BUCKEYE UNION SCHOOL DISTRICT

# AGENDA

**REGULAR MEETING**
**OF THE BOARD OF TRUSTEES**
**BUCKEYE UNION SCHOOL DISTRICT**

*DISTRICT VISION STATEMENT*
*Working together with families, the community, and a highly qualified staff, the Buckeye Union School District ensures that each student masters the knowledge and skills needed to maximize his/her academic and personal success in a global society.*

**Wednesday, January 16, 2019**
**Room: District Office Board Room**

**No Closed Session**
**Open Session – 7:00 p.m.**

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. APPROVAL OF AGENDA

V. PUBLIC COMMENTS

VI. PRESENTATIONS

1. Curriculum Update: Patty Randolph
2. Blackboard Parent App Demonstration

VII. REPORTS

1. Budget Update: Jackie McHaney
2. Association Reports: BTA/CSEA
3. California Montessori Project Charter School Report: Kim Zawilski
4. Rising Sun Montessori Charter School Report: Karl Zierhut
5. Clarksville Charter School Report: Julie Haycock
6 Reports and Requests by Board Members
7. Enrollment Report: Jackie McHaney
8. Superintendent's Report: Dr. David Roth

## VIII. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the Board to be routine and will be enacted by the Board in one motion. There will be no discussion on these items prior to the time the Board votes on the motion unless members of the Board, staff, or public request specific items to be discussed and/or removed from the Consent Agenda. If items are pulled for discussion, a separate vote will occur on the item(s). The Superintendent and staff recommend approval of all Consent Agenda items.

1. Summary Report of Warrants
2. Minutes of the Special Meeting, December 12, 2018
3. Minutes of the Regular Meeting, December 12, 2018
4. Personnel Update
5. 2018/2019 School Accountability Report Cards: Blue Oak Elementary, Charter Montessori Valley View Campus, Buckeye Elementary, Mandarin Immersion Charter School, Oak Meadow Elementary, Silva Valley Elementary, William Brooks Elementary, Camerado Springs Middle and Rolling Hills Middle

## IX. REVIEW & ACTION ITEMS

1. Authorization to Grant Public Service Easement and Temporary Construction Easement to the El Dorado County Department County Department of Transportation at the Blue Oak Elementary School

   *(Brian McCahon, Director of Facilities)*

2. Board Acceptance of the Annual Audit Report for the Year Ending June 30, 2018

   *(Jackie McHaney, Asst. Superintendent)*

3. Accept the Measure K Bond Building Fund Annual Performance Audit Report for the Year Ending June 30, 2018

   *(Jackie McHaney, Asst. Superintendent)*

## X. NEXT MEETING

- Wednesday, February 6, 2019; 7:00 p.m.

## XI. ADJOURNMENT

Any writings or documents that are public records and are provided to a majority of the governing board regarding a open session item on this agenda will be made available for public inspection in the District Office located at 5049 Robert J. Mathews Parkway, El Dorado Hills, CA 95762 during normal business hours.
Individuals who require special accommodation (American Sign Language interpreter, accessible seating, documentation in accessible formats, etc.) should contact the Superintendent at least two days before the meeting date.

**JANUARY 2019**

| | Buckeye Elem. | Blue Oak Elem. | Valley View | William Brooks | Silva Valley | Oak Meadow | Mandarin | Rolling Hills | Camerado | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| **TK** | | 21 | 24 | | 22 | 20 | | | | 87 |
| **K** | 71 | 73 | 73 | 77 | 68 | 82 | 22 | | | 466 |
| **1st** | 69 | 63 | 84 | 59 | 65 | 79 | 20 | | | 439 |
| **2nd** | 49 | 79 | 81 | 101 | 89 | 107 | | | | 506 |
| **3rd** | 58 | 79 | 76 | 100 | 109 | 113 | | | | 535 |
| **4th** | 58 | 85 | 90 | 85 | 64 | 98 | | | | 480 |
| **5th** | 63 | 62 | 63 | 85 | 116 | 130 | | | | 519 |
| **6th** | | | 89 | | | | | 332 | 168 | 589 |
| **7th** | | | 44 | | | | | 327 | 190 | 561 |
| **8th** | | | | | | | | 349 | 240 | 589 |
| **TOTAL** | **368** | **462** | **624** | **507** | **533** | **629** | **42** | **1008** | **598** | **4771** |
| Ending 17-18 | 381 | 450 | 510 | 516 | 540 | 685 | | 1032 | 679 | |
| Difference | -13 | 12 | 114 | -9 | -7 | -56 | | -24 | -81 | |

| | |
|---|---|
| NPS | 6 |

| Demograph Report - October | Variance |
|---|---|
| 80 | 7 |
| 423 | 43 |
| 430 | 9 |
| 498 | 8 |
| 439 | 96 |
| 495 | -15 |
| 557 | -38 |
| 529 | 60 |
| 581 | -20 |
| 588 | 1 |
| | |
| | |
| | |

**ENROLLMENT HISTORY**

| | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2016/17 | | 4653 | 4680 | 4656 | 4658 | 4705 | 4729 | 4678 | 4674 | 4689 | |
| 2017/18 | 4837 | 4764 | 4769 | 4760 | 4764 | 4775 | 4786 | 4811 | 4811 | 4803 | |
| 2018/19 | 4744 | 4729 | 4759 | 4731 | 4730 | 4777 | | | | | |

