMS | 01-5600 | | 357.79 |
| 85158815 | 12/03/2010 | NANCY R. CRAIG DBA CLASSROOMS IN ACTION | 01-4300 | | 34.91 |
| 85158816 | 12/03/2010 | DEMCO MEDIA | 01-4300 | | 276.73 |
| 85158817 | 12/03/2010 | DISCOUNT MAGAZINE SUB SERVICE | 01-4300 | | 965.32 |
| 85158818 | 12/03/2010 | EMEDCO | 01-4300 | 211.79 | |
| | | | Unpaid Sales Tax | 14.39- | 197.40 |
| 85158819 | 12/03/2010 | ENRICHMENT RESOURCES | 01-4300 | | 71.90 |
| 85158820 | 12/03/2010 | FOLLETT LIBRARY RESOURCES | 01-4200 | | 1,130.41 |
| 85158821 | 12/03/2010 | FREY SCIENTIFIC | 01-4300 | | 11.69 |
| 85158822 | 12/03/2010 | GARY ANDERSONS SCREEN PRINTING | 01-4300 | | 146.13 |
| 85158823 | 12/03/2010 | GOPHER SPORT | 01-4300 | 453.13 | |
| | | | Unpaid Sales Tax | 30.08- | 423.05 |
| 85158824 | 12/03/2010 | J.W. PEPPER & SON INC | 01-4300 | | 675.50 |
| 85158825 | 12/03/2010 | JAMMAR MFG | 01-4400 | 2,082.26 | |
| | | | Unpaid Sales Tax | 147.26- | 1,935.00 |
| 85158826 | 12/03/2010 | JMI TELESCOPES | 01-4400 | 583.46 | |
| | | | Unpaid Sales Tax | 44.46- | 539.00 |
| 85158827 | 12/03/2010 | LAKESHORE LEARNING MATERIALS | 01-4300 | | 145.98 |
| 85158828 | 12/03/2010 | LEGO EDUCATION | 01-4300 | | 42.72 |
| 85158829 | 12/03/2010 | LIBRARY SKILLS | 01-4300 | 305.52 | |
| | | | Unpaid Sales Tax | 21.77- | 283.75 |
| 85158830 | 12/03/2010 | LINCOLN NEWS MESSENGER | 01-4300 | | 26.00 |
| 85158831 | 12/03/2010 | NASCO MODESTO | 01-4300 | | 729.13 |
| 85158832 | 12/03/2010 | NATIONAL GEOGRAPHIC EXPLORER | 01-4300 | | 104.28 |
| 85158833 | 12/03/2010 | NIMCO | 01-4300 | 89.06 | |
| | | | Unpaid Sales Tax | 6.56- | 82.50 |
| 85158834 | 12/03/2010 | NORTHERN ENERGY | 01-4300 | | 116.28 |
| 85158835 | 12/03/2010 | OFFICE DEPOT | 01-4300 | | 1,055.68 |
| 85158836 | 12/03/2010 | ORIENTAL TRADING COMPANY INC | 01-4300 | 217.91 | |
| | | | Unpaid Sales Tax | 14.17- | 203.74 |
| 85158837 | 12/03/2010 | ORION TELESCOPES & BINOCULARS | 01-4300 | | 168.71 |
| 85158838 | 12/03/2010 | PARC 55 WYNDHAM SAN FRANCISCO | 01-5200 | | 390.66 |
| 85158839 | 12/03/2010 | PCOE | 01-4300 | | |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Page 1 of 4

4.2.8

| Checks Dated 12/03/10 | | | | | |
|-----------------------|------------|-------------------------------------|------------------|-----------------|--------------|
| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
| | | | 01-5200 | | 506.00 |
| 85158840 | 12/03/2010 | PLACER FARM SUPPLY | 01-4300 | | 563.63 |
| 85158841 | 12/03/2010 | RAY MORGAN CO. / CHICO | 01-4300 | | 210.94 |
| 85158842 | 12/03/2010 | RENAISSANCE LEARNING INC. | 01-4300 | | 191.20 |
| 85158843 | 12/03/2010 | SACRAMENTO MACHINERY COMPANY | 01-4300 | | |
| | | | 01-4400 | | 3,685.41 |
| 85158844 | 12/03/2010 | SACRAMENTO RIVERCATS | 01-5800 | | 300.00 |
| 85158845 | 12/03/2010 | SCANTRON CORPORATION | 01-4300 | | 150.89 |
| 85158846 | 12/03/2010 | SCHOLASTIC MAGAZINE | 01-4200 | | |
| | | | 01-4300 | | 676.23 |
| 85158847 | 12/03/2010 | SCHOOL SPECIALTY INC | 01-4300 | | 60.74 |
| 85158848 | 12/03/2010 | SCHOOLMASTERS SAFETY | 01-4300 | 86.66 | |
| | | | Unpaid Sales Tax | 5.75- | 80.91 |
| 85158849 | 12/03/2010 | SEE'S CANDY | 01-4300 | | 3,425.35 |
| 85158850 | 12/03/2010 | SUPER 8 MOTEL - CHICO | 01-5200 | | 142.54 |
| 85158851 | 12/03/2010 | TIME FOR KIDS | 01-4300 | | 215.48 |
| 85158852 | 12/03/2010 | WE DO PROMOTIONS | 01-4300 | | 1,242.81 |
| 85158853 | 12/03/2010 | NWN CORPORATION FORMERLY | 01-4300 | | 337.75 |
| | | WESTERN BLUE | | | |
| 85158854 | 12/03/2010 | Mary V. Boyle | 11-5560 | | 88.86 |
| 85158855 | 12/03/2010 | Tracey N. Lillie | 01-4300 | | |
| | | | 01-5200 | | |
| | | | 11-5200 | | 208.65 |
| 85158856 | 12/03/2010 | Deborah J. McKinnon | 01-5200 | | 20.00 |
| 85158857 | 12/03/2010 | Gustavo Nevarez | 01-5200 | | 39.70 |
| 85158858 | 12/03/2010 | Lauren M. Quinn | 01-5200 | | 102.40 |
| 85158859 | 12/03/2010 | ALDAR ACADEMY | 01-5800 | | 3,613.89 |
| 85158860 | 12/03/2010 | AMY BROWN PHD | 01-5800 | | 800.00 |
| 85158861 | 12/03/2010 | RECOLOGY FMRLY AUBURN | 01-5540 | | 7,664.89 |
| | | PLACER DISPOSAL | | | |
| 85158862 | 12/03/2010 | BACK TO LIFE AUTOMOTIVE | 01-5800 | | 720.00 |
| 85158863 | 12/03/2010 | WILLIAM F. ROSELLE DBA BILL ROSELLE | 01-5600 | | 75.00 |
| | | COMMUNICATIONS | | | |
| 85158864 | 12/03/2010 | C & S TELECOMMUNICATIONS INC | 01-5600 | | 895.38 |
| 85158865 | 12/03/2010 | DAWSON OIL COMPANY | 01-4345 | | |
| | | | 01-4350 | | |
| | | | 01-5830 | | 11,973.50 |
| 85158866 | 12/03/2010 | DELTA EDUCATION INC | 01-4100 | | 2,784.76 |
| 85158867 | 12/03/2010 | DEMMA COMPANY | 01-4300 | 89.02 | |
| | | | Unpaid Sales Tax | 6.02- | 83.00 |
| 85158868 | 12/03/2010 | DISCOUNT SCHOOL SUPPLY | 01-4300 | | 316.15 |
| 85158869 | 12/03/2010 | EATON INTERPRETING SVCS INC | 01-5800 | | 210.00 |
| 85158870 | 12/03/2010 | ECONOMIC & PLANNING SYS. INC. | 49-5800 | | 105.00 |
| 85158871 | 12/03/2010 | FAR WEST RENTS & READY MIX | 01-4300 | | |
| | | | 01-5600 | | 75.78 |
| 85158872 | 12/03/2010 | GRAINGER . | 01-4300 | | 707.25 |
| 85158873 | 12/03/2010 | GRAYBAR ELECTRIC COMPANY INC | 01-4300 | | 46.04 |
| 85158874 | 12/03/2010 | GUTIERREZ LAW GROUP | 01-5810 | | 1,943.00 |
| 85158875 | 12/03/2010 | HOME DEPOT | 01-4300 | | |
| | | | 01-5800 | | 2,575.92 |
| 85158876 | 12/03/2010 | JANE JOHNSON | 01-5800 | | 2,945.00 |
| 85158877 | 12/03/2010 | KODIAK UNION ROOFING SVCS INC | 01-5800 | | 1,790.50 |
| 85158878 | 12/03/2010 | LAGUNA PHYSICAL THERAPY & HAND | 01-5800 | | 836.00 |
| | | REHABILITATION | | | |
| 85158879 | 12/03/2010 | LANGUAGE LINE SERVICES | 01-5800 | | 154.89 |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

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4.2.9

Checks Dated 12/03/10

| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
|--------------|------------|--|------------------|-----------------|--------------|
| 85158880 | 12/03/2010 | LORETTE B. SHEA | 01-5800 | | 332.50 |
| 85158881 | 12/03/2010 | DON MASON DBA MOUNTAIN CLEAR WATER CO. | 01-4300 | | |
| | | | 01-5600 | | 99.25 |
| 85158882 | 12/03/2010 | PACIFIC GAS & ELECTRIC CO | 01-5510 | | 10,985.90 |
| 85158883 | 12/03/2010 | PEARSON EDUCATION | 01-4300 | | 236.81 |
| 85158884 | 12/03/2010 | PEARSON SCOTT FORSEMAN | 01-4100 | | 636.74 |
| 85158885 | 12/03/2010 | PITNEY BOWES CREDIT CORP | 01-5600 | | 731.00 |
| 85158886 | 12/03/2010 | PLACER COUNTY SELPA | 01-5200 | | 650.00 |
| 85158887 | 12/03/2010 | PLACER LEARNING CENTER | 01-5800 | | 1,354.64 |
| 85158888 | 12/03/2010 | PORTABLE FACILITIES LEASING | 25-5600 | | 8,000.00 |
| 85158889 | 12/03/2010 | RAY MORGAN CO. / CHICO | 01-5600 | | 139.57 |
| 85158890 | 12/03/2010 | SAC VAL JANITORIAL SALES | 01-4300 | | 2,453.14 |
| 85158891 | 12/03/2010 | SAN JOAQUIN CO OFFICE OF EDUC | 01-5800 | | 761.25 |
| 85158892 | 12/03/2010 | SCHOOL SERVICES OF CA INC | 01-5200 | | 175.00 |
| 85158893 | 12/03/2010 | SIERRA OFFICE SUPPLIES & | 01-4300 | | 207.74 |
| 85158894 | 12/03/2010 | SIERRA PEDIATRIC THERAPY | 01-5800 | | 1,420.25 |
| 85158895 | 12/03/2010 | SIG EMPLOYEE BENEFITS TRUST | 76-9554 | | 580,792.60 |
| 85158896 | 12/03/2010 | SUPER DUPER SCHOOL COMPANY | 01-4300 | 335.57 | |
| | | | Unpaid Sales Tax | 25.57- | 310.00 |
| 85158897 | 12/03/2010 | THE WILLIAMS ACADEMY | 01-5800 | | 2,981.63 |
| 85158898 | 12/03/2010 | UNIVERSAL SPECIALTIES, INC. | 01-4300 | | 186.59 |
| 85158899 | 12/03/2010 | VERIZON WIRELESS | 01-5560 | | |
| | | | 13-5560 | | |
| | | | 21-5560 | | 1,228.65 |
| 85158900 | 12/03/2010 | WAVE BROADBAND | 01-4300 | | 111.90 |
| 85158901 | 12/03/2010 | YUBA CO. OFFICE OF EDUCATION | 01-5800 | | 1,293.00 |
| 85158902 | 12/03/2010 | CROWN DISTRIBUTING INC. | 13-4710 | | 642.51 |
| 85158903 | 12/03/2010 | "DANIELSEN COMPANY, THE" | 13-4380 | 355.77 | |
| | | | 13-4710 | 3,737.96 | |
| | | | Unpaid Sales Tax | 12.80- | 4,087.33 |
| 85158904 | 12/03/2010 | ED JONES FOOD SERVICE | 13-4710 | | 4,871.54 |
| 85158905 | 12/03/2010 | PIZZA GUYS | 13-4710 | | 1,848.92 |
| 85158906 | 12/03/2010 | PROPACIFIC FRESH | 13-4710 | | 233.25 |
| 85158907 | 12/03/2010 | SARA LEE | 13-4710 | | 490.51 |
| 85158908 | 12/03/2010 | STAFFORD MEAT COMPANY | 13-4710 | | 166.00 |
| 85158909 | 12/03/2010 | SYSCO SACRAMENTO | 13-4380 | | |
| | | | 13-4710 | | 1,812.02 |
| 85158910 | 12/03/2010 | VENDMART OF SACRAMENTO | 13-4710 | | 563.09 |
| 85158911 | 12/03/2010 | VENDMART OF SACRAMENTO | 13-4710 | | 308.38 |
| Total | | | | 117 | 709,610.42 |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE
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4.2.10

Checks Dated 12/03/10

| Check Number | Check Date | Pay to the Order of | Fund Object | Expensed Amount | Check Amount |
|--------------|------------|---------------------|-------------|-----------------|--------------|
|--------------|------------|---------------------|-------------|-----------------|--------------|

Fund Summary

| Fund | Description | Check Count | Expensed Amount |
|------|---------------------------------|-------------|-----------------|
| 01 | General Fund | 103 | 105,696.19 |
| 11 | Adult Education Fund | 2 | 155.76 |
| 13 | Cafeteria Fund | 11 | 15,127.14 |
| 21 | Building Fund #1 | 1 | 56.16 |
| 25 | Capital Facilities Fund | 1 | 8,000.00 |
| 49 | Mello Roos Capital Projects | 1 | 105.00 |
| 76 | Payroll Fund | 1 | 580,792.60 |
| | Total | 117 | 709,932.85 |
| | Less Unpaid Sales Tax Liability | | 322.43- |
| | Net (Check Amount) | | 709,610.42 |

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

ESCAPE ONLINE

Page 4 of 4

4,211

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Certificated Personnel Report

AGENDA ITEM AREA:

Consent Agenda

REQUESTED BY:

Ryan Davis
Director of Human Services



ENCLOSURES:

Yes

DEPARTMENT:

Personnel

FINANCIAL INPUT/SOURCE:

General

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

BACKGROUND:

The Board of Trustees will take action to approve the certificated personnel report.

RECOMMENDATION:

Administration recommends ratification of the certificated personnel report.

4,3

WESTERN PLACER UNIFIED SCHOOL DISTRICT

PERSONNEL REPORT

January 4, 2011

CERTIFICATED/MANAGEMENT

REQUEST FOR MATERNITY/CHILD REARING LEAVE

1. Krystal Arnold, 6th Grade L.A./Social Studies Teacher, Twelve Bridges Middle School

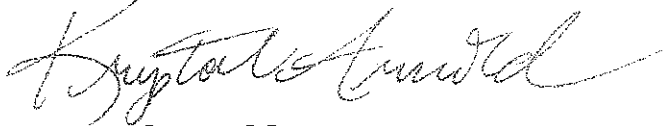
4.3.1

December 14, 2010

Dear WPUSD School Board Members:

I would like to request maternity/child rearing leave time from my 6th grade Language Arts and Social Studies teaching position at Twelve Bridges Middle School. My due date is March 22, 2010, and I would like to be on leave from this time through the last day of school. I would also like to express my intent to return in August 2011.

Thank you,

A handwritten signature in cursive script, appearing to read "Krystal Arnold".

Krystal Arnold
Twelve Bridges Middle School

Public Hearing

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Public Hearing re SARC Waiver Request

AGENDA ITEM AREA:

Public Hearing

REQUESTED BY:

Mary Boyle
Deputy Superintendent Educational Services

ENCLOSURES:

Notice of Public Hearing

DEPARTMENT:

Educational Services

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

Education Codes 35256 and 35258 require California School Districts and School Sites to complete the reporting requirements of the School Accountability Report Card (SARC) by February 1 annually. The SARC's present parents and community members with complete and up-to-date information on each school's performance and includes information on facilities, curriculum, student achievement, demographics, special programs, school safety, teacher credentials, compliance with Highly Qualified Teacher requirements, and other required data. In the past, the State has provided a template for reporting, with much of the data pre-populated, leaving the District and sites to complete the narrative and some of the data reporting requirements. Due to State budget and staffing reductions this year, the California Department of Education (CDE) has just informed the State Board of Education (SBE) that while the template will be available, the pre-populating of the data will not be done, greatly increasing the work of sites and district offices. With the pending holidays and the short timeline, CDE is offering a General Waiver Request to all districts for a 60-day extension of the February 1 timeline to April 1, to allow more time to complete these requirements.

RECOMMENDATION:

Hold Public Hearing on Request for General Waiver Request for 60-Day Extension of SARC reporting requirements.

27

PLEASE POST

December 8, 2010

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Western Placer Unified School District will hold a public hearing at which the governing board shall encourage participation by parents, teachers, members of the community interested in the affairs of the school district, and bargaining unit leaders. This hearing shall make a determination, through a resolution, as to whether to apply for a 60-day extension of the February 1 deadline of issuing School Accountability Report Cards (SARC's). The extension request is due to the California Department of Education's revelation at the November 2010 State Board of Education meeting that the 2011 SARC template would not be pre-populated with information necessary to complete the SARC's, due to budget cuts at the state level. This shifts the responsibility for that data collection and reporting to each district and school, requiring districts and school sites to take on additional duties that were previously handled at the state level.

A public hearing will be held January 4, 2011 at 7:00 p.m. in the Lincoln High School Theater. The Lincoln High School address is 790 J Street, Lincoln, CA.

The public hearing is a requirement for the district to apply for this 60-day waiver request.

Posted at Western Placer Unified School District Office: December 8, 2010
Posted at all District School Sites: December 8, 2010
Publish Date in Lincoln News Messenger: December 16, 2010

7.1

INFORMATION

DISCUSSION

ACTION

ITEMS

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Approve Resolution #10/11.8 Requesting General
Waiver Request for 60-Day Extension of SARC
Reporting Deadline

AGENDA ITEM AREA:

Action

REQUESTED BY:

Mary Boyle
Deputy Superintendent Educational Services

ENCLOSURES:

Resolution # 10/11.8
General Waiver Request

DEPARTMENT:

Educational Services

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

Yes

BACKGROUND:

Education Codes 35256 and 35258 require California School Districts and School Sites to complete the reporting requirements of the School Accountability Report Card (SARC) by February 1 annually. The SARC's present parents and community members with complete and up-to-date information on each school's performance and includes information on facilities, curriculum, student achievement, demographics, special programs, school safety, teacher credentials, compliance with Highly Qualified Teacher requirements, and other required data. In the past, the State has provided a template for reporting, with much of the data pre-populated, leaving the District and sites to complete the narrative and some of the data reporting requirements. Due to State budget and staffing reductions this year, the California Department of Education (CDE) has just informed the State Board of Education (SBE) that while the template will be available, the pre-populating of the data will not be done, greatly increasing the work of sites and district offices. With the pending holidays and the short timeline, CDE is offering a General Waiver Request to all districts for a 60-day extension of the February 1 timeline to April 1, to allow more time to complete these requirements.

RECOMMENDATION:

Approve Request for General Waiver Request for 60-Day Extension of SARC reporting requirements.

8.1

CALIFORNIA DEPARTMENT OF EDUCATION
GENERAL WAIVER REQUEST

GW-1 (Rev. 11-30-10) <http://www.cde.ca.gov/re/lr/wr/>

First Time Waiver: X
Renewal Waiver:

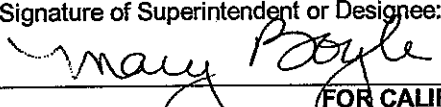
Send Original plus one copy to:
Waiver Office, California Department of Education
1430 N Street, Suite 5602
Sacramento, CA 95814

Send Electronic copy in **Word** and
back-up material to: waiver@cde.ca.gov

| | | CD CODE | | | | | | |
|--|--|--|---|---|---|---|--|---|
| | | 3 | 1 | 6 | 6 | 9 | 5 | 1 |
| Local educational agency: Western Placer Unified School District | | Contact name and Title: Mary Boyle Deputy Superintendent Ed Services | | | | | Contact person's e-mail address: mboyle@wpusd.k12.ca.us | |
| Address: (City) (State) (ZIP) | | Phone (and extension, if necessary): | | | | | | |
| 600 6 th Street, Suite 400 Lincoln CA 95648 | | 916-645-6350 Fax Number: 916-645-6356 | | | | | | |
| Period of request: (month/day/year) | | Local board approval date: (Required) | | | | | Date of public hearing: (Required) | |
| From: February 1, 2011 To: April 1, 2011 | | 1/4/2011 | | | | | 1/4/2011 | |
| LEGAL CRITERIA | | | | | | | | |
| <p>1. Under the general waiver authority of <i>Education Code</i> 33050-33053, the particular <i>Education Code</i> or <i>California Code of Regulations</i> section(s) to be waived (number):</p> <p style="text-align: right;">Circle One: <u>EC</u> or CCR 35256(c) & 35258</p> <p>Topic of the waiver: Extension of SARC posting February 1 timeline</p> | | | | | | | | |
| <p>2. If this is a renewal of a previously approved waiver, please list Waiver Number: <u> N/A </u> and date of SBE Approval <u> N/A </u> Renewals of waivers must be submitted two months before the active waiver expires.</p> | | | | | | | | |
| <p>3. Collective bargaining unit information. Does the district have any employee bargaining units? <u> No </u> <u> X </u> Yes If yes, please complete required information below:</p> <p>Bargaining unit(s) consulted on date(s): Western Placer Teachers Association (WPTA) 12/7/10 and 12/16/10; CSEA 12/7/10 and 12/16/10</p> <p>Name of bargaining unit and representative(s) consulted: Mike Agrippino – WPTA; Mike Kimbrough - CSEA</p> <p>The position(s) of the bargaining unit(s): <u> Neutral </u> <u> X </u> (CSEA & WPTA) Support <u> </u> Oppose (Please specify why)</p> | | | | | | | | |
| | | | | | | | | |
| <p>5. Advisory committee or school site councils. Please identify the council(s) or committee that reviewed this waiver:</p> <p>Date the committee/council reviewed the waiver request: Carlin C. Coppin ELAC – 12/9/10</p> <p>Were there any objection(s)? No <u> X </u> Yes <u> </u> (If there were objections please specify)</p> | | | | | | | | |

8.1.1

CALIFORNIA DEPARTMENT OF EDUCATION
GENERAL WAIVER REQUEST
GW-1 (11-30-10)

| | | |
|---|------------------------------|---|
| <p>6. <i>Education Code or California Code of Regulations</i> section to be waived. If the request is to waive a portion of a section, type the text of the pertinent sentence of the law, or those exact phrases requested to be waived (use a strike out key). 35256. School Accountability Report Card (c) The governing board of each school district annually shall issue a School Accountability Report Card for each school in the school district, publicize those reports, and notify parents or guardians of pupils that a hard copy will be provided upon request. Commencing with the 2008-09 school year, each school district shall make hard copies of its annually updated report card available, upon request, on or before February 1 of each year. 35258. Commencing with the 2008-09 school year, each school district connected to the Internet shall make its annually updated report card available on the Internet on or before February 1 of each year. (b) Commencing with the 2008-09 school year, each school district not connected to the Internet shall make hard copies of its annually updated School Accountability Report Card available, pursuant to subdivision (c) of Subsection 35256, on or before February 1 of each year.</p> | | |
| <p>7. Desired outcome/rationale. Describe briefly the circumstances that brought about the request and why the waiver is necessary to achieve improved student performance and/or streamline or facilitate local agency operations. If more space is needed, please attach additional pages.</p> <p>On behalf of its schools, the District takes seriously its responsibilities under state and federal law to communicate the various aspects of performance covered by the School Accountability Report Card (SARC). The District seeks to ensure that our parents and community members have an accurate, complete, and up-to-date SARC from which they can understand each school's performance and make decisions on behalf of their students.</p> <p>At its November 2010 meeting, the State Board of Education approved the 2010-11 School Accountability Report Card template and, at the same time, received a report from the California Department of Education that, due to budget and staffing reductions, the department would not be able to fill in some of the data that typically is provided to districts as they prepare their SARCs. This shift of responsibility for that data collection and reporting to each district (and school) now requires districts and school sites to take on additional duties just as the holidays approach.</p> <p>Because of the lateness in approving the template and the necessity for school districts to assume responsibility for manually gathering and inputting some of the data required for the 2010-11 SARC posting on February 1, the district and its schools are seeking a 60-day extension from the statutorily-required posting date of February 1.</p> | | |
| <p>8. Demographic Information: (<i>Western Placer Unified School District</i>) has a student population of 6400 and is located in a suburban/rural area in Placer County.</p> | | |
| <p>Is this waiver associated with an apportionment related audit penalty? (per <i>EC 41344</i>) No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> (If yes, please attach explanation or copy of audit finding)</p> <p>Has there been a Categorical Program Monitoring (CPM) finding on this issue? No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> (If yes, please attach explanation or copy of CPM finding)</p> | | |
| <p>District or County Certification – I hereby certify that the information provided on this application is correct and complete.</p> | | |
| Signature of Superintendent or Designee:  | | Title: Deputy Superintendent Ed Services |
| | | Date: 1/4/2011 |
| FOR CALIFORNIA DEPARTMENT OF EDUCATION USE ONLY | | |
| Staff Name (type or print): | Staff Signature: | Date: |
| Unit Manager (type or print): | Unit Manager Signature: | Date: |
| Division Director (type or print): | Division Director Signature: | Date: |
| Deputy (type or print): | Deputy Signature: | Date: |

8.1.2

RESOLUTION 10/11.8
Education Code Section 35256 & 35258
Resolution on Waiver Application for SARC Reporting Extension

**RESOLUTION REGARDING APPLICATION FOR SIXTY-DAY EXTENSION OF
SCHOOL ACCOUNTABILITY REPORT CARD COMPLIANCE DEADLINE**

Whereas, the governing board of Western Placer Unified School District, in order to comply with the requirements of *Education Code* Sections 35256 & 35258 held a public hearing on January 4, 2011, at seven o'clock, and which did not take place during or immediately following school hours, and;

Whereas, the governing board provided at least 10 days notice of the public hearing posted in at least three public places within the district that stated the time, place, and purpose of the hearing, and;

Whereas, the governing board encouraged participation by parents, teachers, members of the community, and bargaining unit leaders in the public hearing, and;

Whereas, information provided at the public hearing and to the governing board at the public meeting detailed the purpose of the 60-day waiver application for compliance with School Accountability Report Card (SARC) reporting requirements;

Whereas, the governing board and the district take seriously their responsibilities under state and federal law to communicate the various aspects of performance covered by the School Accountability Report Card (SARC);

Whereas, the District seeks to ensure that our parents and community members have an accurate, complete, and up-to-date School Accountability Report Card (SARC) from which they can understand each school's performance and make decisions on behalf of their students;

Whereas, at its November 2010 meeting, the State Board of Education approved the 2010 – 2011 School Accountability Report Card template and, at the same time, received a report from the California Department of Education that, due to budget and staffing reductions, the department would not be able to fill in some of the data that typically is provided to districts as they prepare their SARC's;

Whereas, this shift of responsibility for that data collection and reporting to each district and to each school now requires districts and school sites to take on additional duties;

Whereas, the lateness of the State in approving the template, the necessity for the District and school sites to assume responsibility for manually gathering and inputting data required for the 2010 – 2011 SARC posting, and the pending holiday season make it extremely difficult to meet the required February 1 reporting deadline;

8.1.3

Whereas, the State has offered a General Waiver Request to districts due to these extenuating circumstances to apply for a sixty-day waiver of the February 1 SARC reporting deadline;

Therefore, it is resolved that for the 2010 – 2011 school year, the Western Placer Unified School District has approved the General Waiver Request application for a 60-day extension of the February 1 deadline for completing the SARC requirements as stated in Ed Code 35256 & 35258.