# Buckeye Union School District

2018-2019

**AGENDA ITEM # : X.1.**

## Summary Report of Warrants

Warrant Registers for the period of: December 1, 2018 through December 31, 2018

| Register # | Date | Fund | Fund # | Amount | # of Warrants |
|---|---|---|---|---|---|
| 0120 | 3-Dec-2018 | General Fund | 01 | $76,115.66 | 26 |
| 0121 | 7-Dec-2018 | General Fund | 01 | $9,845.63 | 4 |
| 0122 | 6-Dec-2018 | Cafeteria | 13 | $27,062.28 | 4 |
| 0123 | 6-Dec-2018 | Bond Fund | 21 | $6,509.00 | 1 |
| 0124 | 6-Dec-2018 | General Fund | 01 | $50,118.61 | 10 |
| 0125 | 7-Dec-2018 | State Building Fund | 35 | $5,857.17 | 3 |
| 0126 | 7-Dec-2018 | General Fund | 01 | $869.47 | 1 |
| 0127 | 12-Dec-2018 | General Fund | 01 | $641,815.26 | 42 |
| 0128 | 12-Dec-2018 | State Building Fund | 35 | $6,697.71 | 5 |
| 0129 | 12-Dec-2018 | General Fund | 01 | $43,089.35 | 7 |
| 0130 | 12-Dec-2018 | Cafeteria | 13 | $12,239.44 | 6 |
| 0131 | 12-Dec-2018 | Developer Fees | 25 | $10,000.00 | 1 |
| 0132 | 12-Dec-2018 | General Fund | 01 | $353,560.00 | 49 |
| 0133 | 13-Dec-2018 | General Fund | 01 | $267.49 | 2 |
| 0134 | 18-Dec-2018 | General Fund | 01 | $64,851.75 | 60 |
| 0135 | 13-Dec-2018 | EDCOE-DEV Fees Fund | 25 | $7,601.00 | 01 |
| 0136 | 18-Dec-2018 | General Fund | 01 | $26,430.60 | 1 |
| 0137 | 17-Dec-2018 | General Fund | 01 | $40,256.11 | 7 |
| 0138 | 17-Dec-2018 | State Building Fund | 35 | $3,049.73 | 4 |
| 0139 | 19-Dec-2018 | General Fund | 01 | $6,135.66 | 6 |
| 0140 | 19-Dec-2018 | Bond Int/Red Fund | 51 | 469,568.75 | 1 |
| 0141 | 19-Dec-2018 | General Fund | 01 | 4,011.37 | 9 |
| 0142 | 20-Dec-2018 | General Fund | 01 | 2,630.62 | 2 |
| 0143 | 21-Dec-2018 | Health and Welfare | 01 | 534,934.73 | 11 |
| 0144 | 21-Dec-2018 | General Fund | 01 | 1,248.47 | 1 |
| | | | | $2,404,765.86 | 264 |

| | |
|---|---|
| General Fund | 01 |
| State Building Fund | 35 |
| Deferred Maintenance | 14 |
| Bond Fund | 21 |
| Cafeteria | 13 |
| Developer Fees | 25 |
| Mello Roos | 49 |
| Bond Int/Red Fund | 51 |

BUCKEYE UNION SCHOOL DISTRICT

# MINUTES

**REGULAR MEETING**
**OF THE BOARD OF TRUSTEES**
**BUCKEYE UNION SCHOOL DISTRICT**

*DISTRICT VISION STATEMENT*
*Working together with families, the community, and a highly qualified staff, the Buckeye Union School District ensures that each student masters the knowledge and skills needed to maximize his/her academic and personal success in a global society.*

**Wednesday, December 12, 2018**
**Buckeye Union School District- Board Room**

**Closed Session – 6:00 p.m.**
**Open Session – 7:00 p.m.**

I. CALL TO ORDER
The meeting was called to order by Kirk Seal at 6:20 p.m.

II. PUBLIC COMMENTS
None

III. ADJOURN TO CLOSED SESSION

1. Anticipated Litigation - Conference with Counsel Significant exposure to litigation pursuant to Government Code Section 54956.9 (d) (2).

IV. RECONVENE IN OPEN SESSION & FLAG SALUTE
The Board reconvened at 7:00 p.m. and Winston Pingrey led the flag salute.

V. ROLL CALL
Present: Winston Pingrey
Brenda Hanson-Smith, Ph.D.
Gloria Silva
Kirk Seal
Jon Yoffie

VI. OATH OF OFFICE
Superintendent David Roth administered the oath of office to the three Board of Trustee members appointed to the Board from the November 2018 election: Returning Board members Brenda Hanson-Smith, Ph.D. and Winston Pingrey,

and New Board Member Jonathan Yoffie.

VII. APPROVAL OF AGENDA

Dr. Roth advised the Board that Agenda Item 14.5 should be removed from the Agenda at this time due to the fact that the District has not received the documents required to complete this action as of the date and time of the Board meeting.

Kirk Seal moved to modify the Agenda to remove Item 14.5 and moved to approve the Agenda as modified. Brenda Hanson-Smith, Ph.D. seconded the motion. The motion passed 5-0.

VIII. PUBLIC COMMENTS

None

IX. PRESENTATIONS

1. Camerado Springs Middle School Representative: Tyler Guthmiller and Sohia Fite

   Tyler Guthmiller and Sophia Fite reported for Camerado Springs Student Body. Here are the highlights from Camerado Springs:
   - Students had their can Food Drive which benefits El Dorado County, they brought in over 2000 cans of food.
   - Students helped the Camp Fire victims by raising $2700 of cash and gift cards.
   - Sports -Basketball team won the championship.
   - Annual Dodgeball Tournament was a great success and Tyler's team won.

2. Rolling Hills Middle School Student Representative: Toalia Mahe and Anavi Deshmukh.

   Anavi Deshmukh and Alexander Thompson, Treasurer, reported for the Rolling Hills Student Body. Here are the highlights from Rolling Hills:
   - Students sold candy cane grams and raised $250 for the Bays Family drive.
   - Students started the Pennies for Patients fundraiser, to raise awareness about leukemia. Students have set the goal of $6,000 to $7,000 dollars and the Student/class that raises the most funds will get to do something unique to a staff member, such as duct taping them to the wall.

3. Transportation: Employee of the Year- Eric Larson

   Director of Transportation, Nancy Ryan introduced Eric Larson as the Transportation Employee of the Year. Eric has been driving for the District for 19 years. He is one of the most reliable and safe drivers we have on staff. Ms. Ryan was also pleased to report that Eric was recently accepted into the drivers instruction academy and upon

completion will be appointed to fill this vacancy in the District. The training is an intensive three week long course. Superintendent Roth presented Eric with a Certificate and congratulated him on his selection as Employee of the Year. Dr. Roth shared with the Board how his path frequently crosses with Eric's and he is amazed how Eric is always happy and has a smile on his face, particularly given the daily challenges experienced by our bus drivers. Dr. Roth also shared his observations and appreciation of how attentive Eric is to the safety of the children and their needs. Finally, Dr. noted that Eric has a second job as a river raft guide on the river during the summer months.

4. School Works Demographics Study: Ken Reynolds
   Ken Reynolds presented the Buckeye Union School District Demographic Study to the Board. The presentation is posted with the Agenda and Minutes.

5. Blue Oak Single Plan for Student Achievement: Rachelle Ball.
   Principal Rachelle Ball presented Blue Oak's 2017/2018 state assessment results and the 2018/2019 Single Plan. A copy of Ms. Ball's presentation is posted with the Agenda and Minutes.

6. Buckeye Elementary Single Plan for Student Achievement: Kevin Cadden.
   Principal Kevin Cadden presented Buckeye's 2017/2018 state assessment results and the 2018/2019 Single Plan. A copy of Mr. Cadden's presentation is posted with the Agenda and Minutes

7. Camerado Springs Middle School Single Plan for Student Achievement: Doug Shupe and Melinda Spooner.
   Principal Doug Shupe and Assistant Principal Melinda Spooner presented Camerado Springs Middle School 2017/2018 state assessment results and the 2018/2019 Single Plan. A copy of Mr. Shupe's presentation is posted with the Agenda and Minutes

8. Valley View Charter School Single Plan for Student Achievement: Paul Stewart and Bill Frame.
   Principal Paul Stewart and Assistant Principal Bill Frame presented the Valley View Charter Montessori's 2017/2018 state assessment results and the 2018/2019 Single Plan. A copy of Mr. Stewart's presentation is posted with the Agenda and Minutes.

X. DISCUSSION/ACTION ITEMS

1. Results from the International Baccalaureate Parent Survey
   Superintendent David Roth shared the results from the Parent survey for the International Baccalaureate program in the Buckeye Union School District. Since the results indicate there is an interest, Dr. Roth sought direction from the Board to continue to work with staff and to engage with teachers and parents to further explore the IB program. Dr. Roth noted that has begun talking with the

PTA's about this topic and they too seemed very excited to have this educational opportunity in Buckeye. The Board thanked Dr. Roth for the information and directed him to continue to explore the opportunity of an IB program in Buckeye and to bring back information as it becomes available.

2. Results from EID Lead Testing for all Sites
Director of Facilities Brian McCahon reported that EID has completed testing of all school sites. The test results show that all school sites within the Buckeye Union School District are in compliance with current laws concerning this matter. Director of Facilities Brian McCahon asked the that the Board approve and accepting the EID testing reports as presented.

Gloria Silva motioned to approve and accept the results from the EID Lead Testing for all sites, and Jon Yoffie seconded the motion. The motion carried 5-0.

XII. REPORTS

1. Budget Update: Jackie McHaney
Budget update will be presented with the Positive Certification of Fiscal Year 2018/2019 First Interim.

2. Enrollment Report: Assistant Superintendent Jackie McHaney reported that enrollment is at 4730 students, we are down 1 student from last month.

3. Association Reports: BTA/CSEA
Amy Gargani, BTA Vice-President, introduced herself to the Board. Ms. Gargani welcomed Mr. Yoffie and shared that she and BTA are excited to work with him and the Board in the coming years. Ms. Gargani also reported that BTA is very excited and pleased to hear that the District will be moving forward with the exploration of an IB program in the Buckeye Union School District. Finally, Ms. Gargani noted that she and BTA are very happy with the decisions made with respect to the Mandarin Immersion program and the growth of the Valley View Charter Montessori program.

4. California Montessori Project Charter School Report: Kim Zawilski
Principal Kim Zawilski handed out their annual Christmas card. Ms. Zawilski reported that CMP is looking at new science curriculum and is exploring Amplifi as one potential option. Ms. Zawilski also noted that they have been working on updating their Charter Petition as it is that time in our partnership again to consider renewal. The petition is currently out to their attorney to review but they should have it to the Board in January. Finally, Ms. Zawilski reported that they sent out Parent survey on their new calendar for the 19/20 school year.

5. Rising Sun Montessori Charter School Report: Karl Zierhut
Head of School Karl Zierhut reported that they are at the halfway point. Looking at starting on preparing for the SBAC. Mr. Zierhut said that they have had a great first half of the year.

6. Clarksville Charter School Report: Julie Haycock
Not Present

7. Reports and Requests by Board Members
Brenda Hanson-Smith read a poem recounting their adventures from the CSBA conference.

8. 2018/2019 Inter-District Transfer Attendance Report: David Roth, Ph.D.
Superintendent Roth, shared the Interdistrict Transfer Report.
Dr. Roth noted that while some students do transfer out of Buckeye, the District is actually the beneficiary of more children transferring into the District than out.

9. Superintendent's Report: David Roth, Ph.D.
Superintendent Roth reported that he attended the elementary band concert at Camerado Springs. There are one hundred and twenty-four 4th and 5th grade students who participated in the band concert. In addition to these students, the 8th grade jazz band also performed with the 4th and 5th graders. It was a wonderful event, enjoyed by all.

Superintendent Roth also reported that he attended the drama performance of the Christmas Carol at Rolling Hills and it was very well done and enjoyed by all. Camerado Springs will also be holding a performance on Friday and Saturday. Dr. Roth noted that the opportunity for students to participate in this program was made possible by the generous donation of the Buckeye Education Foundation. It is with the use of these funds that this opportunity was able to be provided for students to participate in.

Superintendent Roth also reported that he had the opportunity to attend the Core 3 exercise along with Patty at Camerado. It is similar to Point break. It was a fun day with the students and they all learned a lot.

XIII. CONSENT AGENDA

1. Summary Report of Warrants
2. Minutes of the Meeting November 14, 2018
3. Personnel Update
4. Declaration of Surplus Items Rolling Hills Middle School
5. Overnight Field Trip Approval- Coloma Outdoor Discovery School-Silva Valley 4th Grade, Feb 19-21, 2019, Mrs. Locher and Mrs. Gordon.
6. Overnight Field Trip Approval- Alliance Redwoods-Blue Oak Elementary,

5th Grade, Feb 11-13, 2019, Ms. Broman and Mrs. Matley.

7. 2018/2018 Single Plans for Student Achievement: Blue Oak Elementary, Buckeye Elementary, Camerado Springs Middle School, and Valley View Charter School.
8. 2018/2019 School Safety Plans for Blue Oak Elementary, Buckeye Elementary, Camerado Springs Middle, and Valley View Charter Montessori School.