PASSED AND ADOPTED THIS January 4, 2011, By the Governing Board of Western Placer Unified School of Placer County, California

I, Kris Wyatt, Clerk of the Governing Board of Western Placer Unified School District of Placer County, California, certify that the foregoing is a full, true and correct copy of a resolution adopted by the said Board at a public School Board Meeting thereof held at a regular public place of meeting and the resolution is on file in the office of said Board.

Kris Wyatt, Clerk

Date

8.1.4

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Adoption of Revised/New
Policies/Regulations/Exhibits

AGENDA ITEM AREA:

Action

REQUESTED BY:

Mary Boyle
Deputy Superintendent,
Educational Services

ENCLOSURES:

Yes

DEPARTMENT:

Administration

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 7, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

These new and revised policies/regulations/exhibits are now being presented for approval by the Board of Trustees.

- AR 0520.3 Title I Program Improvement Districts

RECOMMENDATION:

Administration recommends the Board of Trustees approve the new and revised Policies, Regulations and Exhibits as submitted.

MANUAL MAINTENANCE GUIDESHEET

Page 1 of 1

Note: Descriptions below identify major changes in revised materials. Editorial changes have also been made.

| <u>DELETE</u> | <u>ADD</u> | <u>DESCRIPTION</u> |
|---------------|------------|---|
| AR 0520.3 | AR 0520.3 | <u>Title I Program Improvement Districts</u> <u>Replace</u> AR. Updated policy and regulation contain new material for districts in Year 3 of Program Improvement. Policy describes district responsibilities in working with a district assistance and intervention team (DAIT) and reflects NEW LAW (AB 519) which requires the district to reserve program funding to cover the entire cost of the DAIT before using that funding for other reform activities. Updated regulation also revises section for Year 1-2 PI districts to reflect provisions of AB 519 which make certain requirements (items #3 and 5) contingent upon state funding. |

8.2.1

TITLE I PROGRAM IMPROVEMENT DISTRICTS

Program Improvement

Year 1-2 Program Improvement (PI): Revision and Implementation of LEA Plan

Whenever the district is notified that it is identified for program improvement under the federal No Child Left Behind Act, the district shall complete all of the following actions:

1. Promptly notify parents/guardians of each district student regarding the district's program improvement status, the reasons for the identification, and how parents/guardians can participate in upgrading the quality of the district's programs. The notification shall be in a format and, to the extent practicable, in a language the parents/guardians can understand. (20 USC 6316)
2. Conduct a self-assessment using materials and criteria based on current research and provided by the California Department of Education (CDE)
3. **Contingent upon state funding, contract with a county office of education or another external entity no later than 90 days after the district is identified for PI, and work with the County Superintendent of Schools for both of the following purposes: (Education Code 52055.57)**
~~No later than 90 days after the district is identified for program improvement, contract with a county office of education, or another external entity, after working with the County Superintendent of Schools, for the following purposes:~~
 - a. Verify the fundamental teaching and learning needs in district schools as determined by the self-assessment and identify the specific academic problems of low-achieving students, including a determination as to why the prior district Title I **local educational agency (LEA)** plan failed to result in increased student academic achievement
 - b. Ensure that the district receives intensive support and expertise to implement district reform initiatives in the Title I plan
4. Within three months after the district's identification for program improvement, the Superintendent or designee shall develop or revise the district's LEA Title I plan in consultation with parents/guardians, school staff, and others. This plan shall reflect the findings of the self-assessment and shall: (20 USC 6316; 34 CFR 200.52; Education Code 52055.57)
 - a. Incorporate scientifically based research strategies that will strengthen the core academic program in district schools
 - b. Identify actions that have the greatest likelihood of improving student achievement in meeting the state's academic achievement standards

8.2.2

TITLE I PROGRAM IMPROVEMENT DISTRICTS (continued)

- c. Address the professional development needs of the instructional staff by committing to spending at least 10 percent of the district's allocation of Title I, Part A, funds for professional development
- d. Include specific measurable achievement goals and targets for each of the student subgroups identified pursuant to 20 USC 6311, especially those that did not make adequate yearly progress
- e. Address the fundamental teaching and learning needs in the district's schools and the specific academic problems of low-achieving students, including a determination of why the district's prior plan failed to bring about increased student academic achievement
- f. Incorporate, as appropriate, student learning activities before school, after school, during the summer, and during any extension of the school year

(cf. 5148.2 – Before/After School Programs)

(cf. 6176 – Weekend/Saturday Classes)

(cf. 6177 – Summer School)

(cf. 6179 – Supplemental Instruction)

- g. Specify the responsibilities of the district and the state under the plan, including the district's fiscal responsibilities under 20 USC 6321 and the technical assistance to be provided by the state
 - h. Include strategies to promote effective parent/guardian involvement in district schools
5. **Contingent upon state funding**, after working with the County Superintendent of Schools or an external verifier, contract with an external provider to provide support and implement recommendations to **assist the district in resolving** ~~resolve~~ shortcomings identified in the verified self-assessment. (Education Code 52055.57)
6. ~~The district shall~~ Implement the LEA Title I plan expeditiously, but not later than the beginning of the next school year after the school year in which the district administered the assessments that resulted from its **PI** identification ~~for program improvement~~. (20 USC 6316; 34 CFR 200.52 E.C. 52055.57)

The district shall exit **PI** ~~program improvement~~ status when it makes AYP ~~adequate yearly progress~~ for two consecutive years.

TITLE I PROGRAM IMPROVEMENT DISTRICTS (continued)

Year 3 PI: Corrective Action

If the district fails to make adequate yearly progress by the end of the second year in program improvement, it shall be subject to corrective actions determined by the State Board of Education. (20 USC 6316; 34 CFR 200.53; Education Code 52055.57)

If the SBE takes any corrective action other than, or in addition to, the appointment of a district assistance and intervention team (DAIT), the Superintendent or designee shall appear before the SBE within Year 3 of PI to review the district's progress. The Superintendent or designee, the DAIT, and/or the County Superintendent shall provide testimony and written data sufficient for the SBE to determine whether an alternative corrective action is needed. (Education Code 52055.57)

Regulation
approved: September 4, 2007
revised:

WESTERN PLACER UNIFIED SCHOOL DISTRICT
Lincoln, California

8.2.4

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

District Operation of State Preschool Programs
for 2011/12

AGENDA ITEM AREA:

Discussion

REQUESTED BY:

Mary Boyle
Deputy Superintendent Educational Services

ENCLOSURES:

Handouts at Meeting

DEPARTMENT:

Educational Services

FINANCIAL INPUT/SOURCE:

Annual State Preschool Grant –
Approximately \$260,326

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

As stated in the December 7, 2010 Consent Agenda item re State Preschool Contract for 2010 – 2011, WPUSD has subcontracted the operation of our State Preschool Program to the Placer Community Action Council (PCAC) KidZKount program for a number of years. The State fully funds this program and PCAC has operated the program for the district, with our annual State Preschool Grant funds flowing through the district (less minimal indirect costs) to PCAC. Over the past four years, our district has become more involved in preschool education, primarily because of special education requirements. With the expansion of our special education preschool services and the necessity for inclusion of students with typical peers, increased State expectations for Kindergarten readiness, the necessity for collaboration between Kindergarten and preschool programs, and the pending changes in kindergarten enrollment eligibility dates, coordinating preschool programs is becoming a greater District responsibility and lends merit to the District operating the program directly. We would like to engage the Board in discussion regarding the merits of operating the State Preschool Program directly through the District beginning in 2011/2012, with no increased costs to the district.

RECOMMENDATION:

Discussion of District direct operation of State Preschool Program beginning 2011/2012.

8.3

WESTERN PLACER UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES MEETING FACT SHEET

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Horizon Charter School
Annual Audit Report

AGENDA ITEM AREA:

Information

REQUESTED BY:

Joyce Lopes
Assistant Superintendent, Business Services

ENCLOSURES:

Yes

DEPARTMENT:

Business Services

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 04, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

Western Placer Unified School District, as the sponsoring authority for Horizon Charter School, is responsible for fiscal oversight. Accordingly, their annual audit report is provided for your review. Gilbert Associates, Inc., prepared the annual audit report of Horizon Charter School for the fiscal year ended June 30, 2010 and 2009.

RECOMMENDATION:

Administration recommends the Board of Trustees receive the audited financial statements.

8.4

HORIZON CHARTER SCHOOL
(A CALIFORNIA NON-PROFIT
PUBLIC BENEFIT CORPORATION)

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

YEARS ENDED
JUNE 30, 2010 AND 2009

8.4.1

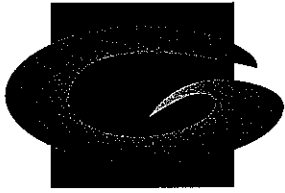
HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

JUNE 30, 2010 AND 2009

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84.2



Gilbert Associates, Inc.
CPAs and Advisors

INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Horizon Charter School
Lincoln, California**

We have audited the accompanying statement of financial position of Horizon Charter School (the Organization), a California non-profit public benefit corporation, as of June 30, 2010 and 2009, and the related statement of activities and changes in net assets and statement of cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations internal control over financial reporting. Accordingly, we express no opinion. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated December 8, 2010 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the financial statements of the Organization as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Organization. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audits were performed for the purpose of forming an opinion on the financial statements of the Organization as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Organization. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

December 8, 2010

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

| | <u>2010</u> | <u>2009</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and equivalents | \$ 4,686,686 | \$ 4,141,711 |
| Due from state and local governments | 2,759,884 | 3,108,131 |
| Prepaid expenses | 45,903 | |
| Total current assets | 7,492,473 | 7,249,842 |
| PROPERTY AND EQUIPMENT - Net | 2,950,191 | 3,128,671 |
| TOTAL ASSETS | <u>\$ 10,442,664</u> | <u>\$ 10,378,513</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 469,646 | \$ 352,195 |
| Accrued expenses | 222,053 | 143,796 |
| Deferred rent | 45,210 | 55,408 |
| Current portion of long-term debt | 39,143 | 36,395 |
| Current portion of capital lease | | 184,137 |
| Total current liabilities | 776,052 | 771,931 |
| LONG TERM LIABILITIES: | | |
| Debt | 2,052,715 | 2,091,858 |
| TOTAL LIABILITIES | 2,828,767 | 2,863,789 |
| NET ASSETS: | | |
| Unrestricted | 7,613,897 | 6,406,045 |
| Temporarily restricted | | 1,108,679 |
| Total net assets | 7,613,897 | 7,514,724 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 10,442,664</u> | <u>\$ 10,378,513</u> |

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

8.4.5 3

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2010 AND 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| UNRESTRICTED NET ASSETS: | | |
| REVENUES: | | |
| Federal revenue | \$ 655,650 | \$ 343,760 |
| State revenue: | | |
| State aid portion of block grant | 3,707,777 | 5,166,872 |
| Categorical block grant | 1,640,868 | 1,617,288 |
| Lottery revenue | 392,135 | 401,005 |
| All other | 348,894 | 436,467 |
| Local revenue: | | |
| Cash in-lieu of property taxes | 11,914,694 | 13,280,958 |
| All other | 1,153,306 | 1,171,736 |
| Net assets released from restrictions | <u>1,108,679</u> | <u>283,492</u> |
| Total revenues | <u>20,922,003</u> | <u>22,701,578</u> |
| EXPENSES: | | |
| Program expenses: | | |
| Educational programs | 18,186,434 | 19,246,716 |
| Supporting services: | | |
| Management and general | <u>1,527,717</u> | <u>1,687,951</u> |
| Total expenses | <u>19,714,151</u> | <u>20,934,667</u> |
| INCREASE IN UNRESTRICTED NET ASSETS | 1,207,852 | 1,766,911 |
| TEMPORARILY RESTRICTED NET ASSETS: | | |
| Federal and state revenue | | 1,108,552 |
| Net assets released from restrictions | <u>(1,108,679)</u> | <u>(283,492)</u> |
| INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS | <u>(1,108,679)</u> | <u>825,060</u> |
| INCREASE IN NET ASSETS | 99,173 | 2,591,971 |
| NET ASSETS, Beginning of Year | <u>7,514,724</u> | <u>4,922,753</u> |
| NET ASSETS, End of Year | <u>\$ 7,613,897</u> | <u>\$ 7,514,724</u> |

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

8.4.6 ⁴

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009

| | <u>2010</u> | <u>2009</u> |
|--|-----------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase in net assets | \$ 99,173 | \$ 2,591,971 |
| Reconciliation to net cash and equivalents provided by operating activities: | | |
| Depreciation | 178,480 | 161,874 |
| Changes in: | | |
| Due from state and local governments | 348,247 | (1,389,763) |
| Prepaid expenses | (45,903) | 6,688 |
| Accounts payable | 117,451 | (224,587) |
| Accrued expenses | 78,257 | (74,425) |
| Deferred rent | <u>(10,198)</u> | <u>(22,649)</u> |
| Net cash provided by operating activities | <u>765,507</u> | <u>1,049,109</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment | <u> </u> | <u>(118,430)</u> |
| Net cash used in investing activities | <u> </u> | <u>(118,430)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments of long-term debt | (36,395) | (37,597) |
| Principal payments of capital lease | <u>(184,137)</u> | <u>(167,712)</u> |
| Net cash used in financing activities | <u>(220,532)</u> | <u>(205,309)</u> |
| NET INCREASE IN CASH AND EQUIVALENTS | 544,975 | 725,370 |
| CASH AND EQUIVALENTS, Beginning of year | <u>4,141,711</u> | <u>3,416,341</u> |
| CASH AND EQUIVALENTS, End of year | <u>\$ 4,686,686</u> | <u>\$ 4,141,711</u> |
| CASH PAID FOR INTEREST | <u>\$ 159,438</u> | <u>\$ 189,884</u> |

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

8.4.7 5

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Horizon Charter School (the Organization) is a California non-profit public benefit corporation that was incorporated in January 2002, and is organized to manage, operate, guide, direct, and promote Horizon Charter School, a California public independent study charter school. The charter school number is 0015.

The Organization is funded principally through State of California public education monies received through the California Department of Education and the Western Placer Unified School District (the Sponsoring District). The Organization is governed by a Governance Committee consisting of five parents of the Organization's students, one education community representative, and one business/community representative.

The Charter for the Organization was renewed by the Sponsoring District in February 2008 for the five year period ending June 30, 2013. The charter may be revoked by the Sponsoring District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

On July 14, 2010, the Organization was granted a second charter through Western Placer Unified School District (the Sponsoring District). The charter name and number are Partnerships for Student Centered Learning and number 1227, respectively. This charter will begin operations in the 2010/11 school year.

Basis of presentation – The financial statements are presented in conformity with Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities – Presentation of Financial Statements*. Under ASC 958, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. There were no permanently restricted net assets for the years ending June 30, 2010 and 2009. The Organization had \$0 and \$1,108,679 of temporarily restricted net assets for the years ending June 30, 2010 and 2009, respectively. As of June 30, 2009 temporarily restricted net assets consisted of unexpended state and federal grants restricted for enhancing the school's educational programs and for purchases of instructional materials.

Revenue recognition – Amounts received from the California Department of Education are recognized as revenue by the Organization based on the average daily attendance (ADA) of students. Grant revenues are recognized as related grant expenses are incurred. Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net Assets Released from Restriction". Deferred revenue is recorded to the extent cash received on specific programs exceeds qualified expenses.

Cash and equivalents – The Organization considers investments with maturity at purchase of three months or less to be cash equivalents.

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Property and equipment with a value greater than \$10,000 is recorded at cost and depreciated using the straight-line method over estimated useful lives of 3 to 30 years.

Functional allocation of expenses – The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes – The Organization is publicly supported and has received tax-exempt status under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. There is no unrelated taxable income and, accordingly, there is no provision for income taxes in these financial statements. The Organization adopted the accounting principles related to accounting for uncertainty in income taxes (as described under ASC 740, *Income Taxes*) as of July 1, 2009 and has determined that there is no material impact on the financial statements for June 30, 2010. With some exceptions, the Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2006.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred rent – Rental expense on leases that contain rent-free periods or periodic rent increases is recognized on a straight-line basis over the non-cancelable portion of the leases in accordance with ASC 840, *Leases*. The calculated deferred rents are the difference between the rental expense recognized and the rents paid.

Subsequent events have been reviewed through the issuance date of the audit report.

Recent accounting pronouncements – The Financial Accounting Standards Board (FASB) issued FASB Accounting Standards Codification effective for financial statements issued for interim and annual periods ending after September 15, 2009. The ASC is an aggregation of previously issued authoritative U.S. generally accepted accounting principles (GAAP) in one comprehensive set of guidance organized by subject area. In accordance with the ASC, references to previously issued accounting standards have been replaced by ASC references. Subsequent revisions to GAAP will be incorporated into the ASC through Accounting Standards Updates.

Reclassifications – Certain 2009 amounts have been reclassified to conform with the 2010 financial statement presentation. These reclassifications had no effect on the Organization's total net assets.

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

2. CASH AND EQUIVALENTS

Cash and equivalents as of June 30 consist of the following:

| | <u>2010</u> | <u>2009</u> |
|--|---------------------|---------------------|
| Cash and equivalents in Placer County Treasury | \$ 4,339,034 | \$ 3,693,260 |
| Deposits with financial institutions | <u>347,652</u> | <u>448,451</u> |
| Total cash and equivalents | <u>\$ 4,686,686</u> | <u>\$ 4,141,711</u> |

The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash.

Cash in County Treasury

In accordance with Education Code Section 41001, the Organization maintains substantially all of its cash in the Placer County Treasury (the Treasury). The Treasury pools these funds with those of other school districts in the county and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

The Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the Treasury are either secured by federal depository insurance or are collateralized.

The Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes, or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following during the year ended June 30:

| | <u>2010</u> | <u>2009</u> |
|--------------------------------|---------------------|---------------------|
| Land | \$ 453,341 | \$ 453,341 |
| Buildings and improvements | 2,422,753 | 2,422,753 |
| Leased equipment | 504,053 | 504,053 |
| Office furniture and equipment | 431,551 | 431,551 |
| Vehicles | 10,958 | 10,958 |
| Total | <u>3,822,656</u> | <u>3,822,656</u> |
| Less accumulated depreciation | <u>(872,465)</u> | <u>(693,985)</u> |
| Property and equipment - net | <u>\$ 2,950,191</u> | <u>\$ 3,128,671</u> |

Depreciation expense for the years ended June 30, 2010 and 2009 was \$178,480 and \$161,874, respectively.

4. DEBT

Debt consisted of the following June 30:

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| Mortgage note payable, secured by commercial property, payable in monthly installments, including an adjustable interest, currently at 6.75%, maturing February 2016, with a balloon payment of \$1,854,760 in February 2016. The loan is secured by deed of trust for land and building. | \$ 2,091,858 | \$ 2,128,253 |
| Less current portion | <u>(39,143)</u> | <u>(36,395)</u> |
| Long-term obligations | <u>\$ 2,052,715</u> | <u>\$ 2,091,858</u> |

Interest expense for the years ended June 30, 2010 and 2009 was \$159,300 and \$186,954, respectively.

8,411 9

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Future maturities of debt are as follows:

Fiscal year ending June 30:

| | |
|-----------------------------|---------------------|
| 2011 | \$ 39,143 |
| 2012 | 41,472 |
| 2013 | 45,086 |
| 2014 | 48,510 |
| 2015 | 52,436 |
| Thereafter | <u>1,865,211</u> |
| Total long-term obligations | <u>\$ 2,091,858</u> |

5. LEASE OBLIGATIONS

Operating Leases:

The Organization leases property and equipment under various non-cancelable operating lease agreements. Rental expense under operating leases during the years ended June 30, 2010 and 2009 totaled \$850,007 and \$856,308, respectively.

Future minimum lease payments under these leases as of June 30, 2010 are as follows:

| <u>Year ending</u> <u>June 30,</u> | |
|---|---------------------|
| 2011 | \$ 773,799 |
| 2012 | 579,746 |
| 2013 | 508,988 |
| 2014 | 382,536 |
| 2015 | <u>402,668</u> |
| Total | <u>\$ 2,647,737</u> |

Capital Lease:

The Organization entered into a capital lease with Cisco from June 2007 through June 2010. The property under capital lease is separately disclosed in Note 3 and consists of phone equipment. The leased property is being depreciated over the estimated useful life of 10 years in accordance with ASC 840, *Leases*, and depreciation expense for the leased property is included in the total depreciation expense on the Schedule of Functional Expenses.

As of June 30, 2010 all capital lease obligation were fully paid.

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

6. EMPLOYEE RETIREMENT PLAN

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

CalPERS:

Plan Description

The Organization contributes to the School Employer Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. 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 95814.

Funding Policy

Active plan members are required to contribute 7% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security), and the Organization 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 2009-10 was 9.709% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization's contributions for the year ended June 30, 2010, 2009, and 2008 were \$193,601, \$202,568, \$210,529, respectively, and equal 100% of the required contributions for the year.

CalSTRS:

Plan Description

The Organization contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. The plan provides retirement, disability, 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 STRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard, Sacramento, California 95826.

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Funding Policy

Active plan members are required to contribute 8% of their salary and the Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2009-10 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization's contributions for the years ended June 30, 2010, 2009, and 2008 were \$783,826, \$826,321, and \$778,906 respectively.

7. CONTINGENCIES

The Organization has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

SUPPLEMENTARY INFORMATION SECTION

8.4.15

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

ORGANIZATION, GOVERNING BOARD & ADMINISTRATION
YEAR ENDED JUNE 30, 2010

ORGANIZATION

Horizon Charter School (the Organization) is a California non-profit public benefit corporation that was incorporated in January 2002, and is organized to manage, operate, guide, direct, and promote Horizon Charter School, a California public independent study charter school, charter number 0015.

GOVERNING BOARD

| <u>Name</u> | <u>Office</u> | <u>Term Expires</u> |
|----------------|------------------------------------|---------------------|
| Cynthia Moore | President | June 2011 |
| Andrea Rynberk | Vice President | June 2010 |
| Sandra Frame | Education/Community Representative | June 2011 |
| Doug Kidder | Parent Representative/WPUSD | June 2010 |
| Angela Henning | Parent Representative | June 2010 |
| Kelly Sapp | Parent Representative | June 2011 |

ADMINISTRATION

Lu Anne Boone
Chief Executive Officer

Cliff Bautista
Chief Business Officer

Pat Winget
Chief Academic Officer

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULES OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2010 AND 2009

| <u>2010</u> | <u>Program expenses</u> | <u>Supporting services</u> | <u>Total expenses</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|
| Certificated salaries | \$ 9,765,755 | \$ 215,515 | \$ 9,981,270 |
| Classified salaries | 1,560,508 | 472,970 | 2,033,478 |
| Employee benefits | 2,370,599 | 153,117 | 2,523,716 |
| Books and supplies | 1,327,151 | 52,553 | 1,379,704 |
| Services and other operating expenses | 3,162,421 | 455,082 | 3,617,503 |
| Depreciation | | 178,480 | 178,480 |
| Total expenses | <u>\$ 18,186,434</u> | <u>\$ 1,527,717</u> | <u>\$ 19,714,151</u> |

| <u>2009</u> | <u>Program expenses</u> | <u>Supporting services</u> | <u>Total expenses</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|
| Certificated salaries | \$ 10,300,719 | \$ 232,095 | \$ 10,532,814 |
| Classified salaries | 1,875,755 | 365,437 | 2,241,192 |
| Employee benefits | 2,294,438 | 134,416 | 2,428,854 |
| Books and supplies | 2,014,884 | 42,288 | 2,057,172 |
| Services and other operating expenses | 2,760,920 | 751,841 | 3,512,761 |
| Depreciation | | 161,874 | 161,874 |
| Total expenses | <u>\$ 19,246,716</u> | <u>\$ 1,687,951</u> | <u>\$ 20,934,667</u> |

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2010

| | Second Period Report | Annual Report |
|-------------------------------|-------------------------------------|--------------------------|
| Non-classroom based ADA: | | |
| Kindergarten through Grade 3 | 438.35 | 444.16 |
| Grades 4 through 6 | 470.42 | 471.31 |
| Grades 7 and 8 | 508.03 | 513.10 |
| Grades 9 through 12 | <u>1,379.58</u> | <u>1,382.68</u> |
| Total non-classroom based ADA | <u>2,796.38</u> | <u>2,811.25</u> |
| | | |
| | Second Period Report | Annual Report |
| Classroom-based ADA: | | |
| Kindergarten through Grade 3 | 63.35 | 62.69 |
| Grades 4 through 6 | 38.66 | 38.72 |
| Grades 7 and 8 | 19.69 | 19.34 |
| Grades 9 through 12 | <u>0.00</u> | <u>0.00</u> |
| Total classroom based ADA | <u>121.70</u> | <u>120.75</u> |
| | | |
| | Second Period Report | Annual Report |
| Total ADA: | | |
| Kindergarten through Grade 3 | 501.70 | 506.85 |
| Grades 4 through 6 | 509.08 | 510.03 |
| Grades 7 and 8 | 527.72 | 532.44 |
| Grades 9 through 12 | <u>1,379.58</u> | <u>1,382.68</u> |
| Total ADA | <u>2,918.08</u> | <u>2,932.00</u> |

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2010

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements for its site-based program.

| | 2009-2010 Minutes | | |
|---------------------|--------------------|------------------------|---------------|
| | <u>Requirement</u> | <u>Minutes Offered</u> | <u>Status</u> |
| Lincoln Montessori: | | | |
| Kindergarten | 34,971 | 55,425 | In Compliance |
| Grades 1 through 3 | 48,960 | 57,585 | In Compliance |
| Grades 4 through 8 | 52,457 | 58,050 | In Compliance |

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

| <u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u> | <u>Federal CFDA Number</u> | <u>Pass- Through Identifying Number</u> | <u>Federal Expenditures</u> |
|---|------------------------------------|---|---------------------------------|
| U.S. Department of Education | | | |
| Passed Through California Department of Education: | | | |
| ARRA: State Fiscal Stabilization Fund * | 84.394 | 24997 | <u>\$ 1,211,276</u> |
| NCLB: Title II, Part D, Enhancing Education Through Technology | 84.318 | 14368 | <u>16,463</u> |
| Special Education Cluster (IDEA)*: | | | |
| ARRA IDEA Basic Local Assistance Entitlement, Part B* | 84.391 | 15003 | 178,892 |
| IDEA Basic Local Assistance Entitlement, Part B* | 84.027 | 13379 | <u>373,328</u> |
| Subtotal Special Education Cluster (IDEA) | | | <u>552,220</u> |
| Total Passed Through California Department of Education | | | <u>1,779,959</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 1,779,959</u></u> |

*Tested as a major program under OMB Circular A-133.

8.4.20¹⁷

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards of the Organization is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB 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 basic financial statements.



Gilbert Associates, Inc.
CPAs and Advisors

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

**Board of Directors
Horizon Charter School
Lincoln, California**

We have audited the financial statements of Horizon Charter School (the Organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 8, 2010. 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 the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal controls 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 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. We consider the deficiencies described in the accompanying findings and recommendations section to be a material weaknesses in internal control over financial reporting, see 10-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, see finding 10-2 in the accompanying findings and recommendations section.