Gloria Silva motioned to approve the consent agenda as presented, and Kirk Seal seconded the motion. The motion carried 5-0.

XIV. REVIEW & ACTION ITEMS

1. Adoption of the Positive Certification of Fiscal Year 2018/2019 First Interim Report for the Period Ending October 31, 2018, and Approval of Budget Revisions

Assistant Superintendent Jackie McHaney presented the First Interim Report.

She reviewed the Material Changes to the Budget.

- Increase in LCFF base grants
- Decrease in one time Mandate Reimbursement and revenues.
- Low Performing Student Block Grant and Prop 20 Lottery money.

A copy of Ms. McHaney's presentation is posted with the Agenda and Minutes.

Gloria Silva motioned to approve the Positive Certification of Fiscal Year 2018/2019 First Interim Report for the Period Ending October 31, 2018, and Approval of Budget Revisions. Kirk Seal seconded the motion. The motion carried 5-0.

2. Receive and File Community Facilities District (CFD) No.2007-1 Fiscal Year 2018/2019 Annual Report

Director of Facilities Brian McCahon reported on the status of the authorized facilities CFD 2007-1 together with revenue and expenditure information for the 12 months ended June 30, 2018.

The Superintendent is asking the Board to Receive and File Community Facilities District (CFD) No.2007-1 Fiscal Year 2018/2019 Annual Report.

No Board action is required.

3. Local Indicator Report Update

Superintendent David Roth updated the Board on the Local Indicators for the LCAP and requested that the Board adopt the Local Indicators for all schools in the District, including Valley View Charter Montessori which has a separate LCAP.

Brenda Hanson Smith, Ph.D., motioned to approve the Local Indicators for all District schools, including Valley View Charter Montessori. Gloria Silva seconded the motion. The motion carried 5-0.

4. Organization of the Board: Election of Officers, 2019 Calendar Dates, Time, and Place of Board Meetings, Appointments to Committees

Dr. Roth presented Winston with a nice mug and plaque of appreciation, thanking him for his service to the Board of Trustees.

Election of Officers:
President: Kirk Seal nominated Brenda Hanson-Smith, Ph.D., as President. Winston Pingrey seconded the nomination. Nomination carried 5-0.

Clerk: Winston Pingrey nominated Gloria Silva as clerk, Brenda Hanson-Smith, Ph.D., seconded the nomination. Nomination carried 5-0.

2019 Calendar Dates:
The Board reviewed the Calendar dates for the 2019 Board meetings and agreed on the presented calendar. Gloria Silva motioned to approve the calendar as presented and Kirk Seal seconded the motion. The motion carried 5-0.

Establish the time and place of meeting for 2019
Gloria Silva motioned that Board of Trustees meet at 7:00 pm on the 1st and 3rd Wednesdays of the month at the Buckeye Union School District Office Board Room. Kirk Seal seconded the motion. The motion carried 5-0.

Appointment to Committees:

1. El Dorado County School Board Association: Winston Pingrey and Alternate:Gloria Silva
2. El Dorado County School Financing Authority: Gloria Silva and Alternate: Kirk Seal
3. LCAP Parent Advisory Committee: Jon Yoffie and Alternate: Gloria Silva
4. Budget Advisory Committee: Brenda Hanson-Smith, Ph.D., and Alternate: Gloria Silva
5. Wellness Committee: Brenda Hanson-Smith, Ph.D., and Alternate: Winston Pingrey

5. Certification by the Board of Trustees of the Verified Signatures of the Board Members and of the Persons Authorized to Sign Orders in Its Name

Agenda item X.5. was removed from the agenda due to not having the

paperwork from the County Elections office.

6. Nomination for CSBA Delegate Assembly
The Board did not have a nomination for the CSBA delegate assembly.

XV. ADJOURNMENT

Kirk Seal motioned to adjourn the meeting at 9:02 p.m., and Gloria Silva seconded the motion. The motion carried 5-0.

Any writings or documents that are public records and are provided to a majority of the governing board regarding a open session item on this agenda will be made available for public inspection in the District Office located at 5049 Robert J. Mathews Parkway,El Dorado Hills, CA 95762 during normal business hours. Individuals who require special accommodation (American Sign Language interpreter, accessible seating, documentation in accessible formats, etc.) should contact the Superintendent at least two days before the meeting date.

**BUCKEYE UNION SCHOOL DISTRICT**

**PERSONNEL UPDATE**
*January 16, 2019*

## I. NEW CERTIFICATED/ADMINISTRATIVE STAFF

None

## II. NEW CLASSIFIED/CLASSIFIED MGMT/CONFIDENTIAL STAFF

| | |
|---|---|
| Jessica Bach | -Playground Monitor at 2.5 hours at per day at Camerado Springs Middle School<br>-Effective January 8, 2019 |
| Wendy Deitz | -Cafeteria Assistant at 4 hours per day at Camerado Springs Middle School<br>-Effective January 7, 2019 |
| Yi Luo | -Teacher Associate (OH) at 6 hours per day (5 hours on early release Wednesday) at Rolling Hills Middle School<br>-Effective January 7, 2019 |
| Veronica Ramirez | -Teacher Associate (OH) at 6 hours per day (5 hours on early release Wednesday) at Rolling Hills Middle School<br>-Effective January 7, 2019 |

## III. CHANGE OF STATUS

**A. Certificated/Administrative**
None

**B. Classified**

## IV. LEAVE OF ABSENCE REQUEST

**A. Certificated**
None

**B. Classified**
None

## V. RESIGNATION

**A. Certificated/Administrative**
None

**B. Classified**

| | |
|---|---|
| Jessica Parrilla | -Teacher Associate (OH) at William Brooks Elementary School<br>-Effective January 9, 2019 |
| Sarah Short | -Teacher Associate (OH) at Rolling Hills Middle School<br>-Effective December 31, 2018 |

| | |
|---|---|
| Elinore Strong | -Teacher Associate (OH) at Rolling Hills Middle School<br>-Effective January 4, 2019 |
| Megan Underwood | -Teacher Associate (OH) at Oak Meadow<br>-Effective January 9, 2019 |

## VI. RETIREMENT

### A. Administrative/Certificated

None

### B. Classified Management/Classified/Confidential

| | |
|---|---|
| Kristen Forster | -Cafeteria Assistant at Camerado Springs and Blue Oak<br>Effective October 30, 2018 |
| Jan Blossom | -Director, Fiscal Services<br>-Effective June 28, 2019 |

**BUCKEYE UNION SCHOOL DISTRICT**

**AGENDA ITEM #: IX.2.** **Board Acceptance of the Annual Audit Report for the Year Ending June 30, 2018**

**SITUATION:**
The annual audit for the fiscal year ending June 30, 2018, has been completed. The audit report is now submitted for Board review and acceptance.

**PLAN:**
The plan is to accept the annual audit report for the fiscal year ended June 30, 2018, as submitted by Crowe Horwath LLP, Certified Public Accountants.

*(Copies of the Annual Audit Report are available at the District Office and on the District's webpage.)*

**FISCAL IMPACT:**
None

**SUPERINTENDENT'S RECOMMENDATION:**
The Superintendent recommends that the Board accept the annual audit report for the fiscal year ended June 30, 2018, as submitted by Crowe Horwath LLP, Certified Public Accountants.

**BUCKEYE UNION SCHOOL DISTRICT**

**AGENDA ITEM #: IX.3.** **Accept the Measure K Bond Building Fund Annual Performance Audit Report for the Year Ending June 30, 2018**

## SITUATION:

The annual performance audit of the Measure K general obligation bond funds for the fiscal year ending June 30, 2018, has been completed. The audit resulted in no findings or recommendations for the Measure K Bond Fund for the year ending June 30, 2018. The annual performance audit report is being submitted for the Board's review and acceptance.

## PLAN:

The plan is for the Board to accept the Measure K Bond Building Fund Annual Performance Audit Report for the fiscal year ended June 30, 2018, as submitted Crowe Horwath LLP, Certified Public Accountants

*(Copies of the Annual Performance Report are available at the District Office and on the District's webpage.)*

## FISCAL IMPACT:

None

## SUPERINTENDENT'S RECOMMENDATION:

The Superintendent recommends that the Board accept the Measure K Bond Building Fund Annual Performance Audit Report for the fiscal year ended June 30, 2018, as submitted by Crowe Horwath LLP, Certified Public Accountants.

**Campus:** Shingle Springs
**Principal:** Kim Zawilski
**Report Month:** January 2019
**Date Range of Report:** 12-01-18 to 12-31-18

# Shingle Springs Campus Update

## CLASSROOMS

| TEACHER'S NAME | CLASSROOM | GRADE LEVEL | CA CRED. | MONTESSORI CERTIFICATION | CPR CERTS | BUDGETED NUMBERS | CURRENT ENROLLMENT | NUMBER OVER/UNDER BUDGET |
|---|---|---|---|---|---|---|---|---|
| Britt Serkanic | Pine | K/1 | CTC | 3-6 | Yes | 20 | 20 | 0 |
| Molly Kimber | Pine | K/1 | CTC | 3-6/6-9 | Yes | 20 | 20 | 0 |
| Eileen Perkins | Mimosa | K/1 | CTC | 3-6/6-9 | Yes | 16 | 16 | 0 |
| Amber Presnall | Mimosa | K/1 | CTC | 3-6 | Yes | 17 | 17 | 0 |
| Charmaine Scott | Cedar | K/1 | CTC | 3-6/6-9 | Yes | 17 | 17 | 0 |
| Shari DeVille | Cedar | K/1 | CTC | 3-6IP/6-9 | Yes | 16 | 16 | 0 |
| Jan Fagan | Aspen | 2/3 | CTC | 6-9 | Yes | 24 | 24 | 0 |
| Shannan Chanda | Wisteria | 2/3 | CTC | 6-9 | Yes | 24 | 24 | 0 |
| Ronda Ritchie | Laurel | 2/3 | CTC | 6-9 | Yes | 22 | 22 | 0 |
| Emily McDaniel | Willow | 2/3 | CTC | 6-9 | Yes | 22 | 22 | 0 |
| Katherine Cox | Olive | 2/3 | CTC | 6-9 | Yes | 22 | 23 | +1 |
| Gwyne Parker | Cypress | 4/5/6 | CTC | 6-9/9-12 | Yes | 22 | 24 | +2 |
| Kathy Gerstle | Manzanita | 4/5/6 | CTC | 6-9/9-12 | Yes | 22 | 24 | +2 |
| Kelly Barton | Fig | 4/5/6 | CTC | 6-9/9-12 | Yes | 22 | 24 | +1 |
| Christina Sherrod | Elm | 4/5/6 | CTC | 6-9/9-12 | Yes | 22 | 24 | +2 |
| Kanchana Sriram | Magnolia | 4/5/6: | CTC | 6-9/9-12 | Yes | 17 | 17 | 0 |
| Marie Liston | Magnolia | 4/5/6 | CTC | IP | Yes | 16 | 16 | 0 |
| Caleb Peterson | Birch | 4/5/6 | CTC | 6-9/9-12 | Yes | 17 | 17 | 0 |
| Alison Rosen | Birch | 4/5/6 | CTC | 6-9/9-12 | Yes | 16 | 16 | 0 |
| Robert Thomas | Sequoia | 7/8 | CTC | Secondary (MS) | Yes | 21 | 21 | 0 |
| Tom Freer | Sequoia | 7/8 | CTC | 6-9 & MS (IP) | Yes | 20 | 21 | +1 |
| Natasha Raffety | Sequoia | 7/8 | CTC | Secondary (MS) | Yes | 21 | 21 | 0 |
| Kim Yeager | Sequoia | 7/8 | CTC | 6-9/9-12 & MS | Yes | 20 | 20 | 0 |

## ENROLLMENT

| BUDGETED ENROLLMENT: | 456 | ACTUAL ENROLLMENT: | 465 (+9) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **LOTTERY BINDER:** | **K** | **1st** | **2nd** | **3rd** | **4th** | **5th** | **6th** | **7th** | **8th** |
| **2018-2019** | 36 | 29 | 16 | 10 | 17 | 4 | 15 | 8 | 1 |