The Organization's response to the findings identified in our audit is described in the accompanying findings and recommendations section. We did not audit the Organization's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, and governmental awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

December 8, 2010



Gilbert Associates, Inc.
CPAs and Advisors

**INDEPENDENT AUDITOR'S REPORT
ON STATE COMPLIANCE**

**Board of Directors
Horizon Charter School
Lincoln, California**

We have audited the financial statements of Horizon Charter School (the Organization), as of and for the year ended June 30, 2010, and have issued our report thereon dated December 8, 2010. Our audit was made 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 2009-10*, published by the Education Audit Appeals Panel. 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 opinion.

The Organization's management is responsible for the Organization's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

| Description | Procedures In Audit Guide | Procedures Performed |
|---|------------------------------|-------------------------|
| Class Size Reduction Program (including charter schools): | | |
| General Requirements | 7 | Yes |
| Option one classes | 3 | Yes |
| Option two classes | 4 | Not Applicable |
| Districts or Charter Schools with one School Serving K-3 | 4 | Yes |
| After School Education and Safety Program: | | |
| General Requirements | 4 | Not Applicable |
| After School | 4 | Not Applicable |
| Before School | 5 | Not Applicable |
| Contemporaneous Records of Attendance, for charter schools | 1 | Yes |
| Nonclassroom-Based Instruction/Independent Study, for charter schools | 15 | Yes |
| Mode of Instruction, for charter schools | 1 | Yes |
| Determination of Funding for Nonclassroom-Based Instruction, for charter schools | 3 | Yes |
| Annual Instructional Minutes – Classroom-Based, for charter schools | 3 | Yes |

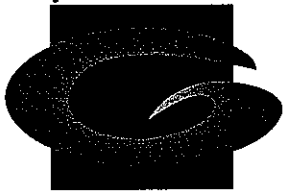
Based on our audit, we found that, for the items tested, the Organization complied with the state laws and regulations referred to above. Further, based on our examination, for items not tested, nothing came to our attention to indicate that the Organization had not complied with the state laws and regulations.

This report is intended solely for the information of and use of the Board, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

December 8, 2010



Gilbert Associates, Inc.
CPAs and Advisors

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

Independent Auditor's Report

**Board of Directors
Horizon Charter School
Lincoln, California**

Compliance

We have audited Horizon Charter School's (the Organization) compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on the Organization's major federal programs for the year ended June 30, 2010. The Organization's major federal programs are identified in the Summary of Audit Results included in the accompanying Schedule of Questioned Costs, Findings, and Recommendations section. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization'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 could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization'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 on the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the 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. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying findings and recommendations section as item 10-2.

Internal Control Over Compliance

Management of the Organization 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 the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirements 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 a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying findings and recommendation section as item 10-2. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less than severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Organization's response to the finding identified in our audit is described in the accompanying findings and recommendations section. We did not audit the Organization's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Organization's Board of Directors, management and 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.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

December 8, 2010

FINDINGS AND RECOMMENDATIONS SECTION

8.4.28

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND RECOMENDATIONS
YEAR ENDED JUNE 30, 2010

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? ☒ Yes ☐ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ None reported

Type of auditor's report issued: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ Yes ☒ No

Identification of major programs:

| <u>Name of Federal Program or Cluster</u> | <u>CFDA Number</u> |
|---|--------------------|
|---|--------------------|

| | |
|---------------------------------------|--------|
| ARRA: State Fiscal Stabilization Fund | 84.394 |
|---------------------------------------|--------|

Special Education Cluster:

| | |
|--|--------|
| ARRA IDEA Basic Local Assistance, Part B | 84.391 |
|--|--------|

| | |
|-------------------------------------|--------|
| IDEA Basic Local Assistance, Part B | 84.027 |
|-------------------------------------|--------|

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND RECOMENDATIONS
YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL

10-1. ACCOUNT RECONCILIATIONS AND JOURNAL ENTRIES – CDDC #30000

Finding:

One element of an entity's internal control over financial reporting is the ability to produce financial statements in accordance with Generally Accepted Accounting Principles. This includes internal controls that can detect material misstatements in the financial statements independent of a financial statement audit. Material adjustments arising from the audit of the Organization's financial statements is generally an indication that internal controls over financial reporting are insufficient or not functioning properly. There were some significant adjustments required for the June 30, 2010 financial statements as the Organization did not perform, or did not adequately complete, account reconciliations, review, or year-end close procedures in the following areas: cash, receivables, beginning net assets, revenues, and expenses.

In addition, a common area of risk is the override of internal controls set in place by the Organization through the use of journal entries. There were several erroneous journal entries posted in 2010 which caused several of the misstatements that were detected during the audit process.

Recommendation:

We recommend that the Organization establish and document a year-end closing process and outline procedures that include the following: review of the CDE final unrestricted apportionments published to ensure general ledger revenue accounts reflect proper accruals; preparation of grant reconciliations through the use of categorical revenue forms (CAT forms) to ensure proper deferral and/or revenue recognition for all restricted resources; and timely reconciliation of cash in county treasury balances. The closing process should also indicate the responsible parties, timelines, and formal review by management of all staff accountants' work that is done in conjunction with the closing process.

Using CAT forms each year will help the Organization improve on their grant management by helping to track awards for resources where the cash may not yet be received yet the funding is available. Proper tracking will also ensure the Organization is monitoring grant carryovers between fiscal years to mitigate the risk of losing funding not spent within the allowable grant period.

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND RECOMENDATIONS
YEAR ENDED JUNE 30, 2010

Additionally, we recommend that the controls be improved over the Organization's journal entry initiation, review, and approval process. Entries generated by accountants should all be reviewed and approved by management prior to posting in the general ledger to improve safeguarding of assets and reduce the risk of misstatement in account balances. Entries generated by the County should also be reviewed and ensure they are as expected and posted properly by the County.

Response:

The Organization concurs with this recommendation. A procedure has been implemented that details the duties and oversight of preparing, posting, and approving all journal and closing entries. Staff will receive training on the proper accounting and recording of grants and entitlements.

FEDERAL COMPLIANCE

10-2. SPECIAL EDUCATION (IDEA, Part B)– CDDC #50000

Finding:

Specific Requirement That Was Not Complied With:

Per OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, (attachment B, item 11[h]), where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages should be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications should be prepared at least semi-annually and should be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Cause of condition:

We found that the Organization does not have a process in place to ensure this requirement was met and therefore, time certifications were not done for the employees charged to this federal program.

Amount of Questioned Costs and How Computed:

The amount of questioned costs consists of the entire amount of salaries and benefits charged to the program, \$447,778.

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND RECOMENDATIONS
YEAR ENDED JUNE 30, 2010

Recommendation:

Time certifications should be prepared semi-annually and should be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. In addition, program managers responsible for the federal programs should have sufficient training in OMB Circular A-133 and A-87 to ensure all compliance requirements are sufficiently met for the federal programs operated.

Response:

The Organization concurs with this recommendation. The Human Resources Dept. has created a document that will serve as the necessary certification. Each year the Business Office will work with HR to verify if any employees will require the time certifications.

Program managers responsible for federal programs will receive training to ensure all compliance requirements are met. The Time Certification will be signed by the employee and/or the supervisor who has first-hand knowledge the work performed was solely for the program designated. Staff has gone back and certified retro-actively that the amounts charged to the programs were validated by the employee and their supervisor.

STATE COMPLIANCE

No state compliance findings in the current year.

HORIZON CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATUS OF PRIOR YEAR FINDING
YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENT FINDING

09-1. GENERAL LEDGER TRANSACTION UTILIZATION – CDDC #30000

Finding:

The Organization did not properly record lease payments related to a capital lease. Lease payments were expensed instead of reducing the capital lease liability balance and recording the related interest expense in accordance with FASB 13, *Accounting for Leases*. This resulted in a significant adjustment that reduced liabilities and expenses.

Recommendation:

One element of an entity's internal control over financial reporting is the ability to produce financial statements in accordance with Generally Accepted Accounting Principles. This includes internal controls that can detect, in a timely manner, misstatements in the financial statements independent of a financial statement audit. Adjustments arising from the audit of an Organization's financial statements are generally an indication that internal controls over financial reporting are insufficient or not functioning properly. We recommend that reconciliations and account analysis be done on a regular basis (monthly/quarterly at a minimum) to ensure accurate financial reporting and that all new leases be evaluated to determine if they are operating or capital leases and recorded properly.

Response:

The Organization will record the payments to the capital lease in accordance with Generally Accepted Accounting Principles.

Status:

Implemented

STATE COMPLIANCE

There were no State Compliance findings in the audit report of the Organization for the year ended June 30, 2009.

FEDERAL COMPLIANCE

There were no Federal Compliance findings in the audit report of the Organization for the year ended June 30, 2009.

WESTERN PLACER UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES MEETING FACT SHEET

| | |
|---|---|
| MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World. | |
| DISTRICT GLOBAL GOALS | |
| 1. | Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students |
| 2. | Foster a safe, caring environment where individual differences are valued and respected. |
| 3. | Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness. |
| 4. | Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students. |
| 5. | Promote student health and nutrition in order to enhance readiness for learning. |

SUBJECT:

Presentation of the Actuarial Study of the District's Retiree Health Benefits

AGENDA ITEM AREA:

Information

REQUESTED BY:

Joyce Lopes
Assistant Superintendent of Business Services

ENCLOSURES:

Yes

DEPARTMENT:

Business Services

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

In order to comply with Governmental Accounting Standards Board (GASB) Statement 45 the district must recognize its liability for the projected cost of future retiree health benefits. GASB 45 is the implementation of financial rule to account for the current and future costs of retiree health benefit obligations. The Governmental Accounting Standards Board (GASB) issued its new accounting standards for U.S. local public agencies in 2004, as a result of a growing concern that public agencies, like corporate entities in the 1990s, were not recognizing in their annual financial statements the total cost of promised post-employment health benefits for retired employees and thus not assessing the potential impact of these growing liabilities on future cash flow. GASB 45 requires public agencies to conduct regular actuarial studies to determine the actuarial accrued liability for retiree health benefits, to determine the annual cost to the district to fund this liability and to report the progress made in funding the liability.

Western Placer Unified School District had an actuarial valuation completed in 2008. We have engaged the same company, Total Compensation Systems, Inc., to update our 2010 liability with a valuation date of June 30, 2010.

The actuarial valuation calculates the:

- Total liability created also known as the Actuarial Present Value of Total Projected Benefits (APVTPB)
- Ten year "pay-as-you-go" cost to provide these benefits
- Actuarial Accrued Liability (AAL) which is the portion of the total liability attributable to employees' service prior to the valuation date.

8.5

WESTERN PLACER UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES MEETING FACT SHEET

- The Unfunded Actuarial Accrued Liability (UAAL)
- The amount necessary to amortize the UAAL over a period of 30 years.
- The annual contribution required to fund retiree benefits over the working lifetime of eligible employees also known as the Normal Cost
- The Annual Required Contribution (ARC) which is the basis of calculating the annual Other Post Employment Benefit (OPEB) cost and net OPEB obligation under GASB 45. The ARC is the total amount a district should contribute (or set aside) each year to meet its actuarial accrued liability. The ARC, in effect, recognizes that retiree health benefits are "earned" and are financial obligations accrued during an employee's entire period of service.

These values for Western Placer Unified School are outlined in the table below:

| | 2008 | 2010 |
|---|-------------|-------------|
| Total Liability (APVTPB) | \$5,368,807 | \$6,299,930 |
| "Pay-as-you-go" | \$174,061 | \$210,979 |
| Actuarial Accrued Liability (AAL) | \$2,381,039 | \$2,980,414 |
| Unfunded Actuarial Accrued Liability (UAAL) | \$2,381,039 | \$2,980,414 |
| UAAL Amortized Amount (over 30 years) | \$105,464 | \$132,012 |
| Normal Cost | \$269,071 | \$309,071 |
| Annual Required Contribution (ARC) | \$374,535 | \$441,083 |

All the values have increased since 2008 due to an increase in the number of employees and an increase in the medical rate trends.

GASB does not require funding of the liability. However, GASB does have the authority to require our auditor to note this liability in our annual financial statement if we choose not to fund the liability. GASB 45 specifies that the investment return assumption in our actuarial study should reflect the "estimated long-term investment yield on plan assets for plans for which the employer's funding policy is to contribute consistently an amount at least equal to the Annual Required Contribution (ARC)." A funded GASB plan in an irrevocable account could take advantage of Gov Code Sections 53620-53622 and invest in assets more suitable for long-term liabilities. The added investment income possible under a funded plan would reduce the present value of future retiree health benefits and, therefore, the Annual Required Contribution.

In 2009, the district set aside \$2,381,000 to begin to fund the liability. In July, 2010, the district put those funds into an irrevocable trust through CalPERS to take advantage of additional funding and investment opportunities available. This investment will be reflected in our next actuary study in 2012 and should help to reduce the liability over time.

RECOMMENDATION:

Administration recommends the Board accept the information.

8.5.1

Total Compensation Systems, Inc.

**Western Placer Unified School District
Actuarial Study of
Retiree Health Liabilities
As of March 1, 2010**

Prepared by:
Total Compensation Systems, Inc.

Date: October 6, 2010

8.5.2

Total Compensation Systems, Inc.

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Total Compensation Systems, Inc.

Western Placer Unified School District Actuarial Study of Retiree Health Liabilities

PART I: EXECUTIVE SUMMARY

A. Introduction

Western Placer Unified School District engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of March 1, 2010 (the valuation date). The numbers in this report are based on the assumption that they will first be used to determine accounting entries for the fiscal year ending June 30, 2010. If the report will first be used for a different fiscal year, the numbers will need to be adjusted accordingly.

This report does not reflect any cash benefits paid unless the retiree is required to provide proof that the cash benefits are used to reimburse the retiree's cost of health benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under Governmental Accounting Standards Board (GASB) Standards 25 and 27.

This actuarial study is intended to serve the following purposes:

- » To provide information to enable Western Placer USD to manage the costs and liabilities associated with its retiree health benefits.
- » To provide information to enable Western Placer USD to communicate the financial implications of retiree health benefits to internal financial staff, the Board, employee groups and other affected parties.
- » To provide information needed to comply with Governmental Accounting Standards Board Accounting Standards 43 and 45 related to "other postemployment benefits" (OPEB's).

Because this report was prepared in compliance with GASB 43 and 45, as appropriate, Western Placer USD should not use this report for any other purpose without discussion with TCS. This means that any discussions with employee groups, governing Boards, etc. should be restricted to the implications of GASB 43 and 45 compliance.

This actuarial report includes several estimates for Western Placer USD's retiree health program. In addition to the tables included in this report, we also performed cash flow adequacy tests as required under Actuarial Standard of Practice 6 (ASOP 6). Our cash flow adequacy testing covers a twenty-year period. We would be happy to make this cash flow adequacy test available to Western Placer USD in spreadsheet format upon request.

We calculated the following estimates separately for active employees and retirees. As requested, we also separated results by the following employee classifications: Certificated, Classified and Management. We estimated the following:

- the total liability created. (The actuarial present value of total projected benefits or APVTPB)
- the ten year "pay-as-you-go" cost to provide these benefits.
- the "actuarial accrued liability (AAL)." (The AAL is the portion of the APVTPB

Total Compensation Systems, Inc.

attributable to employees' service prior to the valuation date.)

- the amount necessary to amortize the UAAL over a period of 30 years.
- the annual contribution required to fund retiree benefits over the working lifetime of eligible employees (the "normal cost").
- The Annual Required Contribution (ARC) which is the basis of calculating the annual OPEB cost and net OPEB obligation under GASB 43 and 45.

We summarized the data used to perform this study in Appendix A. No effort was made to verify this information beyond brief tests for reasonableness and consistency.

All cost and liability figures contained in this study are estimates of future results. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. Normal costs and liabilities could easily vary by 10 - 20% or more from estimates contained in this report.

B. General Findings

We estimate the "pay-as-you-go" cost of providing retiree health benefits in the year beginning March 1, 2010 to be \$210,979 (see Section IV.A.). The "pay-as-you-go" cost is the cost of benefits for current retirees.

For current employees, the value of benefits "accrued" in the year beginning March 1, 2010 (the normal cost) is \$309,071. This normal cost would increase each year based on covered payroll. Had Western Placer USD begun accruing retiree health benefits when each current employee and retiree was hired, a substantial liability would have accumulated. We estimate the amount that would have accumulated to be \$2,980,414. This amount is called the "actuarial accrued liability" (AAL).

We calculated the annual cost to amortize the unfunded actuarial accrued liability using a 5% discount rate. We used a 30 year amortization period. The current year cost to amortize the unfunded "actuarial accrued liability" is \$132,012.

Combining the normal cost and UAAL amortization costs in the first year produces a total first year annual required contribution (ARC) of \$441,083. The ARC is used as the basis for determining expenses and liabilities under GASB 43/45. The ARC is used in lieu of (rather than in addition to) the "pay-as-you-go" cost.

We based all of the above estimates on employees as of March, 2010. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

C. Description of Retiree Benefits

Following is a description of the current retiree benefit plan: Unrepresented employees receive benefits in accordance with the appropriate classification below.

Total Compensation Systems, Inc.

| | <u>Certificated</u> | <u>Classified</u> |
|-------------------------|---|---|
| Benefit types provided | Medical, dental and vision | Medical, dental and vision |
| Duration of Benefits | To age 65 | 5 years but not beyond age 65 at \$2775 per year; or 3 years but not beyond age 65 at \$4667 per year; or |
| Required Service | 15 years* | 15 years |
| Minimum Age | 55 | 55 |
| Dependent Coverage | Yes | Yes |
| District Contribution % | 100% | 100% |
| District Cap | Single Kaiser, Delta Dental and VSP rates | \$2775 per year or \$4667 per year (see above) |

*Certificated management requires only 10 years.

D. Recommendations

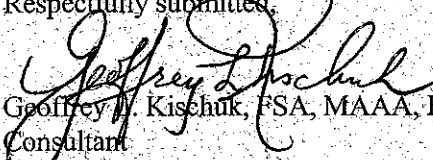
It is outside the scope of this report to make specific recommendations of actions Western Placer USD should take to manage the substantial liability created by the current retiree health program. Total Compensation Systems, Inc. can assist in identifying and evaluating options once this report has been studied. The following recommendations are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Western Placer USD's practices, it is possible that Western Placer USD is already complying with some or all of our recommendations.

- We recommend that Western Placer USD inventory all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Western Placer USD should determine whether the benefit is material and subject to GASB 43 and/or 45.
- We recommend that Western Placer USD conduct a study whenever events or contemplated actions significantly affect present or future liabilities, but no less frequently than every two or three years, as required under GASB 43/45.
- We recommend that the District communicate the magnitude of these costs to employees and include employees in discussions of options to control the costs.
- Under GASB 45, it is important to isolate the cost of retiree health benefits. Western Placer USD should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Western Placer USD should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- Western Placer USD should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.

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- Several assumptions were made in estimating costs and liabilities under Western Placer USD's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Appendices B and C for a list of assumptions and concerns.) For example, Western Placer USD should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Western Placer USD to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

Respectfully submitted,


Geoffrey W. Kischuk, FSA, MAAA, FCA
Consultant
Total Compensation Systems, Inc.
(805) 496-1700

Total Compensation Systems, Inc.

PART II: BACKGROUND

A. Summary

Accounting principles provide that the cost of retiree benefits should be "accrued" over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in 2004 Accounting Standards 43 and 45 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees).

B. Actuarial Accrual

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an "actuarial cost method."

Under most actuarial cost methods, there are two components of actuarial cost - a "normal cost" and amortization of something called the "unfunded actuarial-accrued liability." Both accounting standards and actuarial standards usually address these two components separately (though alternative terminology is sometimes used).

The normal cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. This report will not discuss differences between actuarial cost methods or their application. Instead, following is a description of a commonly used, generally accepted actuarial cost method that will be permitted under GASB 43 and 45. This actuarial cost method is called the "entry age normal" method.

Under the entry age normal cost method, the actuary determines the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. This amount is the normal cost. Under GASB 43 and 45, normal cost can be expressed either as a level dollar amount or a level percentage of payroll.

The normal cost is determined using several key assumptions:

- The current *cost of retiree health benefits* (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the normal cost.
- The "*trend*" rate at which retiree health benefits are expected to increase over time. A higher trend rate increases the normal cost. A "cap" on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing normal costs.
- *Mortality rates* varying by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce normal costs, the mortality assumption is not likely to vary from employer to employer.
- *Employment termination rates* have the same effect as mortality inasmuch as higher termination rates reduce normal costs. Employment termination can vary considerably between public agencies.
- The *service requirement* reflects years of service required to earn full or partial retiree benefits.

Total Compensation Systems, Inc.

While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase normal costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets. For example, employer funds earning money market rates in the county treasury are likely to earn far less than an irrevocable trust containing a diversified asset portfolio including stocks, bonds, etc. A higher discount rate can dramatically lower normal costs. GASB 43 and 45 require the interest assumption to reflect likely *long term* investment return.

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. The actuary selects the assumptions which - taken together - will yield reasonable results. It's not necessary (or even possible) to predict individual assumptions with complete accuracy.

If all actuarial assumptions are exactly met and an employer expensed the normal cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the actuarial accrued liability or AAL. The excess of AAL over the **actuarial value of plan assets** is called the **unfunded** actuarial accrued liability (or UAAL). Under GASB 43 and 45, in order for assets to count toward offsetting the AAL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

The actuarial accrued liability (AAL) can arise in several ways. At inception of GASB 43 and 45, there is usually a substantial UAAL. Some portion of this amount can be established as the "transition obligation" subject to certain constraints. UAAL can also increase as the result of operation of a retiree health plan - e.g., as a result of plan changes or changes in actuarial assumptions. Finally, AAL can arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience.

Under GASB 43 and 45, employers have several options on how the UAAL can be amortized as follows:

- The employer can select an amortization period of 1 to 30 years. (For certain situations that result in a reduction of the AAL, the amortization period must be at least 10 years.)
- The employer may apply the same amortization period to the total combined UAAL or can apply different periods to different components of the UAAL.
- The employer may elect a "closed" or "open" amortization period.
- The employer may choose to amortize on a level dollar or level percentage of payroll method.

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PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefits (APVPB) separately for each employee. We determined eligibility for retiree benefits based on information supplied by Western Placer USD. We then selected assumptions for the factors discussed in the above Section that, based on plan experience and our training and experience, represent our best prediction of future plan experience. For each employee, we applied the appropriate factors based on the employee's age, sex and length of service.

We summarized actuarial assumptions used for this study in Appendix C.

B. Medicare

The extent of Medicare coverage can affect projections of retiree health costs. The method of coordinating Medicare benefits with the retiree health plan's benefits can have a substantial impact on retiree health costs. We will be happy to provide more information about Medicare integration methods if requested.

C. Liability for Retiree Benefits.

For each employee, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent Western Placer USD uses contribution caps, the influence of the trend factor is further reduced.

We multiplied each year's projected cost by the probability that premium will be paid; i.e. based on the probability that the employee is living, has not terminated employment and has retired. The probability that premium will be paid is zero if the employee is not eligible. The employee is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's premium cost and the probability that premium will be paid equals the expected cost for that year. We discounted the expected cost for each year to the valuation date March 1, 2010 at 5% interest.

Finally, we multiplied the above discounted expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan.

For any current retirees, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 1.0000).

We added the APVPB for all employees to get the actuarial present value of total projected benefits (APVTPB). The APVTPB is the estimated present value of all future retiree health benefits for all **current** employees and retirees. The APVTPB is the amount on March 1, 2010 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last current employee or retiree dies or reaches the maximum eligibility age.

Total Compensation Systems, Inc.

Actuarial Present Value of Total Projected Benefits

| March 1, 2010 | <u>Total</u> | <u>Certificated</u> | <u>Classified</u> | <u>Management</u> |
|------------------|--------------|---------------------|-------------------|-------------------|
| Active: Pre-65 | \$5,990,195 | \$5,019,574 | \$466,954 | \$503,667 |
| Post-65 | \$0 | \$0 | \$0 | \$0 |
| Subtotal | \$5,990,195 | \$5,019,574 | \$466,954 | \$503,667 |
| Retiree: Pre-65 | \$309,735 | \$285,750 | \$16,091 | \$7,894 |
| Post-65 | \$334,040 | \$334,040 | \$0 | \$0 |
| Subtotal | \$643,775 | \$619,790 | \$16,091 | \$7,894 |
| Grand Total | \$6,633,970 | \$5,639,364 | \$483,045 | \$511,561 |
| Subtotal Pre-65 | \$6,299,930 | \$5,305,324 | \$483,045 | \$511,561 |
| Subtotal Post-65 | \$334,040 | \$334,040 | \$0 | \$0 |

The APVTPB should be accrued over the working lifetime of employees. At any time much of it has not been "earned" by employees. The APVTPB is used to develop expense and liability figures. To do so, the APVTPB is divided into two parts: the portions attributable to service rendered prior to the valuation date (the past service liability or actuarial accrued liability under GASB 43 and 45) and to service after the valuation date but prior to retirement (the future service liability).

The past service and future service liabilities are each funded in a different way. We will start with the future service liability which is funded by the normal cost.

D. Cost to Prefund Retiree Benefits

1. Normal Cost

The average hire age for eligible employees is 35. To accrue the liability by retirement, the District would accrue the retiree liability over a period of about 25 years (assuming an average retirement age of 60). We applied an "entry age normal" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated normal cost.

Normal Cost Year Beginning

| March 1, 2010 | <u>Total</u> | <u>Certificated</u> | <u>Classified</u> | <u>Management</u> |
|------------------------|--------------|---------------------|-------------------|-------------------|
| # of Employees | 523 | 295 | 182 | 46 |
| Per Capita Normal Cost | | | | |
| Pre-65 Benefit | N/A | \$845 | \$94 | \$928 |
| Post-65 Benefit | N/A | \$0 | \$0 | \$0 |
| First Year Normal Cost | | | | |
| Pre-65 Benefit | \$309,071 | \$249,275 | \$17,108 | \$42,688 |
| Post-65 Benefit | \$0 | \$0 | \$0 | \$0 |
| Total | \$309,071 | \$249,275 | \$17,108 | \$42,688 |

Total Compensation Systems, Inc.

Accruing retiree health benefit costs using normal costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. This normal cost would increase each year based on covered payroll.

2. Amortization of Unfunded Actuarial Accrued Liability (UAAL)

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the normal cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the actuarial accrued liability (AAL). We calculated the AAL as the APVTPB minus the present value of future normal costs.

The initial UAAL was amortized using a closed amortization period of one year. The District can amortize the remaining or residual UAAL over many years. The table below shows the annual amount necessary to amortize the UAAL over a period of 30 years at 5% interest. (Thirty years is the longest amortization period allowable under GASB 43 and 45.) GASB 43 and 45 will allow amortizing the UAAL using either payments that stay the same as a dollar amount, or payments that are a flat percentage of covered payroll over time. The figures below reflect the level percentage of payroll method.