## ENROLLMENTS & DISENROLLMENTS

| STUDENT NUMBER | GRADE LEVEL | REASON | EXIT INTERVIEW? | COPY TO ADMIN. |
|---|---|---|---|---|
| N/A | | | | |

## DISCIPLINE

| SUSPENSIONS: | | EXPULSIONS: | |
|---|---|---|---|
| **CURRENT:** 0 | **YTD:** 1 | **CURRENT:** 0 | **YTD:** 0 |

**CLUB MONTESSORI**

| CLUB MONTESSORI STAFF | HOURS | CPR CERTS | CLUB MONTESSORI ENROLLMENT | |
|---|---|---|---|---|
| Leanne Winslow (M-F) | 2:00 - 5:00 | Yes | **BEFORE SCHOOL:** | 10 |
| Mikayla Ralph (M-F) | 7:00 - 8:30 | Yes | **AFTER SCHOOL:** | 9 |
| Tatjana Thorne (M-F) | 7:30 - 8:30 | Yes | **BEFORE & AFTER SCHOOL:** | 29 |
| Whitney Lindsay (M-F) | 7:30 - 8:30 | Yes | **KINDERGARTEN SUPPLEMENT:** | 19 |
| Veronica Greene (M-F) | 2:00 - 6:00 | Yes | **INTERSESSIONS:** | 31 |
| Kaitlyn Fly (M-F) | 2:00 - 6:00 | Yes | **EARLY RELEASE DAYS:** | 62 |
| Whitney Lindsay (M-F) | 3:00 – 4:00 | Yes | **PUNCH CARDS:** | 94 |
| Raechel Hayden (M-Th) | 3:00 – 4:00 | | **STAFF CHILDREN:** | 34 |

**STUDENT HEALTH AND SAFETY**

| TOPIC | GRADE | DATE | AGENCY |
|---|---|---|---|
| Hearing Screening | K, 2, 5 & 8 | 08/23/18 | K-12 Health |
| Vision Screening | 1, 3 & 6 | 08/23/18 | K-12 Health |
| Scoliosis | 7(F), 8(M) | 08/23/18 | K-12 Health |
| Drug Education | 7, 8 | Winter | Health Curriculum |
| Sexual Health | 7, 8 | Spring | Health Curriculum |

| EMERGENCY DRILLS | DATE |
|---|---|
| Fire/Evacuation | 11/19/18 |
| Earthquake | 08/28/18 |
| Lockdown/Shelter in Place | 10/02/18 |
| Club M – Fire Drill | 11/19/18 |
| Club M – Shelter in Place | 09/27/18 |

**SPECIAL EDUCATION**

| ROLE | NAME | SCHEDULE |
|---|---|---|
| Point of Contact: | Kim Zawilski | M-F 7:30-4:30 |
| Resource Specialist: | Dawn Nordquist | M-Th 8:00-4:30 |
| Resource Specialist: | Robyn Axline | M-Th 9:00-3:00 |
| Speech Therapist/Pathologist: | Leigh Anne Krueger | M-F 8:00-4:30 |
| SLP Aide: | Joyce Hollingsworth | T&Th 8:30-3:00 |
| Occupational Therapist | School Steps | T 8:00-4:30 |
| Resource Aides: | Sara Eldridge<br>Cherish Duff<br>Michelle Nicdao | M-F 8:30-1:00<br>M-F 8:30-3:00<br>T-Th 8:30-3:00 |

| TOTALS | |
|---|---|
| IEP: | 74 |
| RSP/SAI: | 32 |
| Speech: | 57 |
| OT: | 13 |
| Behavior | 5 |
| Behavior/MH: | 2 |
| ELL: | 2 |

**FUNDRAISING EFFORTS**

| Event | Total Raised | Funds Used For: |
|---|---|---|
| Believe Kids Sales | $7,537.60 | Field Trip Program Support |
| Harvest Festival | $7,800.00 | Classroom Materials, Athletics, Library |
| Scholastic Book Faire | $5,313.22 | Books for School Libraries |
| See's Candy | $3035.50 | Modular Library Seating & Bleachers |
| Flappers & Fellas Gala | TBD | Scheduled for Saturday, March 2nd |

**COMMENTS**

During December, the CMP Shingle Springs' community came out in full force to support two very worthwhile causes:

- We adopted two families who lost everything in the Camp Fire in Paradise. One of our staff members, Kathy Gerstle, personally delivered all of the donations to these families, and she shared the following:

**Young Paradise Family moved by outpouring of CMP Love**



*On December 20th, I packed my car up and drove to Chico to meet and deliver a carload of donations from so many generous CMP staff members and families. From gift cards, cash, toys, blankets with notes to the two young children (made by the Olive class), to a set of pots by Rachel Ray, this young family was completely overwhelmed. I was able to stay for a visit and watch Zachariah and Rebecca open a few of their many gifts, and experience the joy and innocence of being a child. They are temporarily living with Joy's grandmother in her tiny home, and their journey is far from over. But for that day, they got a break from their reality and felt our love. Thank you everyone for your overwhelming generosity and for bringing hope to this young family when they need it most. ~ Kathy Gerstle (on behalf of Joy and Aaron)*

- We also worked with the Cameron Park Rotary Club to arrange for the donation of bicycles and helmets to four of our students at CMP Shingle Springs. The Cameron Park Rotary Club delivered those bicycles on December 18th, just in time for Christmas for these students. A couple of our staff members and a few of our Middle School students are also busy giving bicycle riding lessons! These school families were very appreciative of these beautiful bicycles and helmets!

**BUCKEYE UNION SCHOOL DISTRICT**

**AGENDA ITEM #: IX.1.**

**ACTION: AUTHORIZATION TO GRANT PUBLIC SERVICE EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT TO THE ELDORADO COUNTY DEPARTMENT OF TRANSPORTATION AT THE BLUE OAK ELEMENTARY SCHOOL**

## SITUATION:

The El Dorado County Department of Transportation (DOT) is in the process of obtaining the easements required to construct their Merrychase and Country Club Drive Sidewalks and Class II & III Bike Paths Project (CIP No. 72312). This project will include the installation of a sidewalk and bike path from the intersection of Merrychase Drive and Greenwood Lane all the way around (heading West down Merrychase) to the Cameron Park Community Center. The project is also designed to add a parking lane on Country Club directly behind the Blue Oak Elementary School field. In order to construct the project as currently designed, DOT needs to obtain a Public Service Easement, and also a Temporary Construction Easement on Buckeye Union School District Property. DOT needs these easements to facilitate the construction of the project, and also to periodically maintain the area. In total DOT needs to acquire 8,246 square feet of Public Service Easement, and 5,003 square feet of Temporary Construction Easement.