Actuarial Accrued Liability as of March 1, 2010

| | <u>Total</u> | <u>Certificated</u> | <u>Classified</u> | <u>Management</u> |
|---------------------------------------|--------------|---------------------|-------------------|-------------------|
| Active: Pre-65 | \$2,336,640 | \$1,899,927 | \$308,735 | \$127,978 |
| Post-65 | \$0 | \$0 | \$0 | \$0 |
| Subtotal | \$2,336,640 | \$1,899,927 | \$308,735 | \$127,978 |
| Retiree: Pre-65 | \$309,735 | \$285,750 | \$16,091 | \$7,894 |
| Post-65 | \$334,040 | \$334,040 | \$0 | \$0 |
| Subtotal | \$643,775 | \$619,790 | \$16,091 | \$7,894 |
| Subtot Pre-65 | \$2,646,374 | \$2,185,677 | \$324,825 | \$135,872 |
| Subtot Post-65 | \$334,040 | \$334,040 | \$0 | \$0 |
| Grand Total | \$2,980,414 | \$2,519,717 | \$324,825 | \$135,872 |
| Funded at March 1, 2010 | \$0 | \$0 | \$0 | \$0 |
| Unfunded AAL | \$2,980,414 | \$2,519,717 | \$324,825 | \$135,872 |
| 1st Year UAAL | \$132,012 | \$111,606 | \$14,388 | \$6,018 |
| Amortization at 5.0% over 30 Years | | | | |

3. Annual Required Contributions (ARC)

If the District determines retiree health plan expenses in accordance with GASB 43 and 45, costs will include both normal cost and one or more components of UAAL amortization costs. The sum of normal cost and UAAL amortization costs is called the Annual Required Contribution (ARC) and is shown below.

Total Compensation Systems, Inc.

Annual Required Contribution (ARC) Year Beginning

| March 1, 2010 | <u>Total</u> | <u>Certificated</u> | <u>Classified</u> | <u>Management</u> |
|--------------------------|--------------|---------------------|-------------------|-------------------|
| Normal Cost | \$309,071 | \$249,275 | \$17,108 | \$42,688 |
| UAAL Amortization | \$132,012 | \$111,606 | \$14,388 | \$6,018 |
| ARC | \$441,083 | \$360,881 | \$31,496 | \$48,706 |
| Pay-As-You-Go Cost | \$210,979 | \$190,635 | \$11,934 | \$8,410 |
| Added Cost of GASB 43/45 | \$230,104 | \$170,246 | \$19,562 | \$40,296 |

The normal cost remains as long as there are active employees who may some day qualify for District-paid retiree health benefits. This normal cost would increase each year based on covered payroll.

4. Other Components of Annual OPEB Cost (AOC)

Once GASB 43 and 45 are implemented, the expense and liability amounts may include more components of cost than the normal cost plus amortization of the UAAL. This will apply to employers that don't fully fund the Annual-Required Cost (ARC) through an irrevocable trust.

- The annual OPEB cost (AOC) will include assumed interest on the net OPEB obligation (NOO). The annual OPEB cost will also include an amortization adjustment for the net OPEB obligation. (It should be noted that there is no NOO if the ARC is fully funded through a qualifying "plan".)
- The net OPEB obligation will equal the accumulated differences between the (AOC) and qualifying "plan" contributions.

Total Compensation Systems, Inc.

PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS

We used the actuarial assumptions shown in Appendix C to project ten year cash flow under the retiree health program. Because these cash flow estimates reflect average assumptions applied to a relatively small number of employees, estimates for individual years are certain to be *in*accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District share of retiree health premiums.

| Year Beginning March 1 | <u>Total</u> | <u>Certificated</u> | <u>Classified</u> | <u>Management</u> |
|------------------------------|--------------|---------------------|-------------------|-------------------|
| 2010 | \$210,979 | \$190,635 | \$11,934 | \$8,410 |
| 2011 | \$174,463 | \$153,172 | \$7,260 | \$14,031 |
| 2012 | \$178,034 | \$148,926 | \$10,789 | \$18,319 |
| 2013 | \$214,023 | \$179,683 | \$11,078 | \$23,262 |
| 2014 | \$228,343 | \$189,346 | \$10,021 | \$28,976 |
| 2015 | \$225,796 | \$185,381 | \$16,619 | \$23,796 |
| 2016 | \$205,734 | \$165,459 | \$23,233 | \$17,042 |
| 2017 | \$236,613 | \$183,900 | \$28,767 | \$23,946 |
| 2018 | \$271,839 | \$199,126 | \$37,539 | \$35,174 |
| 2019 | \$302,824 | \$223,067 | \$34,927 | \$44,830 |

PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS

To effectively manage benefit costs, an employer must periodically examine the existing liability for retiree benefits as well as future annual expected premium costs. GASB 43/45 require biennial or triennial valuations. In addition, a valuation should be conducted whenever plan changes, changes in actuarial assumptions or other employer actions are likely to cause a material change in accrual costs and/or liabilities.

Following are examples of actions that could trigger a new valuation.

- An employer should perform a valuation whenever the employer considers or puts in place an early retirement incentive program.
- An employer should perform a valuation whenever the employer adopts a retiree benefit plan for some or all employees.
- An employer should perform a valuation whenever the employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- An employer should perform a valuation whenever the employer introduces or changes retiree contributions.

We recommend Western Placer USD take the following actions to ease future valuations.

- We have used our training, experience and information available to us to establish the actuarial assumptions used in this valuation. We have no information to indicate that any of the assumptions do not reasonably reflect future plan experience. However, the District should review the actuarial assumptions in Appendix C carefully. If the District has any reason to believe that any of these assumptions do not reasonably represent the expected future experience of the retiree health plan, the District should engage in discussions or perform analyses to determine the best estimate of the assumption in question.

PART VI: APPENDICES

APPENDIX A: MATERIALS USED FOR THIS STUDY

We relied on the following materials to complete this study.

- We used paper reports and digital files containing employee demographic data from the District personnel records.
- We used relevant sections of collective bargaining agreements provided by the District.

APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS

While we believe the estimates in this study are reasonable overall, it was necessary for us to use assumptions which inevitably introduce errors. We believe that the errors caused by our assumptions will not materially affect study results. If the District wants more refined estimates for decision-making, we recommend additional investigation. Following is a brief summary of the impact of some of the more critical assumptions.

1. Where actuarial assumptions differ from expected experience, our estimates could be overstated or understated. One of the most critical assumptions is the medical trend rate. The District may want to commission further study to assess the sensitivity of liability estimates to our medical trend assumptions. For example, it may be helpful to know how liabilities would be affected by using a trend factor 1% higher than what was used in this study. There is an additional fee required to calculate the impact of alternative trend assumptions.
2. We used an "entry age normal" actuarial cost method to estimate the actuarial accrued liability and normal cost. GASB will allow this as one of several permissible methods under its upcoming accounting standard. Using a different cost method could result in a somewhat different recognition pattern of costs and liabilities.

APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Western Placer USD to understand that the appropriateness of all selected actuarial assumptions and methods are Western Placer USD's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 43 and 45, applicable actuarial standards of practice, Western Placer USD's actual historical experience, and TCS's judgement based on experience and training.

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: Entry age normal. The allocation of OPEB cost is based on years of service. We used the level percentage of payroll method to allocate OPEB cost over years of service.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The present value of future benefits and present value of future normal costs are determined on an employee by employee basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the normal cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees).

AMORTIZATION METHODS: We used the level percentage of payroll method to allocate amortization cost by year. We used a closed one year amortization period for the initial UAAL. We used an open 30 year amortization period for any residual UAAL.

SUBSTANTIVE PLAN: As required under GASB 43 and 45, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Western Placer USD regarding practices with respect to employer and employee contributions and other relevant factors.

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ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 3% per year.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 5% per year. This is based on assumed long-term return on employer assets. We used the "Building Block Method" as described in ASOP 27 Paragraph 3.6.2. Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 3% per year. This assumption applies only to the extent that either or both of the normal cost and/or UAAL amortization use the level percentage of payroll method. For purposes of applying the level percentage of payroll method, payroll increase must not assume any increases in staff or merit increases.

ACTUARIAL ASSET VALUATION: There were no plan assets on the valuation date.

Total Compensation Systems, Inc.

NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35).

MORTALITY: CalSTRS mortality for certificated employees.
CalPERS mortality for Miscellaneous employees for other employees.

RETIREMENT RATES: CalSTRS retirement rates for certificated employees.
CalPERS retirement rates for the 2 %@ 55 pension formula for other employees.

VESTING RATES:

| | <u>Certificated</u> | <u>Classified</u> |
|--------------------|---------------------|-------------------|
| Vesting Percentage | 100% | 100% |
| Vesting Period | 15 years | 15 years |

COSTS FOR RETIREE COVERAGE:

There was not sufficient information available to determine whether there is an implicit subsidy for retiree health costs. Based on ASOP 6, there can be justification for using "community-rated" premiums as the basis for the valuation where the insurer is committed to continuing rating practices. This is especially true where sufficient information is not available to determine the magnitude of the subsidy. However, Western Placer USD should recognize that costs and liabilities in this report could change significantly if either the current insurer changes rating practices or if Western Placer USD changes insurers.

First Year costs are as shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

| | <u>Certificated</u> | <u>Classified</u> | <u>Management</u> |
|---|---------------------|-------------------|-------------------|
| Current Retirees: based on actual costs | | | |
| <u>Current Plan:</u> | | | |
| Future Retirees Pre-65 | \$8,067 | \$2,775 | \$8,067 |
| Future Retirees Post-65 | \$0 | \$0 | \$0 |

PARTICIPATION RATES: 100%

TURNOVER: CalSTRS turnover for certificated employees.
CalPERS turnover for Miscellaneous employees for other employees.

SPOUSE PREVALENCE: To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES: To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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AGING FACTORS:

| <u>Attained Age</u> | <u>Medical Annual Increases</u> |
|---------------------|-------------------------------------|
| 50-64 | 3.5% |
| 65-69 | 3.0 |
| 70-74 | 2.5 |
| 75-79 | 1.5 |
| 80-84 | 0.5 |
| 85+ | 0.0 |

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APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE

ELIGIBLE ACTIVE EMPLOYEES:

| <u>Age</u> | <u>Total</u> | <u>Certificated</u> | <u>Classified</u> | <u>Management</u> |
|--------------|--------------|---------------------|-------------------|-------------------|
| Under 25 | 7 | 1 | 6 | 0 |
| 25-29 | 61 | 53 | 6 | 2 |
| 30-34 | 72 | 56 | 12 | 4 |
| 35-39 | 69 | 44 | 19 | 6 |
| 40-44 | 66 | 28 | 34 | 4 |
| 45-49 | 108 | 45 | 51 | 12 |
| 50-54 | 69 | 29 | 31 | 9 |
| 55-59 | 51 | 30 | 17 | 4 |
| 60-64 | 20 | 9 | 6 | 5 |
| 65 and older | 0 | 0 | 0 | 0 |
| Total | 523 | 295 | 182 | 46 |

ELIGIBLE RETIREES:

| <u>Age</u> | <u>Total</u> | <u>Certificated</u> | <u>Classified</u> | <u>Management</u> |
|--------------|--------------|---------------------|-------------------|-------------------|
| Under 50 | 0 | 0 | 0 | 0 |
| 50-54 | 0 | 0 | 0 | 0 |
| 55-59 | 2 | 1 | 1 | 0 |
| 60-64 | 18 | 15 | 2 | 1 |
| 65-69 | 0 | 0 | 0 | 0 |
| 70-74 | 0 | 0 | 0 | 0 |
| 75-79 | 0 | 0 | 0 | 0 |
| 80-84 | 6 | 6 | 0 | 0 |
| 85-89 | 1 | 1 | 0 | 0 |
| 90 and older | 1 | 1 | 0 | 0 |
| Total | 28 | 24 | 3 | 1 |

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APPENDIX E: CALCULATION OF GASB 43/45 ACCOUNTING ENTRIES

This report is to be used to calculate accounting entries rather than to provide the dollar amount of accounting entries. How the report is to be used to calculate accounting entries depends on several factors. Among them are:

- 1) The amount of prior accounting entries;
- 2) Whether individual components of the ARC are calculated as a level dollar amount or as a level percentage of payroll;
- 3) Whether the employer using a level percentage of payroll method elects to use for this purpose projected payroll, budgeted payroll or actual payroll;
- 4) Whether the employer chooses to adjust the numbers in the report to reflect the difference between the valuation date and the first fiscal year for which the numbers will be used.

To the extent the level percentage of payroll method is used, the employer should adjust the numbers in this report as appropriate to reflect the change in OPEB covered payroll. It should be noted that OPEB covered payroll should only reflect types of pay generating pension credits for plan participants. Please note that plan participants do not necessarily include all active employees eligible for health benefits for several reasons. Following are examples.

- 1) The number of hours worked or other eligibility criteria may differ for OPEB compared to active health benefits;
- 2) There may be active employees over the maximum age OPEB are paid through. For example, if an OPEB plan pays benefits only to Medicare age, any active employees currently over Medicare age are not plan participants;
- 3) Employees hired at an age where they will exceed the maximum age for benefits when the service requirement is met are also not plan participants.

Finally, GASB 43 and 45 require reporting covered payroll in RSI schedules regardless of whether any ARC component is based on the level percentage of payroll method. This report does not provide, nor should the actuary be relied on to report covered payroll.

GASB 45 Paragraph 26 specifies that the items presented as RSI "should be calculated in accordance with the parameters." The RSI items refer to Paragraph 25.c which includes annual covered payroll. Footnote 3 provides that when the ARC is based on covered payroll, the payroll measure may be the projected payroll, budgeted payroll or actual payroll. Footnote 3 further provides that comparisons between the ARC and contributions should be based on the same measure of covered payroll.

At the time the valuation is being done, the actuary may not know which payroll method will be used for reporting purposes. The actuary may not even know for which period the valuation will be used to determine the ARC. Furthermore, the actuary doesn't know if the client will make adjustments to the ARC in order to use it for the first year of the biennial or triennial period. (GASB 45 is silent on this.) Even if the actuary were to know all of these things, it would be a rare situation that would result in me knowing the appropriate covered payroll

Total Compensation Systems, Inc.

number to report. For example, if the employer uses actual payroll, that number would not be known at the time the valuation is done.

As a result, we believe the proper approach is to report the ARC components as a dollar amount. It is the client's responsibility to turn this number into a percentage of payroll factor by using the dollar amount of the ARC (adjusted, if desired) as a numerator and then calculating the appropriate amount of the denominator based on the payroll determination method elected by the client for the appropriate fiscal year.

If we have been provided with payroll information, we are happy to use that information to help the employer develop an estimate of covered payroll for reporting purposes. However, the validity of the covered payroll remains the employer's responsibility even if TCS assists the employer in calculating it.

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APPENDIX F: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

| | |
|---|--|
| <u>Actuarial Accrued Liability:</u> | The amount of the actuarial present value of total projected benefits attributable to employees' past service based on the actuarial cost method used. |
| <u>Actuarial Cost Method:</u> | A mathematical model for allocating OPEB costs by year of service. |
| <u>Actuarial Present Value of Total Projected Benefits:</u> | The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation date. |
| <u>Actuarial Value of Assets:</u> | Market-related value of assets which may include an unbiased formula for smoothing cyclical fluctuations in asset values. |
| <u>Annual OPEB Cost:</u> | This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Annual Required Contribution plus interest on the Net OPEB obligation minus an adjustment to reflect the amortization of the net OPEB obligation. |
| <u>Annual Required Contribution:</u> | The sum of the normal cost and an amount to amortize the unfunded actuarial accrued liability. This is the basis of the annual OPEB cost and net OPEB obligation. |
| <u>Closed Amortization Period:</u> | An amortization approach where the original ending date for the amortization period remains the same. This would be similar to a conventional, 30-year mortgage, for example. |
| <u>Discount Rate:</u> | Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower normal costs and actuarial accrued liability. |
| <u>Implicit Rate Subsidy:</u> | The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees. |
| <u>Mortality Rate:</u> | Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied. |
| <u>Net OPEB Obligation:</u> | The accumulated difference between the annual OPEB cost and amounts contributed to an irrevocable trust exclusively providing retiree OPEB benefits and protected from creditors. |
| <u>Normal Cost:</u> | The dollar value of the "earned" portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement. |

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| | |
|--|--|
| <u>OPEB Benefits:</u> | Other PostEmployment Benefits. Generally medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits. |
| <u>Open Amortization Period:</u> | Under an open amortization period, the remaining unamortized balance is subject to a new amortization schedule each valuation. This would be similar, for example, to a homeowner refinancing a mortgage with a new 30-year conventional mortgage every two or three years. |
| <u>Participation Rate:</u> | The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower normal cost and actuarial accrued liability. The participation rate often is related to retiree contributions. |
| <u>Retirement Rate:</u> | The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with vesting rates to reflect both age and length of service). The more likely employees are to retire early, the higher normal costs and actuarial accrued liability will be. |
| <u>Transition Obligation:</u> | The amount of the unfunded actuarial accrued liability at the time actuarial accrual begins in accordance with an applicable accounting standard. |
| <u>Trend Rate:</u> | The rate at which the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher normal costs and actuarial accrued liability. |
| <u>Turnover Rate:</u> | The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce normal costs and actuarial accrued liability. |
| <u>Unfunded Actuarial Accrued Liability:</u> | This is the excess of the actuarial accrued liability over assets irrevocably committed to provide retiree health benefits. |
| <u>Valuation Date:</u> | The date as of which the OPEB obligation is determined. Under GASB 43 and 45, the valuation date does not have to coincide with the statement date. |
| <u>Vesting Rate:</u> | The proportion of retiree benefits earned, based on length of service and, sometimes, age. (Vesting rates are often set in conjunction with retirement rates.) More rapid vesting increases normal costs and actuarial accrued liability. |

WESTERN PLACER UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES MEETING FACT SHEET

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Receipt of the 2009-10 Audited Financial Statements

AGENDA ITEM AREA:

Discussion

REQUESTED BY:

Joyce Lopes
Assistant Superintendent of Business Services

ENCLOSURES:

Yes

DEPARTMENT:

Business Services

FINANCIAL INPUT/SOURCE:

N/A

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

The 2009-10 Unaudited Actuals were presented to the Board of Trustees in September. The firm of Perry-Smith & Co. has performed the required independent annual audit and submitted our audit report to the State Controller's Office by December 15 as required by law. The auditors will be present at the Board meeting to present highlights of the Audited Financial Statements.

RECOMMENDATION:

Administration recommends the Board of Trustees receive the 2009-10 Audited Financial Statements.

8.6

To the Board of Education
Western Placer Unified School District
Lincoln, California

We are pleased to present this letter related to the conduct of the audit of the financial statements of Western Placer Unified School District (the "District") as of and for the year ended June 30, 2010. This report is intended to inform the Board of Education of Western Placer Unified School District about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and that we comply with our professional responsibilities.

The following summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Western Placer Unified School District's financial reporting process.

The Auditor's Responsibility Under Generally Accepted Auditing Standards

Our audit of the financial statements of Western Placer Unified School District for the year ended June 30, 2010 was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. 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. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe that our audit accomplished that objective.

In accordance with *Governmental Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the District's internal control or compliance with laws and regulations.

Adoption of, or Change in, Accounting Policies

The Board of Education and management have the ultimate responsibility for the appropriateness of the accounting policies used by the District. Significant accounting policies are included in Note 1 to the financial statements. Following are descriptions of significant accounting policies or their application which were either initially selected or changed during the year:

- The District adopted Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) 1000, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB Cod. Sec. 1000), on July 1, 2009. The Statement is intended to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standard's Board (GASB) authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The adoption of this update did not have a material impact on the District's net assets, change in net assets and cash flows.
- The District adopted GASB Cod. Sec. 2250, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* (GASB Cod. Sec. 2250), on July 1, 2009. The objective of this Statement is to incorporate into the GASB authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statement on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles – related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature. This Statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) in the GASB standards. The adoption of this Statement did not have a material impact on the District's net assets, change in net assets and cash flows.

8.6.2



Adoption of, or Change in, Accounting Policies (Continued)

The following financial accounting standards have been issued but were not required to be adopted for the year ended June 30, 2010:

Fund Balance Reporting and Governmental Fund Type Definitions

In February 2009, the Governmental Accounting Standards Board (GASB) issued GASB Codification Section (GASB Cod. Sec.) 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800). The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications. GASB Cod. Sec. 1300 and 1800 is effective for periods beginning after June 15, 2010. Early implementation is encouraged. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented. The adoption of GASB Cod. Sec. 1300 and 1800 is not expected to have a material impact on the District.

8.6.3



Adoption of, or Change in, Accounting Policies (Continued)

Financial Instruments Omnibus

In June 2010, the Governmental Accounting Standards Board (GASB) issued GASB Cod. Sec. 150, *Financial Instruments Omnibus* (GASB Cod. Sec. 150). The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. Applying the reporting provisions of GASB Statement 31 for interest-earning investment contracts to unallocated insurance contracts improves consistency of investment measurements that are reported by pension and other postemployment benefit plans. Emphasizing the applicability of SEC requirements to 2a7-like external investment pools provides practitioners with improved guidance. Limiting interest rate risk disclosures for investments in mutual funds, external investment pools, and other pooled investments to debt investment pools provides better guidance regarding the applicability of interest rate risk disclosures. Finally, addressing the applicability of GASB Statement 53 to certain financial instruments refines which financial instruments are within the scope of that Statement. The adoption of GASB Cod. Sec. 150 is not expected to have a material impact on the District's net assets.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Alternative Treatments Discussed with Management

We did not discuss with management any alternative treatments within accounting principles generally accepted in the United States of America for accounting policies and practices related to material items during the current audit period.

Accounting Estimates and Management Judgments

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimates significant to the financial statements include the Revenue Limit Calculation. You may wish to monitor throughout the year the process used to compute and record these accounting estimates.

We have evaluated the reasonableness of accounting estimates in relationship to the financial statements taken as a whole and concluded that management's approach to these estimation processes is reasonable.

Significant Audit Adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

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Uncorrected Misstatements

We did not identify any uncorrected misstatements to the financial statements.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any documents that contain the audited financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited financial statements of the District.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Major Issues Discussed with Management Prior to Retention

No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management relating to the performance of the audit.

Material Written Communications Between Management and Our Firm

Enclosed you will find copies of all material written communications between our firm and the management of Western Placer Unified School District.

* * * * *

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Western Placer Unified School District.

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This report is intended solely for the information and use of the Board of Education and management and is not intended to be and should not be used by anyone other than the specified parties.

Perry-Smith UP

Sacramento, California
December 9, 2010

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**WESTERN PLACER
UNIFIED SCHOOL DISTRICT**

600 SIXTH STREET, SUITE 400, LINCOLN CA 95648 PH: 916-645-6350

BOARD OF TRUSTEES: PAUL LONG
BRIAN HALEY
PAUL CARRAS
TERRY GAGE
ANA STEVENSON

SUPERINTENDENT: SCOTT LEAMAN

December 9, 2010

Perry-Smith LLP
Sacramento, California

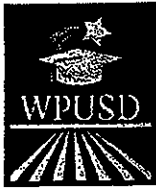
In connection with your audit of the basic financial statements of Western Placer Unified School District as of and for the year ended June 30, 2010, we confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in financial position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

We confirm to the best of our knowledge and belief, as of December 9, 2010, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have identified for you all organizations that are a part of this reporting entity or with which we have a relationship, as these organizations are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, that are:
 - a. Component units.
 - b. Other organizations for which the nature and significance of their relationship Western Placer Unified School District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
 - c. Jointly governed organizations in which we participated.
3. We have identified for you all of our funds, governmental functions, and identifiable business-type activities.
4. We have properly classified all funds and activities.
5. We have properly determined and reported the major governmental and enterprise funds based on the required quantitative criteria. We believe that all judgmentally determined major funds are particularly important to the financial statement users.
6. We are responsible for compliance with laws and regulations applicable District including adopting, approving, and amending budgets.
7. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts including legal and contractual provisions for reporting specific activities in separate funds.
8. We have identified in the schedule of expenditures of Federal awards all such assistance received, both directly and as a subrecipient, in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, or direct appropriations by Western Placer Unified School District, Lincoln, California.



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**WESTERN PLACER
UNIFIED SCHOOL DISTRICT**

600 SIXTH STREET, SUITE 400, LINCOLN CA 95648 PH: 916-645-6350

BOARD OF TRUSTEES: PAUL LONG
BRIAN HALEY
PAUL CARRAS
TERRY GAGE
ANA STEVENSON

SUPERINTENDENT: SCOTT LEAMAN

9. We have:
- a. Identified to you all applicable generic compliance requirements.
 - b. Identified to you all applicable agency program requirements.
 - c. Complied with reporting requirements in connection with the expenditure of Federal awards identified in the schedule of expenditures of Federal awards.
 - d. Determined amounts claimed or used to comply with matching requirements of Federal awards identified in the schedule of expenditures of Federal awards in accordance with guidance provided by OMB Circular A-87, "Cost Principles for State and Local Governments," and the OMB's Uniform Administrative Requirements for "Grants and Cooperative Agreements to State and Local Governments."
 - e. Complied with applicable costs principles for determining the allowability of costs charged to cost pools used to support an indirect cost rate.
 - f. Provided you with a summary schedule of prior audit findings consistent with the requirements of OMB Circular No. A-133, Section .315(b).
 - g. No subrecipients of Federal awards.
 - h. Identified and disclosed to you all amounts that have been questioned, and all known instances of noncompliance with statutory, regulatory and contractual requirements that could have a material effect on a major Federal financial assistance program.
10. Information presented in Federal financial reports and claims for advances and reimbursements is supported by the books and records from which the basic financial statements have been prepared.
11. We have made available to you:
- a. All financial records and related data of all funds and activities , including those of all special funds, programs, departments, projects, activities, etc., in existence at any time during the period covered by your audit.
 - b. All minutes of the meetings of the governing board and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. All communications from grantors, lenders, other funding sources or regulatory agencies concerning noncompliance with:
 - 1) Statutory, regulatory or contractual provisions or requirements.
 - 2) Financial reporting practices that could have a material effect on the financial statements.
12. We have no knowledge of fraud or suspected fraud affecting the entity involving:
- a. Management or employees who have significant roles in the internal control.
 - b. Others where the fraud could have a material effect on the financial statements.
13. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.



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14. We have no knowledge of any allegations of fraud or suspected fraud affecting Western Placer Unified School District received in communications from employees, former employees, analysts, regulators, short sellers, or others.
15. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
16. We know of no violations of state or Federal statutory or regulatory provisions, grant or other contractual provisions, or of provisions of local ordinances (except for those which have been communicated to you or which are disclosed in the financial statements and/or your reports).
17. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
18. Where applicable, the following have been properly recorded and/or disclosed in the financial statements:
 - a. Related party transactions, including those with (the primary government having accountability for Western Placer Unified School District, and jointly governed organizations in which Western Placer Unified School District participates as defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, all of which have been recorded in accordance with the economic substance of the transaction and appropriately classified and reported.
 - b. Guarantees, whether written or oral, under which the Government is contingently liable.
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - d. Line of credit or similar arrangements.
 - e. Agreements to repurchase assets previously sold.
 - f. Security agreements in effect under the Uniform Commercial Code.
 - g. Any other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - h. The fair value of investments.
 - i. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
 - j. Any liabilities which are subordinated in any way to any other actual or possible liabilities.
 - k. Debt issue re-purchase options or agreements, or sinking fund debt re-purchase ordinance requirements.
 - l. Debt issue provisions.
 - m. All leases and material amounts of rental obligations under long-term leases.
 - n. All significant estimates and material concentrations known to management which are required to be disclosed in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), *Risks and Uncertainties*. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of



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- supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
- o. Authorized but unissued bonds and/or notes.
 - p. Risk financing activities.
 - q. Special and extraordinary items.
 - r. Deposits and investment securities category of custodial credit risk.
19. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made.
- a. To reduce receivables to their estimated net collectable amounts.
 - b. To reduce obsolete, damaged, or excess inventories to their estimated net realizable values.
 - c. To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
 - d. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2010 and/or for expected retroactive insurance premium adjustments applicable to periods through June 30, 2010.
 - e. For pension obligations, post-retirement benefits other than pensions and deferred compensation agreements attributable to employee services rendered through June 30, 2010.
 - f. For any material loss to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
 - g. For any material loss to be sustained as a result of purchase commitments.
 - h. For environmental clean up obligations.
20. There are no:
- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Federal Environmental Protection Agency or any equivalent state agencies in connection with any environmental contamination.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC, *Accounting for Contingencies*, and/or GASB Codification Section 1500.110.
21. Unless disclosed to you, there have been no complaints filed with or concerning our compliance with the provisions of:
- a. Davis-Bacon Act relative to payment of prevailing wage rates.
 - b. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 relative to acquisition of real property and the relocation of occupants of acquired property.



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22. We acknowledge the following:

- a. It is our responsibility for understanding and complying with the compliance requirements.
- b. It is our responsibility for establishing and maintaining controls that provide reasonable assurance that the entity administers government programs in accordance with the compliance requirements.
- c. We have identified and disclosed to the auditor all of its government programs and related activities subject to the governmental audit requirement.
- d. We have made available to the auditor all contracts and grant agreements, including amendments, if any, and any other correspondence relevant to the programs and related activities subject to the governmental audit requirement.
- e. We have disclosed to the auditor all known noncompliance with the applicable compliance requirements or stating that there was no such noncompliance.
- f. We believe that the entity has complied with the applicable compliance requirements (except for noncompliance it has disclosed to the auditor).
- g. We have made available to the auditor all documentation related to compliance with the applicable compliance requirements.
- h. We have identified our interpretation of any applicable compliance requirements that are subject to varying interpretations.
- i. We have disclosed to the auditor any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- j. We have disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to the auditor all known noncompliance with the applicable compliance requirements subsequent to the period covered by the auditor's report or stating that there were no such known instances stating that management is responsible for taking corrective action on audit findings of the compliance audit.

23. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with FASB ASC, *Accounting for Contingencies*, and/or GASB Codification Section 1500.110.

24. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private that is not disclosed in the financial statement.

25. We have satisfactory title to all owned assets.

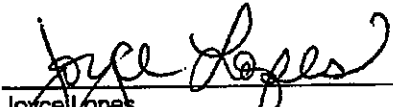
26. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.




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27. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
28. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
29. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
30. Capital assets, including infrastructure assets, are properly capitalized, reported, and depreciated.
31. Required supplementary information is properly measured and presented.
32. We have reviewed, approved, and are responsible for overseeing the preparation and completion of the basic financial statements and related notes.
33. We are not aware of any internal control weaknesses or reportable conditions that should be reported. We are responsible for establishing and maintaining effective internal control over financial reporting.
34. No events or transactions have occurred subsequent to the statement of net assets date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
35. During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Western Placer Unified School District



Joyce Lopes
Assistant Superintendent, Business & Support Services



Scott Leaman
Superintendent



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WESTERN PLACER UNIFIED SCHOOL DISTRICT

COUNTY OF PLACER

LINCOLN, CALIFORNIA

FINANCIAL STATEMENTS

WITH SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2010

AND

INDEPENDENT AUDITOR'S REPORT

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WESTERN PLACER UNIFIED SCHOOL DISTRICT

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2010

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WESTERN PLACER UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Western Placer Unified School District
Lincoln, California

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Western Placer Unified School District, as of and for the year ended June 30, 2010, which collectively comprise Western Placer Unified School 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 an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

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 Western Placer Unified School District as of June 30, 2010, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2010 on our consideration of Western Placer Unified School District's internal control over financial reporting and 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 read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Management's Discussion and Analysis and the Required Supplementary Information, such as the General Fund Budgetary Comparison Schedule, the Special Reserve for Other Than Capital Outlay Projects Budgetary Comparison Schedule and the Schedule of Other Postemployment Benefits Funding Progress, are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming an opinion on the financial statements that collectively comprise Western Placer Unified School District's basic financial statements. The accompanying financial and statistical information listed in the Table of Contents, including the Schedule of Expenditure of Federal Awards, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Western Placer Unified School District. 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.

Perry-Smith LLP

Sacramento, California
December 9, 2010

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**Western Placer Unified School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

The discussion and analysis of Western Placer Unified School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2010. District management has prepared the financial statements and the related foot note disclosures along with this discussion and analysis. The intent of this discussion and analysis is to look at the District's financial performance as a whole.

To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's report on pages 1 and 2, notes to the financial statements on pages 21-40, and the District's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- *The last several years have been a budgetary roller coaster ride for school districts in California. The state's financial woes have resulted in a 15% decline in the revenue limit funding since 2007-08. Western Placer has lost over \$5.3 million in education funding as a result of these decreases.*

Western Placer is fortunate to have identified and received \$17 million in prior year funding as a result of its basic aid status. These resources have allowed the Board of Trustees to take a balanced and thoughtful approach to our state required budget cuts by mitigating deficit spending utilizing existing reserves. The Board of Trustees has targeted 2013-14 as the timeline in which to achieve a balanced budget. But setting a target year by which to achieve a balanced budget, we can review and modify our annual goals and budget reductions to match revenue changes from the state.

- *The District refunded its Series 2006B Certificates of Participation (COPs) and issued 2009 COPs for \$53,035,000.*
- *District enrollment increased 55 students, or 1%, over the prior year. This represents a decrease from the 3% growth in 2009-10 and breaks the prior four year trend of annual double digit increases in enrollment. The housing crisis has had a significant impact on our district demographics.*

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are organized to provide the reader first with a look at the financial status of the entire Western Placer Unified School District. The statements then proceed to provide an increasingly detailed look at specific financial activities. This annual report consists of three parts:

- Management's Discussion and Analysis – this section which provides an overall review of the financial activity for the past fiscal year as well as a look at the future years.
- Basic Financial Statements – a look at Western Placer Unified School District's financial statement as a whole for the entire operating entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.
- Required Supplementary Information – detailed information for specific financial activities including required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Reporting on the District as a Whole

Statement of Net Assets and Statement of Activities

These two statements provide information about the District as a whole using the accrual accounting methods similar to those used by private-sector companies. They help answer the question, "How did we do financially during 2009-10?"

The change in net assets is report in the Statement of Net Assets. This change in net assets is important because it tells the reader whether the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some of them financial and some not. Over time, the increases or decreases in the District's net assets, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating.

All current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. The relationship between revenues and expenses indicates the District's operating results. It is important to remember, the District's goal is to provide services to its students, not to generate profits as is necessary in commercial entities. One must consider many other non-financial factors, such as the quality of education provided and the safety of the schools in order to assess the overall health of the District.

In the district-wide financial statements, the District's activities are divided into two categories:

- ♦ Governmental Activities – All of the District's services are reported here, including regular and special education, general administration, transportation, food services, plant services, facilities acquisition and construction, interest, and long-term debt. State support from revenue limit finding and categorical apportionments finance most of these activities.
- ♦ Business-type Activities – The District does not currently have any business type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- ♦ Some funds are required to be established by State law, bond covenants, or through grant or program restrictions.
- ♦ The District establishes other funds to control and manage money for specific purposes (like repaying its long-term liabilities) or to show that it is properly using certain revenues (like federal grants).

A District may have three kinds of funds:

- ◆ **Governmental Funds** – Most of the District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, Special Reserve for Other Than Capital Outlay Fund, and the Mello-Roos Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They 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 operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
- ◆ **Proprietary Funds** – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds use the full accrual basis of accounting, the same as the district-wide statements. The District does not have programs classified in this category.
- ◆ **Fiduciary Funds** – The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets that are reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The District as a Whole

Statement of Net Assets

The District's total assets decreased by \$22,435,499 to \$237,225,801 during the 2009-10 fiscal year. Cash and cash equivalent accounts decreased \$13,782,689 from FY 2008-09. This decrease to the cash accounts was primarily due to the repayment of Tax and Revenue Anticipation Notes (TRANS) during the year.

Total liabilities decreased by \$9,874,085. Accounts payable decreased by \$2,968,505. TRANS decreased by \$9,100,000. Long-term liabilities increased by approximately \$2.3 million primarily due to refinancing the District's COPs.

The District's net assets for FY 2009-10 were \$69,438,784, a decrease of \$12,561,414 from FY 2008-09. Of this balance, \$31,263,342 was restricted while \$8,055,439 was unrestricted. Investments in capital assets, net of related debt, accounted for \$30,120,003 of the total net assets.

Table 1
Statement of Net Assets
June 30, 2009 and 2010

| | 2008-09 | Governmental Activities 2009-10 | \$ Difference | % Difference |
|--|----------------------|------------------------------------|------------------------|----------------|
| Assets: | | | | |
| Cash and equivalents | \$ 53,179,486 | \$ 39,396,797 | \$ (13,782,689) | -25.92% |
| Receivables | 15,340,701 | 6,228,519 | (9,112,182) | -59.40% |
| Prepaid expenditures | 7,115,552 | 6,032,303 | (1,083,249) | -15.22% |
| Capital assets (net of accumulated depreciation) | 184,025,561 | 185,568,182 | 1,542,621 | 0.84% |
| Total assets | 259,661,300 | 237,225,801 | (22,435,499) | -8.64% |
| Liabilities: | | | | |
| Accounts payable and other current liabilities | 8,852,547 | 5,884,042 | (2,968,505) | -33.53% |
| Tax and Revenue Anticipation Notes (TRANS) | 9,100,000 | - | (9,100,000) | -100.00% |
| Deferred revenue | 300,479 | 212,408 | (88,071) | -29.31% |
| Long-term liabilities | | | | |
| Due within one year | 1,562,883 | 1,895,093 | 332,210 | 21.26% |
| Due after one year | 157,845,193 | 159,795,474 | 1,950,281 | 1.24% |
| Total liabilities | 177,661,102 | 167,787,017 | (9,874,085) | -5.56% |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 38,287,687 | 30,120,003 | (8,167,684) | -21.33% |
| Restricted | 32,729,580 | 31,263,342 | (1,466,238) | -4.48% |
| Unrestricted | 10,982,931 | 8,055,439 | (2,927,492) | -26.65% |
| Total Net Assets | \$ 82,000,198 | \$ 69,438,784 | \$ (12,561,414) | -15.32% |

Statement of Activities

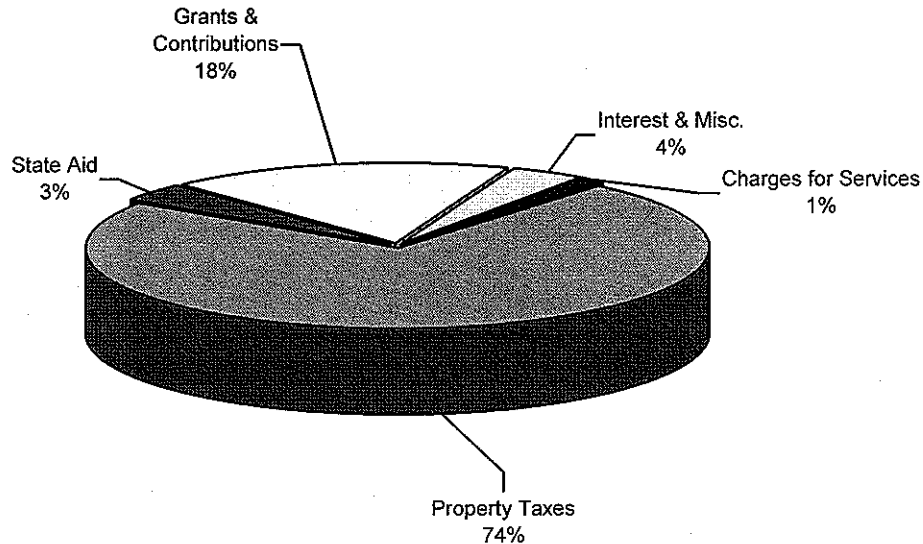
The District's total expenses were \$69,733,008; \$3,015,480 higher in 2009-10 than 2008-09. Program revenues were \$9,042,663; \$2,473,688 lower in 2009-10 than 2008-09. General revenues were \$48,128,931; \$3,037,416 lower than 2008-09.

Table 2
Change in Net Assets
For the Year Ended June 30, 2010

| | 2008-09 | 2009-10 | Governmental Activities \$ Difference | % Difference |
|---|----------------------|----------------------|--|----------------|
| General Revenues | | | | |
| Taxes Levied for General Purposes | \$ 39,991,166 | \$ 36,950,910 | \$ (3,040,256) | -7.60% |
| Taxes Levied for Debt Service | 1,306,694 | 1,381,527 | 74,833 | 5.73% |
| Taxes Levied for Specific Purposes | 5,165,561 | 5,444,493 | 278,932 | 5.40% |
| Unrestricted Federal and State Aid | 1,638,171 | 2,072,333 | 434,162 | 26.50% |
| Interest and Investment Earnings | 983,301 | 889,946 | (93,355) | -9.49% |
| Interagency Revenues | 212,599 | 135,727 | (76,872) | -36.16% |
| Miscellaneous | 1,868,855 | 1,253,995 | (614,860) | -32.90% |
| Total General Revenues | 51,166,347 | 48,128,931 | (3,037,416) | -5.94% |
| Program Revenues | | | | |
| Charges for Services | 851,734 | 807,362 | (44,372) | -5.21% |
| Operating Grants & Contributions | 10,664,617 | 8,235,301 | (2,429,316) | -22.78% |
| Capital Grants & Contributions | - | - | - | 0.00% |
| Total Program Revenues | 11,516,351 | 9,042,663 | (2,473,688) | -21.48% |
| Total Revenues | 62,682,698 | 57,171,594 | (5,511,104) | -8.79% |
| Expenses | | | | |
| Instruction | 33,824,887 | 35,791,860 | 1,966,973 | 5.82% |
| Supervision of Instruction | 1,188,331 | 1,233,140 | 44,809 | 3.77% |
| Instructional Library, Media & Technology | 673,689 | 604,745 | (68,944) | -10.23% |
| School Administration | 3,261,631 | 3,463,927 | 202,296 | 6.20% |
| Pupil Support Services | 1,636,550 | 1,749,188 | 112,638 | 6.88% |
| Home-to-School Transportation | 1,250,257 | 1,757,963 | 507,706 | 40.61% |
| Food Service | 1,606,351 | 1,660,949 | 54,598 | 3.40% |
| General Administration | 4,115,171 | 3,222,481 | (892,690) | -21.69% |
| Plant Services | 5,228,836 | 5,249,155 | 20,319 | 0.39% |
| Ancillary Services | 887,514 | 934,823 | 47,309 | 5.33% |
| Community Services | 69,458 | 179,510 | 110,052 | 158.44% |
| Enterprise Activities | - | 1,983 | 1,983 | 0.00% |
| Transfer Between Agencies | 4,813,994 | 6,122,016 | 1,308,022 | 27.17% |
| Interest on Debt and Fiscal Charges | 8,160,859 | 7,761,268 | (399,591) | -4.90% |
| Total Expenses | 66,717,528 | 69,733,008 | 3,015,480 | 4.52% |
| Change in Net Assets | (4,034,830) | (12,561,414) | (8,526,584) | 211.32% |
| Net Assets - Beginning | 86,035,028 | 82,000,198 | (4,034,830) | -4.69% |
| Net Assets - Ending | \$ 82,000,198 | \$ 69,438,784 | \$ (12,561,414) | -15.32% |

The users of the District's programs paid \$807,362 of the cost. This revenue was generated through cafeteria sales of \$671,469, Transportation Fees of \$101,343, and other miscellaneous revenue of \$34,550. The federal and state governments subsidized certain programs with grants and contributions of \$8,235,301. Most of the governmental activities were paid with \$43,776,930 in property taxes, \$2,072,333 of unrestricted state aid based on the statewide education aid formula, and \$889,946 of investment earnings. The Miscellaneous Revenues of \$1,253,995 is comprised of a number of items, including interest revenue, developer fees, Mello-Roos receipts and site co-curricular revenues.

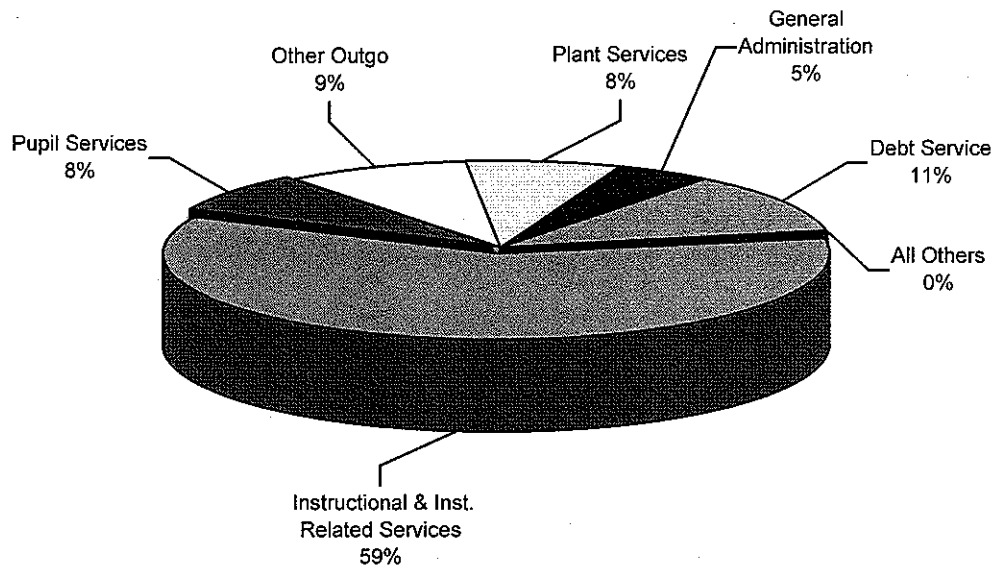
Sources of Western Placer USD's Revenue for the 2009-10 Fiscal Year
Figure 1



As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$69,733,008.

Instruction, instructional library, media & technology, and pupil services expenses made up approximately 67% of total 2009-10 expenditures. This is a 1% increase from the 66% expended in FY 2008-09. General administration accounted for approximately 5% of the expenditure budget, a decrease of 1% from the prior year, and interest on debt and fiscal charges expenditures represent 11% of all outgo, a decrease of .1%. Plant maintenance and operations accounted for 8% of the expenditure budget, the same as last year.

Western Placer USD's Expenses for the Fiscal Year 2009-10
Figure 2



FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The individual fund statements provide information on inflows and outflows and balances of spendable resources. The District's Governmental Funds reported a combined fund balance of \$42.5 million, a decrease of \$10.7 million from the previous fiscal year's combined ending balance of \$53.2 million. The funds with greatest changes were the General Fund (decrease of \$4.1 million), Building Fund (decrease of \$19.9 million) and the Mello-Roos Fund (increase of \$13.3 million).

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. Significant budget adjustments fell into the following categories:

- ◆ Budget revisions to the adopted budget required after approval of the State budget.
- ◆ Budget revisions acknowledge the inclusion of restricted ending balances, deferred revenue, and carryover from the prior year.
- ◆ Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- ◆ Budget revisions to reflect salary settlements.
- ◆ Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net decrease to the ending balance of approximately \$5.0 million. Actual audited activity reflected a net decrease to the ending balance of \$4.1 million. The difference between the final budget and the actual ending balance is due primarily to books and supplies monies not being spent. This is not uncommon, particularly in categorical programs that carry balances over from year to year.

8.6.24

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2009-10 fiscal year, the District had invested \$185.6 million in a broad range of capital assets, including school sites, school buildings, site improvements, vehicles, equipment, and work in progress regarding the construction of new schools. This amount represents an increase of \$1.5 million over the previous fiscal year, the net change which consists of additional capital outlay of \$5.0 million net of deletions and depreciation expense in the current fiscal year of \$3.5 million.

Table 3
Capital Assets
(net of depreciation)

| | 2008-09 | 2009-10 | \$ Difference | % Difference |
|------------------------|-----------------------|-----------------------|---------------------|----------------|
| Land | \$ 38,662,548 | \$ 38,662,548 | \$ - | 0.00% |
| Site Improvement | 2,565,963 | 3,343,163 | 777,200 | 30.29% |
| Buildings | 129,436,934 | 130,575,063 | 1,138,129 | 0.88% |
| Equipment & Vehicles | 438,424 | 133,467 | (304,957) | -69.56% |
| Work in Progress (WIP) | 12,921,692 | 12,853,941 | (67,751) | -0.52% |
| Total | \$ 184,025,561 | \$ 185,568,182 | \$ 1,542,621 | -38.91% |

The District did not begin or complete any major construction projects during 2009-10. Expenditures for Twelve Bridges High School make up the majority of the June 30, 2010 WIP balance.

Long-Term Debt

At June 30, 2010, the District had \$161,690,567 in long-term debt outstanding.

- ♦ The District issued Series 2009 Certificates of Participation (COPs) for \$53,035,000 to refund its Series 2006B COPs. The refunding COP allowed the District to secure a fixed interest rate for debt service payments and allowed the District to extend the time period over which the District must pay back the funds.
- ♦ The District adopted Governmental Accounting Standards Board (GASB) Cod. Sec. P50.108-.109 in 2009-10. This standard requires employers to recognize postemployment healthcare expense systematically over periods approximating employee's years of service. The District engaged an actuarial service to calculate the liability and accompanying annual required contribution (ARC). The ARC for the District for 2009-10 is \$269,071. The District's actuarially-determined unfunded liability for 2009-10 is \$2,636,032. In 2008-09, the District transferred \$2,381,039 into a retiree benefits fund. As of July, 2010, the District established an irrevocable trust through CalPERS to maintain the monies set aside to fund its actuarially-determined postemployment benefits contribution liability. The current liability is based on an actuarial study conducted in March 2008. A new study was conducted in 2009-10 and the report was completed in October 2010.

Table 4
Outstanding Liabilities
June 30, 2009 and 2010

| | 2009 | 2010 | |
|---------------------------------|-----------------------|-----------------------|--------|
| General Obligation Bonds | \$ 7,881,730 | \$ 7,133,762 | 4.41% |
| Accreted Interest on G.O. Bonds | 6,782,970 | 7,585,986 | 4.69% |
| Special Tax Bond | 14,165,000 | 13,820,000 | 8.55% |
| Other Post Employment Benefits | 2,448,415 | 2,636,032 | 1.63% |
| Compensated Absences | 153,788 | 160,184 | 0.10% |
| Certificates of Participation | 127,395,000 | 130,130,000 | 80.48% |
| Capital Leases | 581,173 | 224,603 | 0.14% |
| TOTAL | \$ 159,408,076 | \$ 161,690,567 | |

The General Obligation Bonds are financed by the local taxpayers and represent 4.4% of the District's long-term debt. Certificates of Participation (COPs) are defeased through Mello-Roos special taxes and developer fees. COPs represent an additional 80.5% of the District long-term debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

For several years, the District saw rapid growth as new housing developments were completed and new homeowners moved into our district. The housing crisis and the economic downturn have had a significant impact on this development. Enrollment in 2009-10 has increased only 55 students (or 1%) over 2008-09. Enrollment increased 104 students in 2010-11 (or 1.6%) over 2009-10. The District anticipates that enrollment will increase at greater rates as developers begin building houses in Lincoln again in the next few years.

In 2009-10, the District's effective cost of living adjustment (COLA) for revenue is **negative** 0.39%. This is the first time the state has passed a negative COLA on to school districts. To make matter worse, due to the State's poor financial condition, this amount is deflated by 18.355%. Typically, this would mean that the District would receive barely 80% of the entitled revenue limit funds. But because of the District's basic aid status, the actual effect is a funding level at 87% of entitled revenue limit funds. Negotiations with collective bargaining groups for the year have not been finalized with any bargaining groups. Other District costs, such as energy costs and certificated health and welfare benefits, continue to increase.

The state's budget crisis has had a serious impact to education funding. While all of the major governmental functions have taken cuts in budget over the past four years, only public K-12 education is now funded at a lower level than in 2007-08. The cuts to other areas have "vaporized" or have been restored in one way or another. But public education has a real, ongoing loss of more than 15%. This is approximately \$7.5 billion per year, each and every year. The new Governor may have some solutions that restore some of the funding base to K-12 education. So, we continue to prepare for the worst and hope for the best.

The District's greatest challenge continues to be maintaining a viable relationship between its revenues and expenditures while at the same time expanding its infrastructure and services to address the educational needs of its existing and future students. The \$17 million recovered from the State in realization of the District's basic aid status will certainly aid in this, and the District will use these funds to take a balanced approach to budget cuts while maintaining a prudent reserve of 5% for economic uncertainties.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Services Office, Western Placer Unified School District, 600 Sixth Street, Suite 400, Lincoln, CA 95648, (916) 645-6350.