## PLAN:

That the board authorizes staff to grant the Public Service Easement and Temporary Construction Easement to the El Dorado County Department of Transportation at the Blue Oak Elementary School.

## FISCAL IMPACT:

No Cost

## SUPERINTENDENT'S RECOMMENDATION:

The Superintendent recommends that the board authorizes staff to grant the Public Service Easement and Temporary Construction Easement to the El Dorado County Department of Transportation at the Blue Oak Elementary School.

# COUNTY OF EL DORADO
## COMMUNITY DEVELOPMENT SERVICES
## DEPARTMENT OF TRANSPORTATION
http://www.edcgov.us/DOT/

**PLACERVILLE OFFICES:**
**MAIN OFFICE:**
2850 Fairlane Court, Placerville, CA 95667
(530) 621-5900 / (530) 626-0387 Fax

**CONSTRUCTION & MAINTENANCE:**
2441 Headington Road, Placerville, CA 95667
(530) 642-4909 / (530) 642-0508 Fax

**LAKE TAHOE OFFICES:**
**ENGINEERING:**
924 B Emerald Bay Road, South Lake Tahoe, CA 96150
(530) 573-7900 / (530) 541-7049 Fax

**MAINTENANCE:**
1121 Shakori Drive, South Lake Tahoe, CA 96150
(530) 573-3180 / (530) 577-8402 Fax


December 6, 2018

VIA FIRST CLASS MAIL

Buckeye Union School District
Attn: Brian McCahon, Director of Facilities
PO Box 547
Shingle Springs CA 95682

**RE: Merrychase and Country Club Drive - Sidewalks and Class II and Class III Bike Paths, CIP No. 72312**
**Buckeye Union School District**
**APN: 119-190-02**
**Offer to Purchase and Transmittal of Offer Package Relating to the Purchase of Real Property or Interest Therein**

Dear Mr. McCahon,

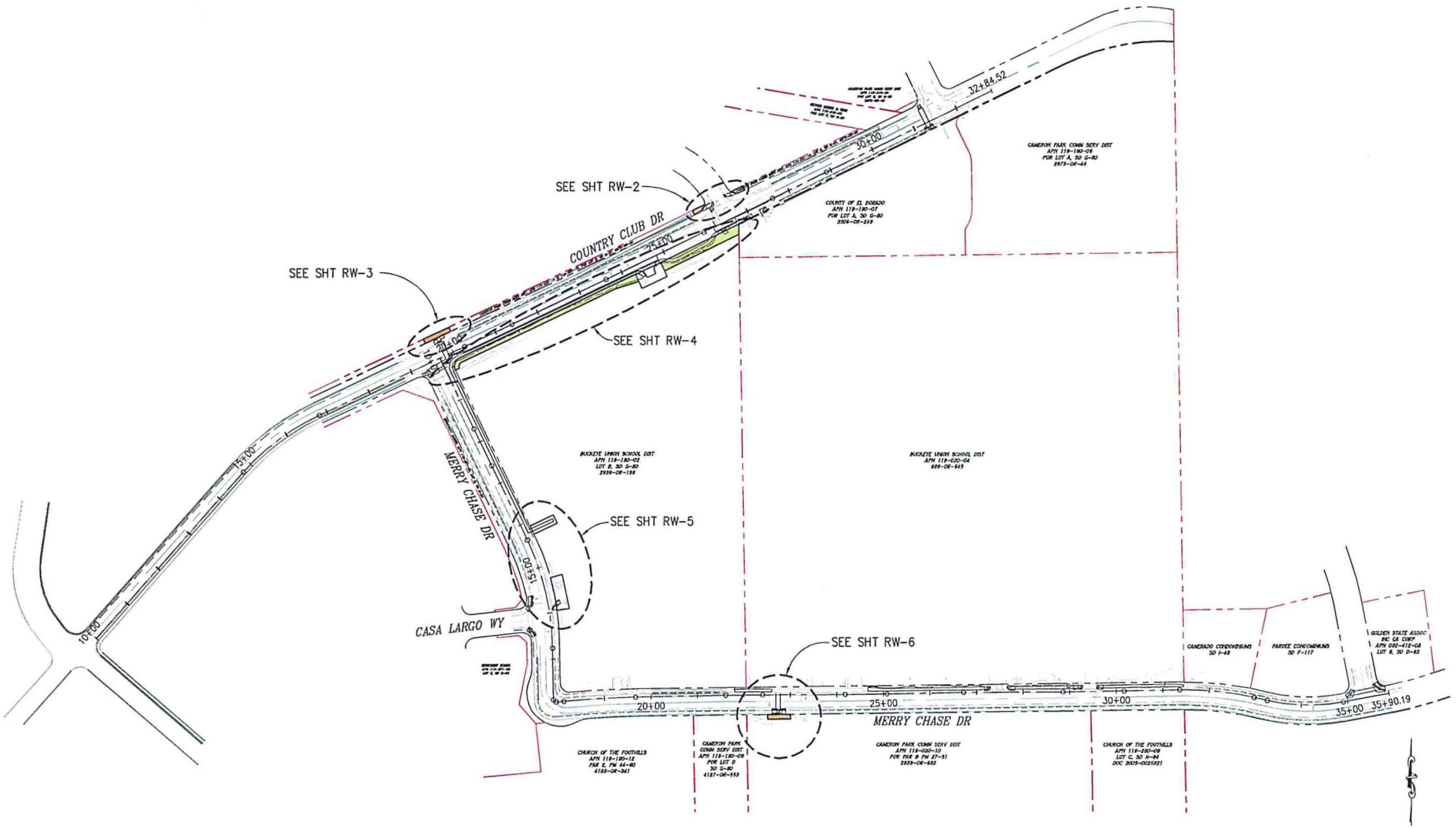
The County of El Dorado Department of Transportation (County) is pleased to inform you that the Waiver Valuation of the subject property referenced above has been completed. Transportation staff has been authorized to proceed with the acquisition of the necessary land rights for portions of your property based on the Waiver Valuation.