BASIC FINANCIAL STATEMENTS

8.6.28

WESTERN PLACER UNIFIED SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2010

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and investments (Note 2) | \$ 35,950,625 |
| Accounts receivable | 6,228,519 |
| Prepaid expenditures | 6,032,303 |
| Capital assets, net of accumulated depreciation (Note 4) | <u>185,568,182</u> |
| Total assets | <u>233,779,629</u> |
| LIABILITIES | |
| Accounts payable | 5,884,042 |
| Deferred revenue | 212,408 |
| Long-term liabilities (Note 5): | |
| Due within one year | 1,895,093 |
| Due after one year | <u>159,795,474</u> |
| Total liabilities | <u>167,787,017</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 30,120,003 |
| Restricted (Note 6) | 31,263,342 |
| Unrestricted | <u>4,609,267</u> |
| Total net assets | <u>\$ 65,992,612</u> |

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

8,629

WESTERN PLACER UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|---|----------------------|-------------------------------------|---|---|--|
| | Expenses | Charges For Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental activities (Note 4): | | | | | |
| Instruction | \$ 35,791,860 | | \$ 5,252,346 | | \$ (30,539,514) |
| Instruction-related services: | | | | | |
| Supervision of instruction | 1,233,140 | | 530,673 | | (702,467) |
| Instructional library, media and technology | 604,745 | | | | (604,745) |
| School site administration | 3,463,927 | | 16,038 | | (3,447,889) |
| Pupil services: | | | | | |
| Home-to-school transportation | 1,757,963 | \$ 101,343 | 330,121 | | (1,326,499) |
| Food services | 1,660,949 | 671,469 | 1,094,022 | | 104,542 |
| All other pupil services | 1,749,188 | | 188,414 | | (1,560,774) |
| General administration: | | | | | |
| Data processing | 1,057,015 | | 33,755 | | (1,023,260) |
| All other general administration | 2,165,466 | 34,435 | 439,951 | | (1,691,080) |
| Plant services | 5,249,155 | 115 | 360 | | (5,248,680) |
| Ancillary services | 934,823 | | 349,621 | | (585,202) |
| Community services | 179,510 | | | | (179,510) |
| Enterprise activities | 1,983 | | | | (1,983) |
| Other outgo | 6,122,016 | | | | (6,122,016) |
| Interest on long-term liabilities | 7,761,268 | | | | (7,761,268) |
| Total governmental activities | \$ 69,733,008 | \$ 807,362 | \$ 8,235,301 | \$ - | (60,690,345) |
| General revenues: | | | | | |
| Taxes and subventions: | | | | | |
| Taxes levied for general purposes | | | | | 36,950,910 |
| Taxes levied for debt service | | | | | 1,381,527 |
| Taxes levied for other specific purposes | | | | | 5,444,493 |
| Federal and state aid not restricted to specific purposes | | | | | 2,072,333 |
| Interest and investment earnings | | | | | 889,946 |
| Interagency revenues | | | | | 135,727 |
| Miscellaneous | | | | | 1,253,995 |
| Total general revenues | | | | | 48,128,931 |
| Change in net assets | | | | | (12,561,414) |
| Net assets, July 1, 2009 | | | | | 82,000,198 |
| Net assets, June 30, 2010 | | | | | \$ 69,438,784 |

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

8,630

WESTERN PLACER UNIFIED SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2010

| | <u>General Fund</u> | <u>Special Reserve for Other Than Capital Outlay Projects Fund</u> | <u>Mello- Roos Fund</u> | <u>All Non-Major Funds</u> | <u>Total Govern- mental Funds</u> |
|--|-------------------------|--|---------------------------------|------------------------------------|---|
| ASSETS | | | | | |
| Cash and investments: | | | | | |
| Cash in County Treasury | \$ 12,277,010 | \$ 2,349,150 | \$ 16,999,073 | \$ 4,323,347 | \$ 35,948,580 |
| Cash awaiting deposit | 45 | | | | 45 |
| Cash in revolving fund | 2,000 | | | | 2,000 |
| Cash with Fiscal Agent | | | 3,446,172 | | 3,446,172 |
| Accounts receivable | 4,704,398 | | | 1,524,121 | 6,228,519 |
| Prepaid expenditures | 19,114 | | | 255 | 19,369 |
| Due from other funds | <u>869,509</u> | | | <u>282,593</u> | <u>1,152,102</u> |
| Total assets | <u>\$ 17,872,076</u> | <u>\$ 2,349,150</u> | <u>\$ 20,445,245</u> | <u>\$ 6,130,316</u> | <u>\$ 46,796,787</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 2,820,858 | | \$ 4,364 | \$ 65,653 | \$ 2,890,875 |
| Deferred revenue | 152,294 | | | 60,114 | 212,408 |
| Due to other funds | <u>280,485</u> | <u>\$ 780,042</u> | <u>2,108</u> | <u>89,467</u> | <u>1,152,102</u> |
| Total liabilities | <u>3,253,637</u> | <u>780,042</u> | <u>6,472</u> | <u>215,234</u> | <u>4,255,385</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Revolving fund | 2,000 | | | | 2,000 |
| Prepaid expenditures | 19,114 | | | 255 | 19,369 |
| Stores inventory | | | | | |
| Unpsent categorical revenue | 752,503 | | | 136,325 | 888,828 |
| Unreserved, reported in: | | | | | |
| General Fund | 13,844,822 | | | | 13,844,822 |
| Special Revenue Funds | | 1,569,108 | | 2,292,333 | 3,861,441 |
| Capital Projects Funds | | | 20,438,773 | 2,479,370 | 22,918,143 |
| Debt Service Funds | | | | <u>1,006,799</u> | <u>1,006,799</u> |
| Total fund balances | <u>14,618,439</u> | <u>1,569,108</u> | <u>20,438,773</u> | <u>5,915,082</u> | <u>42,541,402</u> |
| Total liabilities and fund balances | <u>\$ 17,872,076</u> | <u>\$ 2,349,150</u> | <u>\$ 20,445,245</u> | <u>\$ 6,130,316</u> | <u>\$ 46,796,787</u> |

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

8,631

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET -
TO THE STATEMENT OF NET ASSETS

June 30, 2010

| | |
|---|----------------------|
| Total fund balances - Governmental Funds | \$ 42,541,402 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$209,833,314 and the accumulated depreciation is \$24,265,132 (Note 4). | 185,568,182 |
| In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government wide statements, debt issue costs are amortized over the life of debt. Unamortized debt issue costs included in prepaid expense on the statement of net assets are: | 6,012,934 |
| In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statements, it is recognized in the period that it is incurred. | (2,993,167) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at June 30, 2010 consisted of (Note 5): | |
| Special Tax Bonds | \$ (13,820,000) |
| General Obligation Bonds | (7,133,762) |
| Accreted interest | (7,585,986) |
| Certificates of Participation | (130,130,000) |
| Capitalized lease obligations | (224,603) |
| Other postemployment benefits (Note 8) | (2,636,032) |
| Compensated absences | (160,184) |
| | <u>(161,690,567)</u> |
| Total net assets - governmental activities | <u>\$ 69,438,784</u> |

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

8.6.32

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2010

| | General Fund | Special Reserve for Other Than Capital Outlay Projects Fund | Mello- Roos Fund | All Non-Major Funds | Total Govern- mental Funds |
|---|----------------------|---|------------------------|---------------------------|-------------------------------------|
| Revenues: | | | | | |
| Revenue limit sources: | | | | | |
| State apportionment | \$ 9,427,572 | | | | \$ 9,427,572 |
| Local sources | <u>24,901,557</u> | | | | <u>24,901,557</u> |
| Total revenue limit | <u>34,329,129</u> | | | | <u>34,329,129</u> |
| Federal sources | 3,572,214 | | | \$ 1,090,291 | 4,662,505 |
| Other state sources | 6,078,713 | | | 345,947 | 6,424,660 |
| Other local sources | <u>3,338,199</u> | \$ 3,150 | \$ 5,670,602 | <u>2,743,349</u> | <u>11,755,300</u> |
| Total revenues | <u>47,318,255</u> | <u>3,150</u> | <u>5,670,602</u> | <u>4,179,587</u> | <u>57,171,594</u> |
| Expenditures: | | | | | |
| Certificated salaries | 25,296,276 | | | 120,114 | 25,416,390 |
| Classified salaries | 7,250,533 | | | 901,647 | 8,152,180 |
| Employee benefits | 9,861,424 | | | 408,255 | 10,269,679 |
| Books and supplies | 2,415,064 | | | 840,262 | 3,255,326 |
| Contract services and operating expenditures | 4,407,379 | | 3,939,568 | 752,428 | 9,099,375 |
| Capital outlay | 828,999 | | | 4,110,684 | 4,939,683 |
| Other outgo | 1,634,666 | | | | 1,634,666 |
| Debt service: | | | | | |
| Principal retirement | 58,039 | | 50,645,000 | 811,761 | 51,514,800 |
| Interest | <u>2,427</u> | | <u>5,987,822</u> | <u>603,496</u> | <u>6,593,745</u> |
| Total expenditures | <u>51,754,807</u> | | <u>60,572,390</u> | <u>8,548,647</u> | <u>120,875,844</u> |
| (Deficiency) excess of revenues (under) over expenditures | <u>(4,436,552)</u> | <u>3,150</u> | <u>(54,901,788)</u> | <u>(4,369,060)</u> | <u>(63,704,250)</u> |
| Other financing sources (uses): | | | | | |
| Operating transfers in | 873,287 | | 15,185,072 | 566,716 | 16,625,075 |
| Operating transfers out | (564,608) | (780,042) | | (15,280,425) | (16,625,075) |
| Proceeds from the issuance of long-term liabilities | | | <u>53,035,000</u> | | <u>53,035,000</u> |
| Total other financing sources (uses) | <u>308,679</u> | <u>(780,042)</u> | <u>68,220,072</u> | <u>(14,713,709)</u> | <u>53,035,000</u> |
| Change in fund balances | (4,127,873) | (776,892) | 13,318,284 | (19,082,769) | (10,669,250) |
| Fund balances, July 1, 2009 | <u>18,746,312</u> | <u>2,346,000</u> | <u>7,120,489</u> | <u>24,997,851</u> | <u>53,210,652</u> |
| Fund balances, June 30, 2010 | <u>\$ 14,618,439</u> | <u>\$ 1,569,108</u> | <u>\$ 20,438,773</u> | <u>\$ 5,915,082</u> | <u>\$ 42,541,402</u> |

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

8,633

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

| | | |
|---|--------------|------------------------|
| Net change in fund balances - Total Governmental Funds | | \$ (10,669,250) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net assets (Note 4). | \$ 5,018,920 | |
| Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4). | (3,476,299) | |
| Issuance of long-term liabilities is an other financing source in the governmental funds, but increases the long-term liabilities in the statement of net assets (Note 5). | (53,035,000) | |
| Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net assets (Note 5). | 51,514,800 | |
| Issuance costs and discounts related to the issuance of long-term liabilities is an expenditure in the governmental funds, but increases the assets in the statement of net assets. | 3,731,089 | |
| Amortization of costs associated with the issuance of liabilities are not uses of financial sources and, therefore, are not reported as expenditures in governmental funds. | (5,321,892) | |
| Debt forgiveness is a reduction in the government-wide financial statements that is not recorded in the governmental funds (Note 5). | 242,738 | |
| Accreted interest is not accrued in the governmental funds, but is recognized over the life of the debt in the government-wide financial statements (Note 5). | (803,016) | |
| Unmatured interest on long-term liabilities is not recorded in the governmental funds until it becomes due, but increases the liabilities in the statement of net assets. | 430,509 | |
| In the statement of activities, expenses related to compensated absences and other postemployment benefits are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 5). | (194,013) | (1,892,164) |
| Change in net assets of governmental activities | | <u>\$ (12,561,414)</u> |

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

8.6.34

WESTERN PLACER UNIFIED SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

TRUST AND AGENCY FUNDS

June 30, 2010

| | <u>Trust Funds</u> | | <u>Agency Fund</u> | |
|--------------------------------|--------------------|-------------------------|---------------------|---------------------|
| | <u>Scholarship</u> | <u>Retiree Benefits</u> | <u>Student Body</u> | <u>Total</u> |
| ASSETS | | | | |
| Cash and investments (Note 2): | | | | |
| Cash in County Treasury | \$ 163,716 | \$ 2,384,236 | | \$ 2,547,952 |
| Cash on hand and in banks | | | \$ 182,441 | 182,441 |
| Total assets | <u>163,716</u> | <u>2,384,236</u> | <u>182,441</u> | <u>2,730,393</u> |
| LIABILITIES | | | | |
| Due to student groups | | | 182,441 | 182,441 |
| Accounts payable | <u>2,500</u> | | | <u>2,500</u> |
| Total liabilities | <u>2,500</u> | | <u>182,441</u> | <u>184,941</u> |
| NET ASSETS | | | | |
| Restricted (Note 6) | <u>\$ 161,216</u> | <u>\$ 2,384,236</u> | <u>\$ -</u> | <u>\$ 2,545,452</u> |

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

8.6.35

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended June 30, 2010

| | <u>Trust Funds</u> | | |
|--|--------------------|-------------------------|---------------------|
| | <u>Scholarship</u> | <u>Retiree Benefits</u> | <u>Total</u> |
| Operating revenues: | | | |
| Other local sources | \$ 3,679 | \$ 3,197 | \$ 6,876 |
| Operating expenditures: | | | |
| Contract services and operating expenditures | 7,750 | | 7,750 |
| Change in net assets | (4,071) | 3,197 | (874) |
| Net assets, July 1, 2009 | 165,287 | 2,381,039 | 2,546,326 |
| Net assets, June 30, 2010 | <u>\$ 161,216</u> | <u>\$ 2,384,236</u> | <u>\$ 2,545,452</u> |

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

8.6.36

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Board of Education is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

Mello-Roos Community Facilities District

The District and the Mello-Roos Community Facilities District (the "CFD") have a financial and operational relationship that meets the reporting entity definition criteria of GASB Codification Section 2100, *The Financial Reporting Entity*, for inclusion of the CFD as a blended component unit of the District. Accordingly, the financial activities of the CFD have been included in the financial statements of the District within the Mello-Roos Fund, a capital projects fund. Special tax bonds issued by the CFD are included in long-term liabilities on the government-wide financial statements.

Scope of Public Service

The CFD was created for the sole purpose of financially assisting the District. The CFD is a community facilities district pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended by Title 5, Division 2, Part 1, Chapter 2.5 of the California Government Code established March 30, 1989. The CFD was formed to provide financing assistance to the District for construction, rehabilitation and acquisition of major capital facilities.

Western Placer Unified School District Financing Corporation

The District and the Western Placer Unified School District Financing Cooperation (the Corporation) have a financial and operational relationship that meets the reporting entity definition criteria of GASB Codification Section 2100, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of the District. Accordingly, the financial activities of the Corporation have been included in the general-purpose financial statements of the District within the Capital Facilities Fund, a capital projects fund. The certificates of participation issued by the Corporation are included in long-term liabilities on the government-wide financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Western Placer Unified School District Financing Corporation (Continued)

Scope of Public Service

The Corporation was created in June 1998 for the sole purpose of financially assisting the District.

Basis of Presentation - Financial Statements

The basic financial statements include a Management's Discussion and Analysis (MD & A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets and the Statement of Change in Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of indirect expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

8.6.38

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into two broad categories which, in aggregate, include six fund types as follows:

A - Governmental Fund Types

1. General Fund:

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

2. Special Revenue Funds:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This classification includes the Special Reserve for Other Than Capital Outlay Projects Funds, Adult Education, Child Development, Cafeteria and Deferred Maintenance.

3. Capital Projects Funds:

The Capital Projects Funds are used to account for resources used for the acquisition or construction of capital facilities by the District. This classification includes the Mello-Roos, Building, Capital Facilities and Special Reserve Funds.

4. Debt Service Funds:

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. This classification includes the Bond Interest and Redemption and Mello-Roos Debt Service Funds.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

B - Fiduciary Funds

1. Trust Fund:

The Trust Funds are used to account for assets held by the District as Trustee. The District maintains two expendable trust funds, the Scholarship Trust, which is to be used to provide financial assistance to students of the District, and the Retiree Benefits Fund, which is used by the District to reserve for funds to pay for retiree benefits.

2. Agency Funds:

Student Body Funds are used to account for revenues and expenditures of the various student body organizations. All cash activity, assets and liabilities of the various student bodies of the District are accounted for in Student Body Funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting

By state law, the Board of Education must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Education complied with these requirements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

The District employs budget control by major object code and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code. The budgets are revised during the year by the Board of Education to provide for unanticipated revenues and expenditures. The originally adopted and final revised budgets for the General Fund and Special Reserve for Other Than Capital Outlay Projects Fund are presented as Required Supplementary Information.

Cafeteria Food Purchases

Cafeteria purchases include food purchased through the State of California Office of Surplus Property, for which the District is required to pay only a handling charge. The state does not require the Cafeteria Fund to record the fair market value of these commodities. The expenditures for these items would have been greater had the District paid fair market value for the government surplus food commodities.

Capital Assets

Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 8 - 50 years depending on asset types.

Compensated Absences

Compensated absences totaling \$160,184 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave

Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as a operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRS and CalPERS employees, when the employee retires.

Deferred Revenue

Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as deferred revenue until earned.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Assets

Restrictions of the ending net assets indicate the portions of net assets not appropriable for expenditure or amounts legally segregated for a specific future use. The restrictions for revolving cash fund and prepaid expenditures reflect the portions of net assets represented by revolving cash fund and prepaid expenditures, respectively. These amounts are not available for appropriation and expenditure at the balance sheet date. The restriction for unspent categorical program revenues represent programs where the revenue received is restricted for expenditures only in that particular program. The restriction for special revenues represents the portion of net assets restricted for special purposes. The restriction for debt service repayments represents the portion of net assets which the District plans to expend on debt repayment. The restriction for capital projects represents the portion of net assets restricted for capital projects. The restriction for scholarships represents the portion of net assets to be used to provide financial assistance to students of the District. The restriction for retiree benefits represents the portion of net assets to be used by the District to pay for retiree benefits.

Property Taxes

Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Placer bills and collects taxes for the District. Tax revenues are recognized by the District when received.

Encumbrances

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

Eliminations and Reclassifications

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2010 are reported at fair value and consisted of the following:

| | <u>Governmental Activities</u> | <u>Fiduciary Activities</u> |
|----------------------------|------------------------------------|---------------------------------|
| Pooled Funds: | | |
| Cash in County Treasury | \$ 35,948,580 | \$ 2,547,952 |
| Cash awaiting deposit | 45 | |
| Deposits: | | |
| Cash on hand and in banks | | 182,441 |
| Cash in revolving fund | 2,000 | |
| Investments: | | |
| Cash with Fiscal Agent | | |
| Total cash and investments | <u>\$ 35,950,625</u> | <u>\$ 2,730,393</u> |

Pooled Funds

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

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

In accordance with applicable state laws, the Placer County Treasurer may invest in derivative securities. However, at June 30, 2010, the Placer County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk - Deposits

Cash balances held in banks and revolving funds are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). As of June 30, 2010, the carrying amount of the District's accounts were \$184,441, and the bank balances were \$200,271. The bank balances of \$200,271 was covered by the FDIC insurance.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

2. CASH AND INVESTMENTS (Continued)

Investments

The Cash with Fiscal Agent of \$3,446,172 in the Mello-Roos Fund represents debt proceeds that have been set aside for capital projects and the repayment of long-term liabilities. These amounts are held by a third party custodian in the District's name.

Interest Rate Risk

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2010, the District had no significant interest rate risk related to cash and investments held.

Credit Risk

The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2010, the District had no concentration of credit risk.

3. INTERFUND TRANSACTIONS

Interfund Activity

Transactions between funds of the District are recorded as interfund transfers, except for the Self-Insurance Fund activity which is recorded as income and expenditures of the Self-Insurance Fund and the funds which incur payroll costs, respectively. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

3. INTERFUND TRANSACTIONS (Continued)

Interfund Receivables/Payables

Individual interfund receivable and payable balances at June 30, 2010 were as follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|--|----------------------------------|-------------------------------|
| Major Funds: | | |
| General | \$ 869,509 | \$ 280,485 |
| Special Reserve for Other Than Capital | | |
| Outlay Projects | | 780,042 |
| Mello-Roos | | 2,108 |
| Non-Major Funds: | | |
| Adult Education | 24,485 | 2,730 |
| Child Development | | 12,593 |
| Cafeteria | | 74,144 |
| Deferred Maintenance | 256,000 | |
| Mello-Roos Debt Service | <u>2,108</u> | |
| Totals | <u>\$ 1,152,102</u> | <u>\$ 1,152,102</u> |

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2009-2010 fiscal year were as follows:

| | |
|---|------------|
| Transfer from the General Fund to the Deferred Maintenance Fund to account for the current year allocation of Deferred Maintenance funding. | \$ 447,228 |
| Transfer from the General Fund to the Adult Education Fund for Revenues. | 24,485 |
| Transfer from the General Fund to Adult Education Fund for apportionments. | 49,949 |
| Transfer from the General Fund to the Adult Education Fund for District Match to TPP Program. | 23,360 |
| Transfer from the General Fund to the Adult Education for CBET revenues. | 19,586 |
| Transfer from the Special Reserve Fund for Other Than Capital Outlay Projects Fund to the General Fund for Bus purchase. | 780,042 |
| Transfer from the Adult Education Fund to the General Fund for indirect costs. | 6,508 |
| Transfer from the Child Development Fund to the General Fund for indirect costs. | 12,593 |
| Transfer from the Cafeteria Fund to the General Fund for indirect costs. | 74,144 |

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. INTERFUND TRANSACTIONS (Continued)

Interfund Transfers (Continued)

| | |
|---|----------------------|
| Transfer from the Building Fund to the Mello-Roos Debt Service Fund for debt service payment. | \$ 2,108 |
| Transfer from the Building Fund to the Mello-Roos Fund for debt repayment. | 6,946,392 |
| Transfer from the Building Fund to the Mello-Roos Fund for Cash with Fiscal Agent transfer. | 6,195,934 |
| Transfer from the Capital Facilities Fund to the Mello-Roos Fund for debt repayment. | <u>2,042,746</u> |
| | <u>\$ 16,625,075</u> |

4. CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2010 is shown below:

| | Balance July 1, 2009 | Transfers and Additions | Transfers and Deductions | Balance June 30, 2010 |
|--------------------------------|----------------------------|-------------------------------|--------------------------------|-----------------------------|
| <u>Governmental Activities</u> | | | | |
| Non-depreciable: | | | | |
| Land | \$ 38,662,548 | | | \$ 38,662,548 |
| Work-in-process | 12,921,692 | \$ 696,104 | \$ 763,855 | 12,853,941 |
| Depreciable: | | | | |
| Buildings | 146,568,064 | 4,206,739 | | 150,774,803 |
| Equipment | 2,867,181 | | | 2,867,181 |
| Site improvements | <u>3,794,909</u> | <u>879,932</u> | | <u>4,674,841</u> |
| Totals, at cost | <u>204,814,394</u> | <u>5,782,775</u> | <u>763,855</u> | <u>209,833,314</u> |
| Less accumulated depreciation: | | | | |
| Buildings | (17,131,130) | (3,068,610) | | (20,199,740) |
| Equipment | (2,428,757) | (304,957) | | (2,733,714) |
| Site improvements | <u>(1,228,946)</u> | <u>(102,732)</u> | | <u>(1,331,678)</u> |
| Total accumulated depreciation | <u>(20,788,833)</u> | <u>(3,476,299)</u> | | <u>(24,265,132)</u> |
| Capital assets, net | <u>\$ 184,025,561</u> | <u>\$ 2,306,476</u> | <u>\$ 763,855</u> | <u>\$ 185,568,182</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|-------------------------------|---------------------|
| Instruction | \$ 3,187,050 |
| Food services | 18,000 |
| Site administration | 50,000 |
| Home-to-School transportation | 95,000 |
| Plan Services | <u>126,249</u> |
| Total depreciation expense | <u>\$ 3,476,299</u> |

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES

Special Tax Bonds

In 2005, the District issued Community Facilities District No. 1 Special Tax Bonds in the amount of \$15,000,000 to provide funds for the purpose of paying for the acquisition and construction of certain school facilities. As of June 30, 2010, the principal balance outstanding was \$13,820,000.

Scheduled payments on Series 2005 Special Tax Bond are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|---------------------|----------------------|
| 2011 | \$ 355,000 | \$ 583,396 | \$ 938,396 |
| 2012 | 365,000 | 572,596 | 937,596 |
| 2013 | 380,000 | 560,946 | 940,946 |
| 2014 | 390,000 | 548,190 | 938,190 |
| 2015 | 405,000 | 534,521 | 939,521 |
| 2016-2020 | 2,265,000 | 2,417,669 | 4,682,669 |
| 2021-2025 | 2,755,000 | 1,912,896 | 4,667,896 |
| 2026-2030 | 3,385,000 | 1,262,313 | 4,647,313 |
| 2031-2035 | <u>3,520,000</u> | <u>397,749</u> | <u>3,917,749</u> |
| | <u>\$ 13,820,000</u> | <u>\$ 8,790,276</u> | <u>\$ 22,610,276</u> |

General Obligation Bonds

In 1999, the District issued General Obligation Bonds in the amount of \$15,052,284, with interest rates ranging from 4.6% to 6.05%. Bond proceeds are being spent to construct, repair and expand local schools. Repayment of the bonds will be made from property taxes levied.

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|----------------------|----------------------|
| 2011 | \$ 758,068 | \$ 701,932 | \$ 1,460,000 |
| 2012 | 774,283 | 810,717 | 1,585,000 |
| 2013 | 785,308 | 919,692 | 1,705,000 |
| 2014 | 794,898 | 1,045,102 | 1,840,000 |
| 2015 | 810,899 | 1,189,101 | 2,000,000 |
| 2016-2010 | <u>3,210,306</u> | <u>6,019,694</u> | <u>9,230,000</u> |
| | <u>\$ 7,133,762</u> | <u>\$ 10,686,238</u> | <u>\$ 17,820,000</u> |

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

Certificates of Participation (COPs)

In October 2006 the District issued \$8,000,000 series A COPs with the payment to advance refund and defease the District's 2001 COPs. The 2001 COPs are considered to be defeased, and the obligations have been removed from the District's financial statements. In June 2008, the District issued \$32,370,000 Refinancing Project COPs maturing in 2047. The 2008 refinancing COPs was used to pay the 2003 Series A COPS and the 2003 Series B COPs. In August 2008, the District issued \$36,725,000 Refinancing Project COPs maturing in 2047. The 2008B refinancing COPs was used to pay the 2004 Series A COPs. In December 2009, the District issued \$53,035,000 Refinancing Project COPs maturing in 2049. The 2009 refinancing COPs was used to pay the 2006 Series B COPs.

The 2006, Series A COPs mature as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|---------------------|----------------------|
| 2011 | | \$ 292,032 | \$ 292,032 |
| 2012 | | 292,032 | 292,032 |
| 2013 | | 292,032 | 292,032 |
| 2014 | | 292,032 | 292,032 |
| 2015 | | 292,032 | 292,032 |
| 2016-2020 | \$ 500,000 | 1,449,513 | 1,949,513 |
| 2021-2025 | 3,000,000 | 1,085,994 | 4,085,994 |
| 2026-2030 | 3,700,000 | 483,375 | 4,183,375 |
| 2046-2050 | 800,000 | 12,168 | 812,168 |
| | <u>\$ 8,000,000</u> | <u>\$ 4,491,210</u> | <u>\$ 12,491,210</u> |

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. LONG-TERM LIABILITIES (Continued)

Certificates of Participation (Continued)

The 2008, Refinancing Project COPs matured as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|----------------------|----------------------|
| 2011 | | \$ 1,569,505 | \$ 1,569,505 |
| 2012 | | 1,569,505 | 1,569,505 |
| 2013 | | 1,569,505 | 1,569,505 |
| 2014 | | 1,569,505 | 1,569,505 |
| 2015 | | 1,569,505 | 1,569,505 |
| 2016-2020 | \$ 1,725,000 | 7,748,188 | 9,473,188 |
| 2021-2025 | 3,905,000 | 7,159,863 | 11,064,863 |
| 2026-2030 | 1,355,000 | 6,498,262 | 7,853,262 |
| 2031-2035 | 1,775,000 | 6,155,588 | 7,930,588 |
| 2036-2040 | 8,815,000 | 5,108,125 | 13,923,125 |
| 2041-2045 | 12,475,000 | 2,171,875 | 14,646,875 |
| 2046-2050 | 2,320,000 | 87,000 | 2,407,000 |
| | <u>\$ 32,370,000</u> | <u>\$ 42,776,426</u> | <u>\$ 75,146,426</u> |

The 2008, Series B COPs matured as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|----------------------|----------------------|
| 2011 | | \$ 1,843,194 | \$ 1,843,194 |
| 2012 | | 1,843,194 | 1,843,194 |
| 2013 | | 1,843,194 | 1,843,194 |
| 2014 | | 1,843,194 | 1,843,194 |
| 2015 | | 1,843,194 | 1,843,194 |
| 2016-2020 | \$ 1,065,000 | 9,084,669 | 10,149,669 |
| 2021-2025 | 2,195,000 | 8,714,530 | 10,909,530 |
| 2026-2030 | 810,000 | 8,414,150 | 9,224,150 |
| 2031-2035 | 3,895,000 | 7,867,444 | 11,762,444 |
| 2036-2040 | 7,915,000 | 6,473,443 | 14,388,443 |
| 2041-2045 | 12,025,000 | 3,858,773 | 15,883,773 |
| 2046-2050 | 8,820,000 | 693,413 | 9,513,413 |
| | <u>\$ 36,725,000</u> | <u>\$ 54,322,392</u> | <u>\$ 91,047,392</u> |

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

Certificates of Participation (Continued)

The 2009, Refinancing Project COPs matured as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|----------------------|----------------------|
| 2011 | \$ 530,000 | \$ 3,189,136 | \$ 3,719,136 |
| 2012 | 230,000 | 2,829,539 | 3,059,539 |
| 2013 | 245,000 | 2,822,414 | 3,067,414 |
| 2014 | 350,000 | 2,813,489 | 3,163,489 |
| 2015 | 365,000 | 2,802,764 | 3,167,764 |
| 2016-2020 | 1,600,000 | 13,851,244 | 15,451,244 |
| 2021-2025 | 2,630,000 | 13,472,666 | 16,102,666 |
| 2026-2030 | 6,990,000 | 12,137,288 | 19,127,288 |
| 2031-2035 | 9,280,000 | 10,064,850 | 19,344,850 |
| 2036-2040 | 2,765,000 | 8,192,756 | 10,957,756 |
| 2041-2045 | 2,450,000 | 7,884,975 | 10,334,975 |
| 2046-2050 | <u>25,600,000</u> | <u>4,452,513</u> | <u>30,052,513</u> |
| | <u>\$ 53,035,000</u> | <u>\$ 84,513,634</u> | <u>\$137,548,634</u> |

Capitalized Lease Obligations

The District leases various buildings and equipment under agreements that have been capitalized and recorded as a long term liability in the financial statements. The District will receive no sublease rental revenues nor pay any contingent rentals for this equipment. The following is a schedule of future lease payments:

| <u>Year Ending June 30,</u> | <u>Lease Payments</u> |
|-----------------------------------|---------------------------|
| 2011 | \$ 91,841 |
| 2012 | 115,999 |
| 2013 | 13,000 |
| 2014 | <u>13,000</u> |
| Total payments | 233,840 |
| Less amount representing interest | <u>(9,237)</u> |
| Net minimum lease payments | <u>\$ 224,603</u> |

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. LONG-TERM LIABILITIES (Continued)

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2010 is shown below:

| | Balance July 1, 2009 | Additions | Deletions | Balance June 30, 2010 | Amounts Due Within One Year |
|---|----------------------------|----------------------|----------------------|-----------------------------|-----------------------------------|
| Governmental activities: | | | | | |
| Special Tax Bonds | \$ 14,165,000 | | \$ 345,000 | \$ 13,820,000 | \$ 355,000 |
| General Obligation Bonds | 7,881,730 | | 747,968 | 7,133,762 | 758,068 |
| Accreted interest | 6,782,970 | \$ 803,016 | | 7,585,986 | |
| Certificates of Participation | 127,395,000 | 53,035,000 | 50,300,000 | 130,130,000 | 530,000 |
| Capitalized lease obligations | 581,173 | | 356,570 | 224,603 | 91,841 |
| Other postemployment benefits (Note 8) | 2,448,415 | 391,492 | 203,875 | 2,636,032 | |
| Compensated absences | 153,788 | 43,371 | 36,975 | 160,184 | 160,184 |
| Total | <u>\$ 159,408,076</u> | <u>\$ 54,272,879</u> | <u>\$ 51,990,388</u> | <u>\$ 161,690,567</u> | <u>\$ 1,895,093</u> |

Payments on the Special Tax Bonds are made from the Mello-Roos Fund. Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made from the Mello-Roos Fund. Payments on the capitalized lease obligations are made from the General, Child Development, Capital Facilities and Mello-Roos Debt Service Funds. Payments for the other postemployment benefits and the compensated absences are made from the fund for which the related employee worked.

6. RESTRICTED NET ASSETS

Restricted net assets consisted of the following at June 30, 2010:

| | Governmental Activities | Fiduciary Funds |
|--|----------------------------|---------------------|
| Restricted for revolving cash | \$ 2,000 | |
| Restricted for prepaid expenses | 6,032,303 | |
| Restricted for unspent categorical program revenues | 888,828 | |
| Restricted for special revenues | 3,861,441 | |
| Restricted for debt service | 1,006,799 | |
| Restricted for capital projects | 19,471,971 | |
| Restricted for scholarships | | \$ 161,216 |
| Restricted for retiree benefits | | 2,384,236 |
| Total restricted net assets | <u>\$ 31,263,342</u> | <u>\$ 2,545,452</u> |

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS

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

Plan Description and Provisions

California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. 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 95814.

Funding Policy

Active plan members are required to contribute 7.0% 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% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2008, 2009 and 2010 were \$406,849, \$604,926 and \$655,466, respectively, and equal 100% of the required contributions for each year.

State Teachers' Retirement System (STRS)

Plan Description

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Executive Office, 100 Waterfront Place, West Sacramento, California 95605.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Description and Provisions (Continued)

State Teachers' Retirement System (STRS) (Continued)

Funding Policy

Active plan members are required to contribute 8% of their salary. The required employer contribution rate for fiscal year 2009-2010 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal years ending June 30, 2008, 2009 and 2010 were \$1,813,840, \$1,931,687 and \$2,068,985, respectively, and equal 100% of the required contributions for each year.

8. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the District provides postretirement health care benefits to certificated employees (under three distinct agreements between the District and the Western Placer Teachers Association) and classified employees (under an agreement between the District and the Western Placer Classified Employees Association) as follows:

- A. The District pays the full cost of health care benefits to age 65 for employees who retired prior to June 30, 1990 and had reached age 60. The full cost of benefits is limited to the amount the District was paying as of June 30, 1990. After age 65, the District continues to pay 50% of the cost and the employee pays the remainder. As of June 30, 2010, there were 8 retirees receiving benefits under this agreement.
- B. The District's certificated retirees who had at least fifteen years of service and had reached a minimum age of 55 and retire after July 1, 2001 receive up to \$6,455 per year in health care benefits for a maximum of 10 years or until age 65, whichever comes first. As of June 30, 2010, there were 17 retired employees are receiving benefits under this agreement.
- C. The District pays up to \$2,775 per year in healthcare benefits for classified employees who had at least fifteen years of service and had reached age 55 and retired after July 1, 2003. These benefits cease after a maximum of five years or at age 65, whichever comes first. As of June 30, 2010, there were 3 retired employees receiving benefits under this agreement.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 Cod. Sec. P50.108-109. 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 liabilities (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:

| | |
|--|---------------------|
| Annual required contribution | \$ 269,071 |
| Interest on net OPEB obligation | 122,421 |
| Adjustment to annual required contribution | <u>-</u> |
| Annual OPEB cost (expense) | 391,492 |
| Contributions made | <u>(203,875)</u> |
| Increase in net OPEB obligation | 187,617 |
| Net OPEB obligation - beginning of year | <u>2,448,415</u> |
| Net OPEB obligation - end of year | <u>\$ 2,636,032</u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2010 was as follows (dollar amounts in thousands):

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|------------------------------|-----------------------------|---|--------------------------------|
| June 30, 2009 | \$ 269,071 | 75% | \$ 2,448,415 |
| June 30, 2010 | \$ 391,492 | 52% | \$ 2,636,032 |

As of March 20, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$2.4 million, all of which is unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$5.3 million, and the ratio of the UAAL to the covered payroll was 45 percent.

8.6.54

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 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, shown above, 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.

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 March 20, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan on the valuation date, and an annual healthcare cost trend rate of 4.0 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period.

9. JOINT POWERS AGREEMENT

Schools Insurance Group

The District is a member with other school districts of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program for property and liability coverage. The following is a summary of financial information for SIG at June 30, 2010:

| | |
|----------------------|---------------|
| Total assets | \$ 78,249,905 |
| Total liabilities | \$ 28,922,356 |
| Total net assets | \$ 49,327,549 |
| Total revenues | \$ 76,619,585 |
| Total expenses | \$ 72,953,461 |
| Change in net assets | \$ 3,666,124 |

The relationship between the District and the Joint Powers Authority is such that the Joint Powers Authority is not component unit of the District for financial reporting purposes.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

10. CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements of future revenue offsets subsequently determined will not have a material effect on the District's financial position.

11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations for the year ended June 30, 2009 were as follows:

| <u>Fund</u> | <u>Excess Expenditures</u> |
|---------------------|--------------------------------|
| Classified salaries | \$ 102,535 |

This excess is not in accordance with Education Code Section 42600.

Budget revisions for expenditures in excess of budgeted amounts were not made at the end of the fiscal year.

12. SUBSEQUENT EVENTS

The District has reviewed all events occurring from June 30, 2010 through December 9, 2010, the date the financial statements were issued. No subsequent events occurred requiring accrual or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

8.6.57

WESTERN PLACER UNIFIED SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2010

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------------|----------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue limit sources: | | | | |
| State apportionment | \$ 10,719,611 | \$ 9,247,572 | \$ 9,427,572 | \$ 180,000 |
| Local sources | <u>24,357,044</u> | <u>26,101,292</u> | <u>24,901,557</u> | <u>(1,199,735)</u> |
| Total revenue limit | <u>35,076,655</u> | <u>35,348,864</u> | <u>34,329,129</u> | <u>(1,019,735)</u> |
| Federal sources | 2,442,801 | 4,050,100 | 3,572,214 | (477,886) |
| Other state sources | 5,249,072 | 5,731,474 | 6,078,713 | 347,239 |
| Other local sources | <u>4,210,714</u> | <u>4,659,172</u> | <u>3,338,199</u> | <u>(1,320,973)</u> |
| Total revenues | <u>46,979,242</u> | <u>49,789,610</u> | <u>47,318,255</u> | <u>(2,471,355)</u> |
| Expenditures: | | | | |
| Certificated salaries | 24,629,591 | 25,448,123 | 25,296,276 | 151,847 |
| Classified salaries | 6,912,517 | 7,147,998 | 7,250,533 | (102,535) |
| Employee benefits | 9,791,978 | 10,048,051 | 9,861,424 | 186,627 |
| Books and supplies | 2,969,813 | 4,033,648 | 2,415,064 | 1,618,584 |
| Contract services and operating expenditures | 3,978,475 | 4,719,587 | 4,407,379 | 312,208 |
| Capital outlay | 65,000 | 1,241,975 | 828,999 | 412,976 |
| Other outgo | 1,702,591 | 1,634,666 | 1,634,666 | |
| Debt service: | | | | |
| Principal retirement | | 58,039 | 58,039 | |
| Interest | | <u>2,427</u> | <u>2,427</u> | |
| Total expenditures | <u>50,049,965</u> | <u>54,334,514</u> | <u>51,754,807</u> | <u>2,579,707</u> |
| Deficiency of revenues under expenditures | <u>(3,070,723)</u> | <u>(4,544,904)</u> | <u>(4,436,552)</u> | <u>108,352</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | | 93,246 | 873,287 | 780,041 |
| Operating transfers out | <u>(308,383)</u> | <u>(564,608)</u> | <u>(564,608)</u> | |
| Total other financing sources (uses) | <u>(308,383)</u> | <u>(471,362)</u> | <u>308,679</u> | <u>780,041</u> |
| Change in fund balance | (3,379,106) | (5,016,266) | (4,127,873) | 888,393 |
| Fund balance, July 1, 2009 | <u>18,746,312</u> | <u>18,746,312</u> | <u>18,746,312</u> | |
| Fund balance, June 30, 2010 | <u>\$ 15,367,206</u> | <u>\$ 13,730,046</u> | <u>\$ 14,618,439</u> | <u>\$ 888,393</u> |

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

86.58

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SPECIAL RESERVE FOR OTHER THAN CAPITAL OUTLAY PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2010

| | <u>Budget</u> | | | <u>Variance</u> |
|-----------------------------|-----------------|--------------|---------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| Revenues: | | | | |
| Other local sources | | | \$ 3,150 | 3,150 |
| Other (uses): | | | | |
| Operating transfers out | | \$ (370,202) | (780,042) | (409,840) |
| Change in fund balance | | (370,202) | (776,892) | (406,690) |
| Fund balance, July 1, 2009 | \$ 2,346,000 | 2,346,000 | 2,346,000 | |
| Fund balance, June 30, 2010 | \$ - | \$ 1,975,798 | \$ 1,569,108 | \$ (406,690) |

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

8.6.59

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)
FUNDING PROGRESS

For the Year Ended June 30, 2010

| Schedule of Funding Progress | | | | | | | |
|------------------------------|--------------------------|---------------------------|-----------------------------------|---|--------------|-----------------|---|
| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
| 06/30/09 | March 20, 2008 | \$ - | \$ 2,400,000 | \$ 2,400,000 | 0% | \$ 5,300,000 | 45% |
| 06/30/10 | March 20, 2008 | \$ - | \$ 2,400,000 | \$ 2,400,000 | 0% | \$ 5,300,000 | 45% |

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

8.6.60

SUPPLEMENTARY INFORMATION

8.6.61

WESTERN PLACER UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

June 30, 2010

| | Adult Education Fund | Child Development Fund | Cafeteria Fund | Deferred Maintenance Fund | Building Fund | Special Reserve Fund | Capital Facilities Fund | Bond Interest and Redemption Fund | Mello-Roos Debt Service Fund | Total |
|--|----------------------------|------------------------------|-------------------|---------------------------------|------------------|----------------------------|-------------------------------|--|---------------------------------------|--------------|
| ASSETS | | | | | | | | | | |
| Cash in County Treasury | \$ (23,400) | \$ 166,298 | \$ 65,259 | \$ 1,920,602 | \$ 931,477 | \$ 148,035 | \$ 110,385 | \$ 1,006,799 | \$ (2,108) | \$ 4,323,347 |
| Accounts receivable | 22,112 | 21,867 | 134,983 | | 1,345,159 | | | | | 1,524,121 |
| Prepaid expenditures | | | 255 | | | | | | | 255 |
| Due from other funds | 24,485 | | | 256,000 | | | | | 2,108 | 282,593 |
| Total assets | \$ 23,197 | \$ 188,165 | \$ 200,497 | \$ 2,176,602 | \$ 2,276,636 | \$ 148,035 | \$ 110,385 | \$ 1,006,799 | \$ - | \$ 6,130,316 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | \$ 7,952 | \$ 60,114 | \$ 2,015 | | \$ 5,359 | | \$ 50,327 | | | \$ 65,653 |
| Deferred revenue | | 12,593 | 74,144 | | | | | | | 60,114 |
| Due to other funds | 2,730 | | | | | | | | | 89,467 |
| Total liabilities | 10,682 | 72,707 | 76,159 | | 5,359 | | 50,327 | | | 215,234 |
| Fund balances | 12,515 | 115,458 | 124,338 | \$ 2,176,602 | 2,271,277 | \$ 148,035 | 60,058 | \$ 1,006,799 | | 5,915,082 |
| Total liabilities and fund balances | \$ 23,197 | \$ 188,165 | \$ 200,497 | \$ 2,176,602 | \$ 2,276,636 | \$ 148,035 | \$ 110,385 | \$ 1,006,799 | \$ - | \$ 6,130,316 |

8.6.62

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

WESTERN PLACER UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES

ALL NON-MAJOR FUNDS

For the Year Ended June 30, 2010

| | Adult Education Fund | Child Development Fund | Cafeteria Fund | Deferred Maintenance Fund | Building Fund | Special Reserve Fund | Capital Facilities Fund | Bond Interest and Redemption Fund | Mello-Roos Debt Service Fund | Total |
|---|----------------------------|------------------------------|-------------------|---------------------------------|------------------|----------------------------|-------------------------------|--|---------------------------------------|--------------|
| Revenues: | | | | | | | | | | |
| Federal sources | \$ 71,135 | \$ 250,326 | \$ 1,019,156 | | | | | | | \$ 1,090,291 |
| Other state sources | | | 85,621 | | | | | | | 345,947 |
| Other local sources | 33,896 | 2,608 | 737,700 | \$ 33,811 | \$ 91,251 | \$ 3,323 | \$ 450,609 | \$ 1,392,259 | \$ (2,108) | 2,743,349 |
| Total revenues | 105,031 | 262,934 | 1,842,477 | 33,811 | 91,251 | 3,323 | 450,609 | 1,392,259 | (2,108) | 4,179,587 |
| Expenditures: | | | | | | | | | | |
| Certificated salaries | 120,114 | | | | | | | | | 120,114 |
| Classified salaries | 77,939 | | 669,050 | | 91,301 | | 63,357 | | | 901,647 |
| Employee benefits | 60,853 | | 288,435 | | 29,714 | | 29,253 | | | 408,255 |
| Books and supplies | 6,240 | | 661,496 | | 169,589 | 2,460 | 477 | | | 840,262 |
| Contract services and operating expenditures | 809 | 189,937 | 21,381 | 70,496 | 244,053 | | 225,752 | | | 752,428 |
| Capital outlay | | | 59,953 | | 4,050,731 | | | | | 4,110,684 |
| Debt service: | | 26,000 | | | | | | | | |
| Principal retirement | | | | | | | 37,793 | 747,968 | | 811,761 |
| Interest | | | | | | | 1,464 | 602,032 | | 603,496 |
| Total expenditures | 265,955 | 215,937 | 1,700,315 | 70,496 | 4,585,388 | 2,460 | 358,096 | 1,350,000 | | 8,548,647 |
| (Deficiency) excess of revenues (under) over expenditures | (160,924) | 46,997 | 142,162 | (36,685) | (4,494,137) | 863 | 92,513 | 42,259 | (2,108) | (4,369,060) |
| Other financing sources (uses): | | | | | | | | | | |
| Operating transfers in | 117,380 | | | 447,228 | | | | | 2,108 | 566,716 |
| Operating transfers out | (6,508) | (12,593) | (74,144) | | (13,144,434) | | (2,042,746) | | | (15,280,425) |
| Total other financing sources (uses) | 110,872 | (12,593) | (74,144) | 447,228 | (13,144,434) | | (2,042,746) | | 2,108 | (14,713,709) |
| Net change in fund balances | (50,052) | 34,404 | 68,018 | 410,543 | (17,638,571) | 863 | (1,950,233) | 42,259 | | (19,082,769) |
| Fund balances, July 1, 2009 | 62,567 | 81,054 | 56,320 | 1,766,059 | 19,909,848 | 147,172 | 2,010,291 | 964,540 | | 24,997,851 |
| Fund balances, June 30, 2010 | \$ 12,515 | \$ 115,458 | \$ 124,338 | \$ 2,176,602 | \$ 2,271,277 | \$ 148,035 | \$ 60,058 | \$ 1,006,799 | \$ - | \$ 5,915,082 |

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

8.6.63

WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES

ALL AGENCY FUNDS

For the Year Ended June 30, 2010

| | <u>Balance July 1, 2009</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2010</u> |
|----------------------------|-------------------------------------|------------------|-------------------|--------------------------------------|
| Student Body Funds | | | | |
| <u>Lincoln High School</u> | | | | |
| Assets: | | | | |
| Cash on hand and in banks | \$ 129,658 | \$ 501,655 | \$ 496,920 | \$ 134,393 |
| Liabilities: | | | | |
| Due to student groups | \$ 129,658 | \$ 501,655 | \$ 496,920 | \$ 134,393 |
| <u>Middle Schools</u> | | | | |
| Assets: | | | | |
| Cash on hand and in banks | \$ 34,906 | \$ 117,940 | \$ 104,798 | \$ 48,048 |
| Liabilities: | | | | |
| Due to student groups | \$ 34,906 | \$ 117,940 | \$ 104,798 | \$ 48,048 |
| <u>Total Agency Funds</u> | | | | |
| Assets: | | | | |
| Cash on hand and in banks | \$ 164,564 | \$ 619,595 | \$ 601,718 | \$ 182,441 |
| Liabilities: | | | | |
| Due to student groups | \$ 164,564 | \$ 619,595 | \$ 601,718 | \$ 182,441 |

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

8.6.04

WESTERN PLACER UNIFIED SCHOOL DISTRICT

ORGANIZATION

June 30, 2010

Western Placer Unified School District, a political subdivision of the State of California, was established in 1966 and is comprised of an area of approximately 170 square miles located in Placer County. There were no changes in the boundaries of the District during the year. The District currently operates six elementary schools, two middle schools, one high school, one continuation school and one adult school.

GOVERNING BOARD

| <u>Name</u> | <u>Office</u> | <u>Term Expires</u> |
|---------------|----------------|---------------------|
| Paul Carras | President | November 2012 |
| Brian Haley | Vice President | November 2010 |
| Ana Stevenson | Clerk | November 2010 |
| Paul Long | Member | November 2012 |
| Terry Gage | Member | November 2010 |

ADMINISTRATION

Scott Leaman
Superintendent

Mary Boyle
Deputy Superintendent, Educational Services

Joyce Lopes
Assistant Superintendent, Business Services

Cathy Allen
Assistant Superintendent, Facilities and Maintenance Services

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2010

| | <u>Second Period Report</u> | <u>Annual Report</u> |
|-----------------------------------|-------------------------------------|--------------------------|
| Elementary: | | |
| Kindergarten | 576 | 578 |
| First through Third | 1,642 | 1,644 |
| Fourth through Eighth | 2,382 | 2,374 |
| Home and Hospital | 2 | 2 |
| Special Education | <u>84</u> | <u>84</u> |
| Total Elementary | <u>4,686</u> | <u>4,682</u> |
| Secondary: | | |
| Regular Classes | 1,347 | 1,337 |
| Special Education | 44 | 44 |
| Compulsory Continuation Education | 76 | 75 |
| Home and Hospital | <u>2</u> | <u>2</u> |
| Total Secondary | <u>1,469</u> | <u>1,458</u> |
| | <u><u>6,155</u></u> | <u><u>6,140</u></u> |

See accompanying notes to
supplementary information.

8.6.66

WESTERN PLACER UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

For the Year Ended June 30, 2010

| <u>Grade Level</u> | <u>1986-87 Minutes Require- ment</u> | <u>1982-83 Actual Minutes</u> | <u>2009-10 Actual Minutes</u> | <u>Number of Days Traditional Calendar</u> | <u>Status</u> |
|--------------------|--|---------------------------------------|---------------------------------------|--|---------------|
| Kindergarten | 36,000 | 31,680 | 36,000 | 180 | In Compliance |
| Grade 1 | 50,400 | 44,494 | 55,000 | 180 | In Compliance |
| Grade 2 | 50,400 | 44,494 | 55,000 | 180 | In Compliance |
| Grade 3 | 50,400 | 44,494 | 54,700 | 180 | In Compliance |
| Grade 4 | 54,000 | 53,621 | 54,100 | 180 | In Compliance |
| Grade 5 | 54,000 | 53,621 | 54,100 | 180 | In Compliance |
| Grade 6 | 54,000 | 53,621 | 60,860 | 180 | In Compliance |
| Grade 7 | 54,000 | 53,621 | 60,860 | 180 | In Compliance |
| Grade 8 | 54,000 | 53,621 | 60,860 | 180 | In Compliance |
| Grade 9 | 64,800 | 59,932 | 65,520 | 180 | In Compliance |
| Grade 10 | 64,800 | 59,932 | 65,520 | 180 | In Compliance |
| Grade 11 | 64,800 | 59,932 | 65,520 | 180 | In Compliance |
| Grade 12 | 64,800 | 59,932 | 65,520 | 180 | In Compliance |

See accompanying notes to
supplementary information.

8.6.67

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2010

| <u>Federal Catalog Number</u> | <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Pass- Through Entity Identifying Number</u> | <u>Federal Expend- itures</u> |
|---|---|--|---------------------------------------|
| <u>U.S. Department of Education - Passed through California Department of Education</u> | | | |
| | Special Education Cluster: | | |
| 84.027 | Special Ed IDEA: Basic and Local Assistance Entitlement, Part B, Sec 611 (Formerly 94-142) | 13379 | \$ 1,020,919 |
| 84.027A | Special Ed IDEA: Preschool Local Entitlement, Part B, Sec 611 (Age 3-5) | 13682 | 100,095 |
| 84.173 | Special Ed: IDEA Preschool Grants, Part B, Sec 619 | 13430 | 32,863 |
| 84.391 | Special Ed: ARRA IDEA, Part B, Sec 611, Basic Local Assistance | 15003 | 601,131 |
| 84.392 | Special Ed: ARRA IDEA Preschool Grants, Part B, Sec 619, Preschool Grants | 15000 | 43,648 |
| 84.391 | Special Ed: ARRA IDEAs, Part B, Sec 611, Preschool Local Entitlement | 15002 | <u>91,112</u> |
| | Subtotal Special Education Cluster | | <u>1,889,768</u> |
| 84.010 | NCLB: Title I, Part A, Basic Grants Low-Income and Neglected | 14329 | 664,027 |
| 84.394 | ARRA: State Fiscal Stabilization Fund | 25008 | 1,931,442 |
| 84.365 | Title III, Limited English Proficiency | 10084 | 65,588 |
| 84.365 | NCLB: Title III, Immigrant Education Program | 14346 | 3,436 |
| 84.367 | NCLB: Title II, Part A, Improving Teacher Quality Local Grants | 14341 | 140,426 |
| 84.386 | NCLB: Title II, Part D, Enhancing Education Through Technology (EETT), Formula Grants | 4047 | 10,968 |
| 84.186 | NCLB: Title IV, Safe and Drug Free Schools and Communities, Formula Grants | 14347 | 4,891 |
| 84.158 | Department of Rehabilitation Workability II, Transitions Partnership | 10006 | 71,135 |
| 84.318 | NCLB: Title II, Part D, Enhancing Education Through Technology, Formula Grant | 14334 | 3,766 |
| 84.048 | Vocational Education Basic Grants to States | 13920 | 23,979 |
| 97.778 | Department of Health Care Services (DHCS): Medi-Cal Billing Option | 5640 | 36,703 |
| 84.287 | NCLB: Title IV, Part B, 21st Century Community Learning Centers Program | 14349 | 24,646 |
| 84.330B | NCLB: Title I, Part G, Advanced Placement Test Fee Reimbursement Program | 14831 | <u>328</u> |
| | Total U.S. Department of Education | | <u>4,871,103</u> |

(Continued)

8,668

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
(Continued)
For the Year Ended June 30, 2010

| <u>Federal Catalog Number</u> | <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Pass- Through Entity Identifying Number</u> | <u>Federal Expend- itures</u> |
|---|--|--|---------------------------------------|
| <u>U.S. Department of Agriculture - Passed through California</u> | | | |
| <u>Department of Education</u> | | | |
| 10.553 | Especially Needy School Breakfast | 13526 | \$ 173,002 |
| 10.555 | National School Lunch | 13523 | <u>846,154</u> |
| | Total U.S. Department of Agriculture | | <u>1,019,156</u> |
| | Total Federal Awards | | <u>\$ 5,890,259</u> |

See accompanying notes to
supplementary information.

8.6.69

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2010

There were no audit adjustments proposed to any funds of the District.

See accompanying notes to
supplementary information.

8.6.70

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

For the Year Ended June 30, 2010

| | (Budget) 2011 | 2010 | 2009 | 2008 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>General Fund</u> | | | | |
| Revenues and other financing sources | \$ 45,803,954 | \$ 48,191,542 | \$ 52,298,909 | \$ 45,532,618 |
| Expenditures | 51,223,595 | 51,754,807 | 48,894,484 | 46,332,193 |
| Other uses and transfers out | <u>113,218</u> | <u>564,608</u> | <u>4,983,441</u> | <u>203,199</u> |
| Total outgo | <u>51,336,813</u> | <u>52,319,415</u> | <u>53,877,925</u> | <u>46,535,392</u> |
| Change in fund balance | <u>\$ (5,532,859)</u> | <u>\$ (4,127,873)</u> | <u>\$ (1,579,016)</u> | <u>\$ (1,002,774)</u> |
| Restatement | | | | \$ 17,776,287 |
| Ending fund balance | <u>\$ 9,085,580</u> | <u>\$ 14,618,439</u> | <u>\$ 18,746,312</u> | <u>\$ 20,325,328</u> |
| Available reserves | <u>\$ 4,632,702</u> | <u>\$ 9,247,328</u> | <u>\$ 16,213,794</u> | <u>\$ 1,087,607</u> |
| Designated for economic uncertainties | <u>\$ 2,566,841</u> | <u>\$ 2,611,308</u> | <u>\$ 1,613,519</u> | <u>\$ 1,087,607</u> |
| Undesignated fund balance | <u>\$ 2,065,861</u> | <u>\$ 6,636,020</u> | <u>\$ 14,600,275</u> | <u>\$ -</u> |
| Available reserves as percentages of total outgo | <u>9.0%</u> | <u>17.8%</u> | <u>30.1%</u> | <u>2.3%</u> |
| <u>All Funds</u> | | | | |
| Total long-term liabilities | <u>\$ 159,795,474</u> | <u>\$ 161,690,567</u> | <u>\$ 159,408,076</u> | <u>\$ 155,860,943</u> |
| Average daily attendance at P-2, excluding Adult Education and Charter School | <u>6,234</u> | <u>6,155</u> | <u>6,090</u> | <u>5,827</u> |

The General Fund fund balance has decreased by \$6,709,663 over the past three years. The District anticipates incurring an operating loss during the 2010-2011 fiscal year. The fiscal year 2010-2011 budget projects a decrease of \$5,532,859. For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses. For the year ended June 30, 2010, the District met this requirement.

Total long-term liabilities have increased by \$5,829,624 over the past two years.

Average daily attendance has increased by 328 over the past two years. The District anticipates an increase of 79 ADA for the 2010-2011 fiscal year.

See accompanying notes to
supplementary information.

8.6.71

WESTERN PLACER UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

For the Year Ended June 30, 2010

| <u>Charter Schools Chartered by District</u> | <u>Included in District Financial Statements, or Separate Report</u> |
|--|--|
| Horizon Charter School | Separate report |

See accompanying notes to
supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION

1. PURPOSE OF SCHEDULES

A - Schedule of Average Daily Attendance

Average daily attendance 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.

B - 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 46201 through 46206.

C - Schedule of Expenditure of Federal Awards

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with A-133 requirements, and is presented on the modified accrual basis of accounting.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Fund Balances and the related expenditures reported on the Schedule of Expenditure of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2010.

| <u>Description</u> | <u>CFDA Number</u> | <u>Amount</u> |
|---|------------------------|---------------------|
| Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances | | \$ 4,662,505 |
| Add: State Fiscal Stabilization Funds spent from prior year awards | 84.394 | 1,270,489 |
| Less: Medi-Cal Billing Funds not spent | 93.778 | <u>(42,735)</u> |
| Total Schedule of Expenditure of Federal Awards | | <u>\$ 5,890,259</u> |

WESTERN PLACER UNIFIED SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION

(Continued)

1. PURPOSE OF SCHEDULES (Continued)

D - Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

E - Schedule of Financial Trends and Analysis

This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2009-2010 fiscal year, as required by the State Controller's Office.

F - Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

2. EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2010, the District did not adopt this program.

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Board of Education
Western Placer Unified School District
Lincoln, California

We have audited the compliance of Western Placer Unified School District with the types of compliance requirements described in the State of California's *Standards and Procedures for Audits of California K-12 Local Educational Agencies* (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2010. Compliance with the requirements of state laws and regulations is the responsibility of Western Placer Unified School District's management. Our responsibility is to express an opinion on Western Placer Unified 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 the State of California's *Standards and Procedures for Audits of California K-12 Local Educational Agencies*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed below occurred. An audit includes examining, on a test basis, evidence about Western Placer Unified 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 Western Placer Unified School District's compliance with those requirements.

| <u>Description</u> | <u>Audit Guide Procedures</u> | <u>Procedures Performed</u> |
|---|-----------------------------------|---------------------------------|
| Regular and Special Day Classes | 8 | Yes |
| Independent Study | 23 | No, see below |
| Continuation Education | 10 | Yes |
| Instructional Time: | | |
| School Districts | 6 | Yes |
| County Offices of Education | 3 | No, see below |
| Instructional Materials: | | |
| General requirements | 12 | Yes |
| Grades K-8 | 1 | Yes |
| Grades 9-12 | 1 | Yes |
| Ratio of Administrative Employees to Teachers | 1 | Yes |
| Classroom Teacher Salaries | 1 | Yes |
| Early Retirement Incentive Program | 4 | No, see below |
| Gann Limit Calculation | 1 | Yes |
| School Accountability Report Card | 3 | No, see below |
| Class Size Reduction Program: | | |
| General requirements | 7 | Yes |
| Option one classes | 3 | Yes |
| Option two classes | 4 | No, see below |
| Districts with only one school serving K-3 | 4 | No, see below |
| After School Education and Safety Program: | | |
| General requirements | 4 | Yes |
| After school | 4 | Yes |
| Before school | 5 | No, see below |
| Contemporaneous Records of Attendance, for charter schools | 1 | No, see below |

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**
(Continued)

| <u>Description</u> | <u>Audit Guide Procedures</u> | <u>Procedures Performed</u> |
|---|-----------------------------------|---------------------------------|
| Mode of Instruction, for Charter Schools | 1 | No, see below |
| Nonclassroom-Based Instruction/Independent Study, for charter schools | 15 | No, see below |
| Determination of Funding for Nonclassroom-Based Instruction, for charter schools | 3 | No, see below |
| Annual Instructional Minutes - Classroom-Based, for charter schools | 3 | No, see below |

We did not perform testing for Independent Study because the ADA was under the level which required testing.

We did not perform any procedures related to Instructional Time for County Offices of Education because the District is not a County Office of Education.

We did not perform any procedures related to the Early Retirement Incentive Program because the District did not offer this program in the current year.

The 2009-2010 School Accountability Report Cards specified by Education Code Section 33126 are not required to be completed, nor were they completed, prior to the completion of our audit procedures for the year ended June 30, 2010. Accordingly, we could not perform the portions of audit steps (a), (b) and (c) of Section 19837 of the 2009-2010 Audit Guide relating to the comparison of tested data from the 2009-2010 fiscal year to the 2009-2010 School Accountability Report Cards.

We did not perform procedures related to Class Size Reduction Program - Option Two Classes and Districts with only one school serving K-3, because the District does not offer Option Two and the District has more than one school servicing K-3.

We did not perform procedures related to the After School Education and Safety Program - Before School, as the District does not operate a before school program.

We did not perform procedures for the charter school section because the only charter school sponsored by the District has a separate report.

In our opinion, Western Placer Unified School District complied with the state laws and regulations referred to above for the year ended June 30, 2010. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Western Placer Unified School District had not complied with the state laws and regulations.

8.6.76

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS
(Continued)

This report is intended solely for the information of the Board of Education, management, the State Controller's Office, the California Department of Education and the California Department of Finance, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Perry-Smith LP

Sacramento, California
December 9, 2010

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

Board of Education
Western Placer Unified School District
Lincoln, California

We have audited the financial statements of Western Placer Unified School District as of and for the year ended June 30, 2010, and have issued our report thereon dated December 9, 2010. 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 Western Placer Unified School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Placer Unified School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Western Placer Unified School District's internal control over financial reporting.

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.

Compliance and Other Matters

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

**INDEPENDENT AUDITOR'S 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**

(Continued)

Compliance and Other Matters (Continued)

Western Placer Unified School District's responses to the findings identified in our audit are included in the accompanying Schedule of Audit Findings and Questioned Costs. We did not audit the District's responses and, accordingly, express no opinion on them.

This report is intended solely for the information of the Board of Education, management, the California Department of Education, the California State Controller's Office and 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. However, this report is a matter of public record and its distribution is not limited.

Perry-Smith LLP

Sacramento, California
December 9, 2010

8.6.79

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

Board of Education
Western Placer Unified School District
Lincoln, California

Compliance

We have audited the compliance of Western Placer Unified School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Western Placer Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Audit Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Western Placer Unified School District's management. Our responsibility is to express an opinion on Western Placer Unified 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 Western Placer Unified 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 on Western Placer Unified School District's compliance with those requirements.

In our opinion, Western Placer Unified School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

(Continued)

Internal Control Over Compliance (Continued)

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 over compliance 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 of the Board of Education, management, the California Department of Education, the California State Controller's Office and 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. However, this report is a matter of public record and its distribution is not limited.

Perry-Smith UR

Sacramento, California
December 9, 2010

8.6.81

FINDINGS AND RECOMMENDATIONS

8.6.82

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

| | | |
|--|-----------|----------------------------|
| Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ Yes | <u> X </u> None reported |

Noncompliance material to financial statements noted?

| | |
|-----------|-----------------|
| _____ Yes | <u> X </u> No |
|-----------|-----------------|

FEDERAL AWARDS

Internal control over major programs:

| | | |
|--|-----------|----------------------------|
| Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ Yes | <u> X </u> None reported |

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

| | |
|-----------|-----------------|
| _____ Yes | <u> X </u> No |
|-----------|-----------------|

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|---|---|
| 84.027, 84.027A, 84.173, 84.391 84.392, 84.391 84.010 | Special Education Cluster NCLB: Title I, Part A, Basic Grants Low-Income and Neglected |
| 84.394 10.555, 10.553 | ARRA: State Fiscal Stabilization Funds Child Nutrition Cluster |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?

| | |
|-----------|-----------------|
| _____ Yes | <u> X </u> No |
|-----------|-----------------|

STATE AWARDS

Internal control over state programs:

| | | |
|--|-----------|----------------------------|
| Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | _____ Yes | <u> X </u> None reported |

Type of auditor's report issued on compliance for state programs: Unqualified

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

1. ASSOCIATED STUDENT BODY (3000)

Criteria

Internal Controls- Safeguarding of Assets and Segregation of Duties

Condition

At Lincoln High School:

- Sub-receipt books are optional and record keeping of cash receipts is not maintained in a central location.
- The ASB does not issue receipts for all fundraising transactions
- The ASB does not require that a detailed schedule to support cash receipts be submitted with the cash being deposited at the Administrative Office.
- Copies of checks issued are not maintained
- There is no evidence documenting that revenue-producing activities are approved by the student council, site principal and school district.

Effect

There exists the risk that ASB funds could potentially be misappropriated.

Cause

The internal controls have not been implemented.

Fiscal Impact

Not determinable.

Recommendation

- Sub-receipts should be used for all sales and maintained in a central location.
- Receipts should be issued for all fundraising transactions.
- Receipts or detailed schedules defining the number of items receipted listing the unit price per item should be submitted to support the total cash receipts being deposited.
- Copies of all checks issued should be maintained.
- All revenue-producing activities should be approved by the student council, site principal and school district and be reflected in the student council minutes

Corrective Action Plan

District staff continues to work with the Associated Student Body advisors and volunteers to implement internal controls. A committee consisting of Business Office staff, site staff and ASB advisors have met quarterly for the past year to develop and implement district-wide policies and procedures for all ASB organizations. This will aid in assuring strong internal controls are in place and followed for every ASB event.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS
(Continued)

2. INTERNAL CONTROLS - CASH (30000)

Criteria

Internal Controls- Safeguarding of Assets

Condition

Cash receipts collected at the school sites are not being counted in dual custody during the reconciliation of the cash in drawers to the daily site sales.

Effect

There exists the risk funds could potentially be misappropriated.

Cause

Internal control over cash management has not been implemented to ensure that all cash collected is being counted in dual custody prior to deposit of funds.

Fiscal Impact

Not determinable.

Recommendation

The District should implement controls at individual school sites to ensure all cafeteria cash collected for deposit is counted by two individuals to verify funds are properly accounted for.

Corrective Action Plan

The Food Service Director has developed a procedure for cash management that includes dual custody over all cash prior to deposit. He will incorporate this procedure into the Food Service Handbook and train all food service site staff in January 2011.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS
(Continued)

3. INTERNAL CONTROLS - VACATION ACCRUAL (3000)

Criteria

Internal Controls- Safeguarding of Assets

Condition

The District has not prevented employees from exceeding the maximum vacation accrual as defined by the District policy.

Effect

The potential exists for the accrued vacation liability to exceed the District's available reserves.

Cause

The District continues to accrue vacation for employees who exceed the maximum allowable hours as defined by the Board Policy.

Fiscal Impact

The District recorded \$47,447 in accruals that exceed the maximum allowed.

Recommendation

The District should put procedures in place to ensure vacation accruals are not exceeded.

Corrective Action Plan

Site principals and other managers, with the assistance of the Personnel Department, will hold individual meetings with all employees who have vacation accrual in excess of the contractual limits. The supervisors will set forth a specific plan for how the employee will utilize vacation leave during 2010-11 in order to ensure that the employee does not carry over excess leave in the subsequent fiscal year for 2011-2012.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2010

SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2010

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

8.6.89

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2010

| <u>Finding/Recommendation</u> | <u>Current Status</u> | <u>District Explanation If Not Implemented</u> |
|---|------------------------|--|
| <p>2009-1</p> <p>A student was marked absent on the class attendance roster and marked present on the site summary of attendance report, used for P-2.</p> <p>We recommend: Effective internal control procedures should be put in place to ensure that manual attendance rosters are accurately reflected in the electronic attendance system.</p> | Implemented. | |
| <p>2009-2</p> <p>At Lincoln High School: Sub-receipt books are optional and record keeping of cash receipts is not maintained in a central location.</p> <p>The ASB does not issue receipts for all fundraising transactions.</p> <p>The ASB does not maintain any evidence that cash receipts are counted in dual custody.</p> <p>The ASB does not require that a detailed schedule to support cash receipts be submitted with the cash being deposited at the Administrative Office.</p> <p>Copies of checks issued are not maintained.</p> <p>There is no evidence documenting that revenue-producing activities are approved by the student council, site principal and school district.</p> <p>At Twelve Bridges Middle School: Sub-receipt books are not used for sales.</p> <p>We recommend: Lincoln High School: Sub-receipts should be used for all sales and maintained in a central location.</p> <p>Receipts should be issued for all fundraising transactions.</p> | Partially implemented. | See current year finding #1. |

8.6.90

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2010

| <u>Finding/Recommendation</u> | <u>Current Status</u> | <u>District Explanation If Not Implemented</u> |
|--|-----------------------|--|
| <p>2009-2 (Continued)</p> <p>All cash collections should be counted in dual custody and there should be signatures indicating this evident on the cash receipts form.</p> <p>Receipts or detailed schedules defining the number of items receipted listing the unit price per item should be submitted to support the total cash receipts being deposited.</p> <p>Copies of all checks issued should be maintained.</p> <p>All revenue-producing activities should be approved by the student council, site principal and school district and be reflected in the student council minutes.</p> <p>Twelve Bridges Middle School: Sub-receipts should be used for all sales.</p> | | |
| <p>2009-3</p> <p>The final warrant register does not show evidence that the register is reconciled with the prelist.</p> <p>We recommend: The District should formally review and compare the final warrant register to the prelist, prior to disbursement of cash. The total of the final warrant register should be compared to the total of the approved prelist and if the totals agree, the final warrant register should be signed as evidence that it was reviewed.</p> | Implemented. | |
| <p>2009-4</p> <p>There is not evidence that the District reviews Placer County Office of Education (PCOE) journal entries.</p> | Implemented. | |

6.6.91

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
(Continued)
Year Ended June 30, 2010

| <u>Finding/Recommendation</u> | <u>Current Status</u> | <u>District Explanation If Not Implemented</u> |
|---|-----------------------|--|
| 2009-4 (Continued) | | |
| <p>We recommend: The District should review all PCOE journal entries. The review should consist of an employee in the District comparing the PCOE journal entry to supporting documentation ensuring that the support agrees to the journal entry.</p> | | |
| 2009-5 | Implemented. | |
| <p>Funds for developer fees are collected by the Facilities Office, and then sent by courier to the Business Office to be deposited. The Business Office does not have a procedure to ensure that all developer fees collected by the Facilities Office have been sent to the Business Office.</p> <p>We recommend: The developer fee log maintained at the Facilities Office should be periodically reconciled to the deposits. Fees are logged into the developer fee log (an Excel spreadsheet) as received. A copy of this log could be submitted with the checks to be deposited. After the deposit is made, the independent person reviewing the journal entry for the deposit should compare and reconcile the log to the amount deposited.</p> | | |
| 2009-6 | Not implemented. | See current year finding #3. |
| <p>The District has not prevented employees from exceeding the maximum vacation accrual as defined by the District policy.</p> <p>We recommend: The District should put procedures in place to ensure vacation accruals are not exceeded.</p> | | |

8.6.92

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

Rockwell Ranch

AGENDA ITEM AREA:

Information/Discussion

REQUESTED BY:

Scott Leaman

ENCLOSURES:

Yes

DEPARTMENT:

District Office

FINANCIAL INPUT/SOURCE:

None

MEETING DATE:

January 4, 2011

ROLL CALL REQUIRED:

No

BACKGROUND:

The district was approached by Caltrans to acquire a 500 acre parcel of land north of the Lincoln High School Farm known as the Rockwell Ranch. The ranch is fully mitigated and will have an endowment assigned to the property from Caltrans. At a meeting with LHSF teachers, it was established that ownership of the property had to meet educational, financial, and liability criteria to move forward.

Educational – The property allows for the expansion of the farm at the teachers fully support the district obtaining the property for educational purposes

Financial – Caltrans will assign an endowment for the property, but the district will not be allowed to retain the funds as they must be held by a second party with a conservation easement.

Wildlife Heritage Foundation is willing to hold the funds, and the district will not be allotted funds beyond management fees on a yearly basis which must be requested from the foundation.

Liability – Because the district will own the property, all liability is assigned to the district.

RECOMMENDATION:

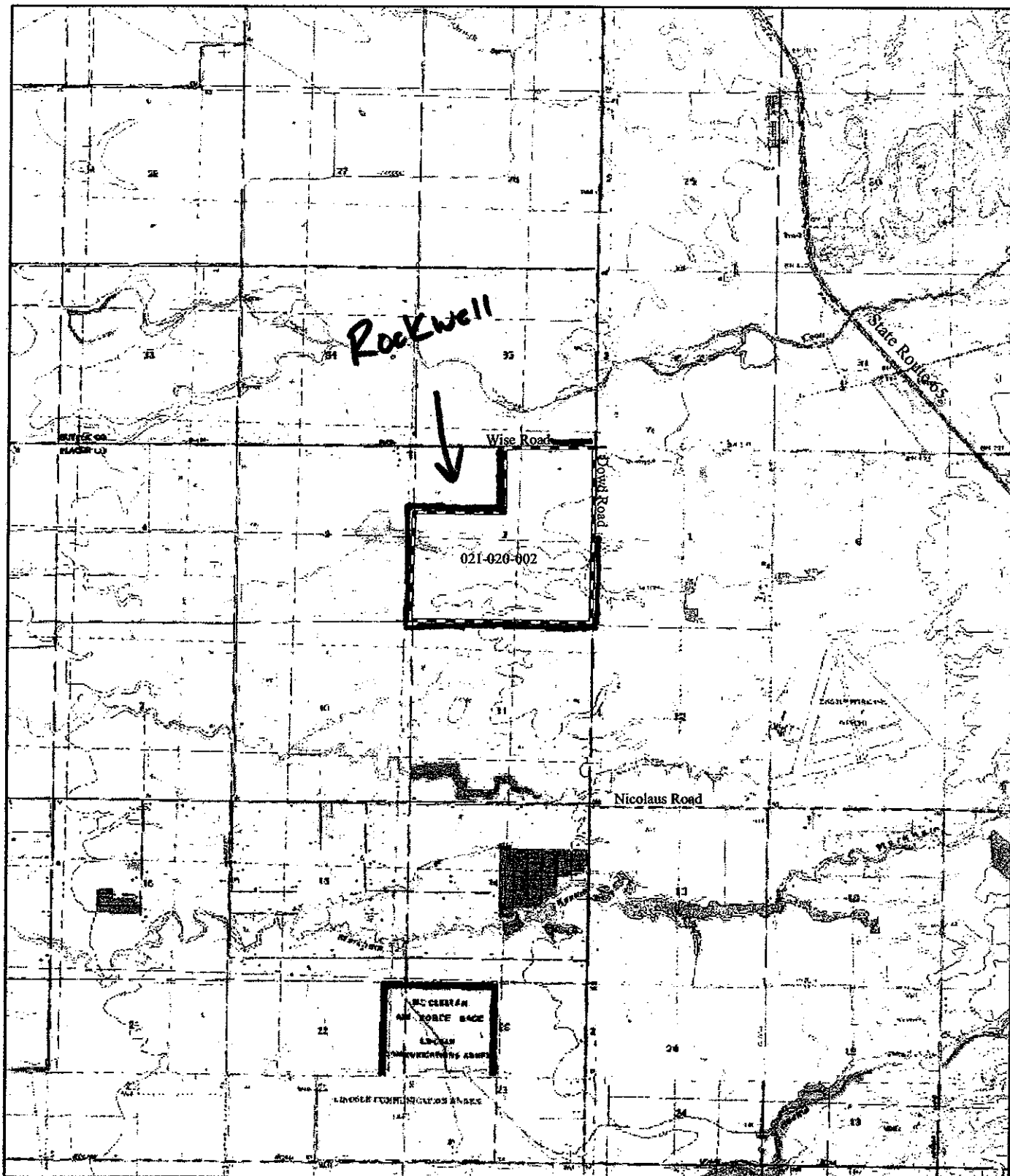
Discuss the Rockwell Property.

Rockwell



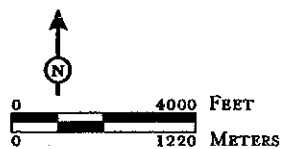
Farm


8.7.1



LSA

FIGURE 2



Legend
 Study Area

8.7.2
 Rockwell Preserve
 Preserve Vicinity

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEE MEETING FACT SHEET**

| | |
|---|---|
| MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World. | |
| DISTRICT GLOBAL GOALS | |
| 1. | Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students |
| 2. | Foster a safe, caring environment where individual differences are valued and respected. |
| 3. | Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness. |
| 4. | Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students. |
| 5. | Promote student health and nutrition in order to enhance readiness for learning. |

SUBJECT:
Lincoln High School Farm Deed Restriction

AGENDA ITEM AREA:
Discussion

REQUESTED BY:
Scott Leaman
Superintendent

ENCLOSURES:
Yes

DEPARTMENT:
District Office

FINANCIAL INPUT/SOURCE:
General Fund

MEETING DATE:
January 4, 2011

ROLL CALL REQUIRED:
No

BACKGROUND:

Discussions of the implementation of resolution #09/10.24 (attached) are ongoing with the Farm Foundation. A variety of options have been gathered and will be discussed.

Board discussion will be shared with the Farm Foundation.

RECOMMENDATION:

Discuss options on deed restrictions at the Lincoln High School Farm.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

Resolution No. 09/10.24

**A RESOLUTION OF THE GOVERNING)
BOARD OF THE WESTERN PLACER)
UNIFIED SCHOOL DISTRICT - A)
RESOLUTION OF INTENTION)
REGARDING THE CONTINUED)
USE OF THAT PROPERTY KNOWN)
AS THE LINCOLN HIGH SCHOOL)
FARM)**

The following **RESOLUTION** was duly passed and adopted by the Board of Trustees of the above entitled district at a regular meeting held the 22nd day of June 2010

It is hereby certified the following to be a full, true, and correct copy of a resolution adopted by the Western Placer Unified School District Board of Trustees. Signed and approved after its passage.

WHEREAS, in January 1974, THE DEPARTMENT OF DEFENSE ("DOD") and the WESTERN PLACER UNIFIED SCHOOL DISTRICT entered into an agreement ("the Agreement") allowing the District to utilize the TWO HUNDRED AND EIGHTY (280) acres of property located to the west of the City of Lincoln, Placer County, California ("the Farm property"); and

WHEREAS, pursuant to the terms of the Agreement between DOD and the District, DOD transferred title to the Farm property to the District upon termination of the Agreement in January, 2004.

WHEREAS, the LINCOLN HIGH SCHOOL FARM FOUNDATION was formed in 1982 for the purpose supporting educational opportunities on the Farm property and to work with the District to provide such opportunities to the students of the District; and

WHEREAS, the Farm property is currently being operated and maintained as California's largest high school farm; and

WHEREAS, the District, in accordance and in furtherance of the wishes of the community, for a period of THIRTY (30) years from the date of this RESOLUTION the Farm, as identified above, shall be utilized continuously for educational purposes conforming to the program and plan as set forth in the original Agreement.

8.8.1

NOW THEREFORE, BE IT RESOLVED by the Trustees of the Western Placer Unified School District that the District's intention regarding the Farm property shall be as follows:

1. For a period of THIRTY (30) years and the extent legally possible, the District's use of the Farm shall be restricted by the terms of use as stated in the original Agreement;
2. The District shall continue to meet with the Farm Foundation maintaining the Farm property for educational purposes;
3. All of the described property will be maintained for educational purposes including, at a future date, sixty (60) acres for a high school;
4. The intent and goals of this RESOLUTION shall be:
 - a. Ensure the Farm is held and used for educational purposes by Lincoln High School and other educational institutions.
 - b. The continued use of the Farm be agreeable to the goals, rules, terms, and conditions stated in the original agreement, to the extent legally possible.
 - c. Support the intentions of the District to place a comprehensive high school at the school farm.
 - d. The terms of this resolution supersede and satisfy the Western Placer Unified School District resolution 03/04.22.


NOW THEREFORE, BE IT FURTHER RESOLVED, that the District Superintendent is hereby authorized and directed to take all actions reasonable and necessary to effectuate the terms of the RESOLUTION, up to and including modification of the title and deed for the property.

Ayes: Stevenson, Haley, Long, Carras

Noes:

Abstain:

Absent: Gage


Paul Carras, Board President

ATTEST:


Ana Stevenson, Clerk

8.8.2

GIRARD EDWARDS & HANCE

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DAVID W. GIRARD
HEATHER M. EDWARDS
BENJAMIN A. HANCE

Of Counsel
L. THOMAS NEWCOMB

To: Scott Leaman, Superintendent
Western Placer Unified School District

From: David Girard

Date: October 7, 2010

Subject: Western Placer Unified School District "District" Farm Property

1. In 1974, by Agreement, the U.S. Department of Defense "DOD" allowed the District to use 280 acres of DOD property, "Farm Property", for District classes and activities related to farming.
2. Subsequently in 2004 DOD transferred title to the Farm Property to the District.
3. At all relevant times the District used the Farm Property to conduct classes and activities related to farming.
4. At all relevant times a local Farm Foundation existed which supported District Farm Property activities.
5. At all relevant times the District cooperated with and coordinated its Farm Property activities in concert with the Farm Foundation.
6. On June 22, 2010, the District Governing Board passed a Resolution for the purpose of, among other things, making clear the Board's intent to continue use of the Farm Property for Farm educational purposes, "Farm Property Resolution."

Issues:

- I. What further District action is required in order to implement the Farm Property Resolution?
- II. May the District record the Farm Property Resolution as an encumbrance on the title?
- III. What would be the effect of recording the Farm Property Resolution?

Conclusion:

- I. No further District action is required in order to implement the Farm Property Resolution.
- II. While not entirely clear, it would seem that the District may record the Farm Property Resolution.
- III. While not entirely clear, it may be that recordation of Farm Property Resolution would result in restricting use of the Farm Property.

8.8.3

Discussion:

I. The District Farm Property Resolution Is Self-Executing And Requires No Further Action Of The District In Order To Be Effective

- A. The Farm Property Resolution is an expression of Board intent which, arguably could be changed if, in fact, the District received no consideration (value) for the Board's expression of intent, which I understand to be the case.
- B. My understanding is that the District has not entered into any contract with any party restricting the use of the Farm Property. Rather, the District agreed to restrict Farm Property use in order to garner public support from the Farm Foundation and alleviate public fears that the District had plans to use the Farm Property for other than farm related purposes, e.g. a comprehensive high school. As such, the expression of Board intent may be viewed as simply that – intent.

On the other hand, the wording of the Resolution may give rise to a claim that the Resolution is more than a mere expression of intent in that the District Superintendent is authorized and directed to take all actions "up to and including modification of the title and deed for the property."

II. The District Probably May Record The Farm Property Resolution As An Encumbrance On The Title

Generally, any instrument affecting title of real property may be recorded. Gov C § 27280(a). Here, the Resolution may be viewed as creating a duty on the part of the District thus making it a proper subject for recordation. Gov C § 27200 et seq.

III. Recordation Could Restrict Future Farm Property Usage

Recordation would constitute substantial evidence that the Board's Resolution was more than a mere expression of Board intent. It would tend to show the Board desired to encumber the title thus perhaps restricting the Board's ability to change its mind regarding use of the Farm Property different than that contemplated in the Resolution.

8.8.4