Please find the enclosed Offer Package including the Summary Relating to the Purchase of Real Property or an Interest Therein and the Appraisal Summary Statement. Also enclosed is a Draft Acquisition Agreement for Public Purposes (Agreement) which has certain exhibits that describe and show the area of the proposed acquisitions. The current fair market value as determined by a Waiver Valuation for the necessary land rights from your parcel totals $4,050.00, and includes: 8,246 Square Feet (SF) of Public Service Easement valued at $3,257.17 and 5,003 SF of Temporary Construction Easement totaling $790.47. Please find the attached supporting documentation which further explains the valuation process of these easements.

The just compensation for the Easements is in the amount of $1.00 (One Dollar Exactly), as the public project proposed will mutually benefit the Seller, the County and its citizens. Therefore, the County would formally like to offer you the amount of $1.00 (one dollar exactly) for these land rights. Please contact me at your earliest convenience. I look forward to working with you.

Respectfully,


Jackie Cook
Right of Way Administrative Technician
530-621-5367 / fax 530-295-1632
jackie.cook@edcgov.us




PRELIMINARY

RIGHT-OF-WAY AND EASEMENTS EXHIBIT
SCALE : 1" = 100'

ORIGINAL SCALE IS IN INCHES
FOR REDUCED PLANS
Drawing name: C:\Civil 3D Projects\72312 Merry Chase and Country Club Dr Ped-Bike Improvements\CADD Files\RW\RW and Easements Exhibit.dwg Layout Tab: RW-1 Sep 24,2018 - 10:36am SMcVey

| REVISION | | | | |
|---|---|---|---|---|
| NUMBER | DATE | DESCRIPTION | BY |

PREPARED UNDER THE SUPERVISION OF :

REGISTERED CIVIL ENGINEER

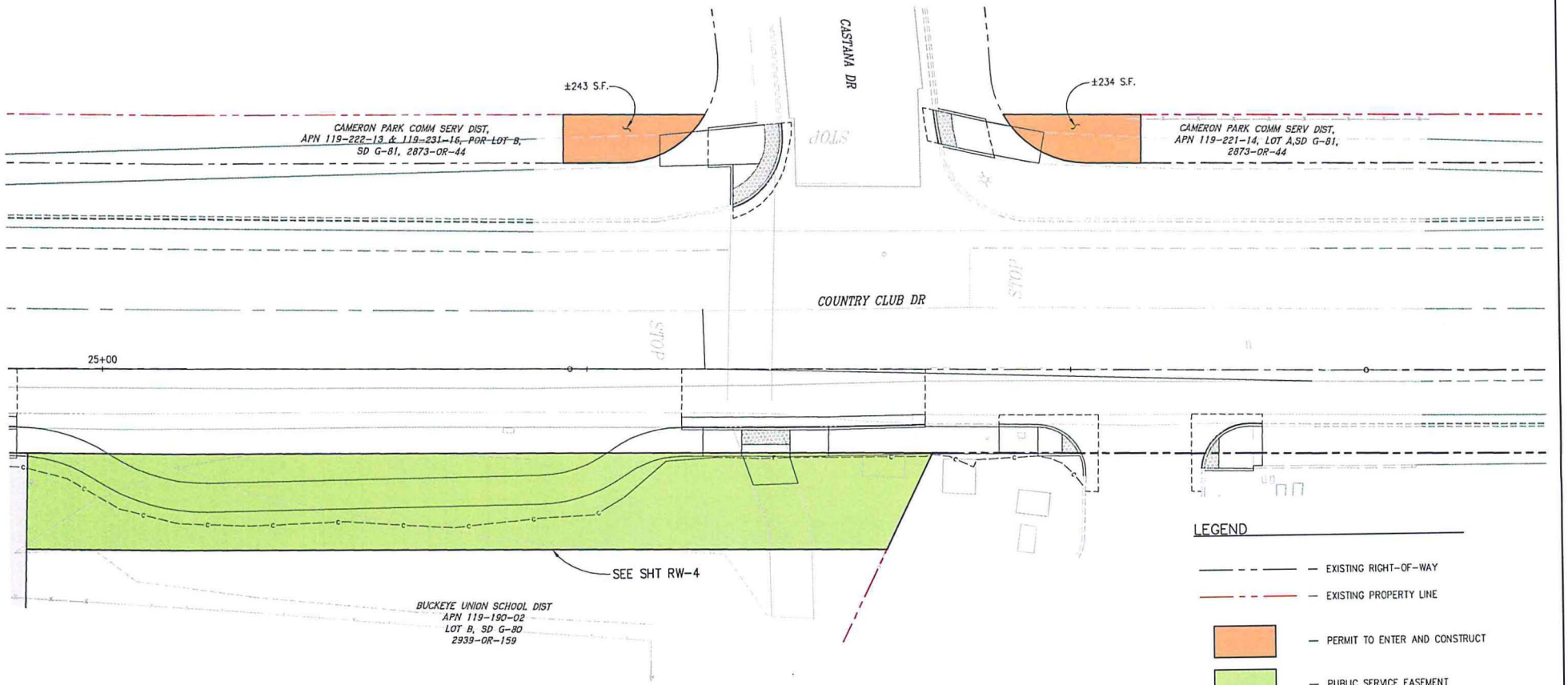
DATE:

DESIGNED: –
DRAWN: SGM
CHECKED: –
DATE: 09/24/18
ROAD NUMBER: –

COUNTY OF EL DORADO
DEPARTMENT OF TRANSPORTATION

MERRYCHASE DRIVE
AND COUNTRY CLUB DRIVE
SIDEWALK AND BIKE PATH IMPROVEMENTS

SHEET
RW-1
1 OF 6
W.O. No.
72312




RIGHT-OF-WAY AND EASEMENTS EXHIBIT
SCALE : 1" = 10'

PRELIMINARY

| REVISION | | | |
|---|---|---|---|
| NUMBER | DATE | DESCRIPTION | BY |

PREPARED UNDER THE SUPERVISION OF :

REGISTERED CIVIL ENGINEER

DATE:

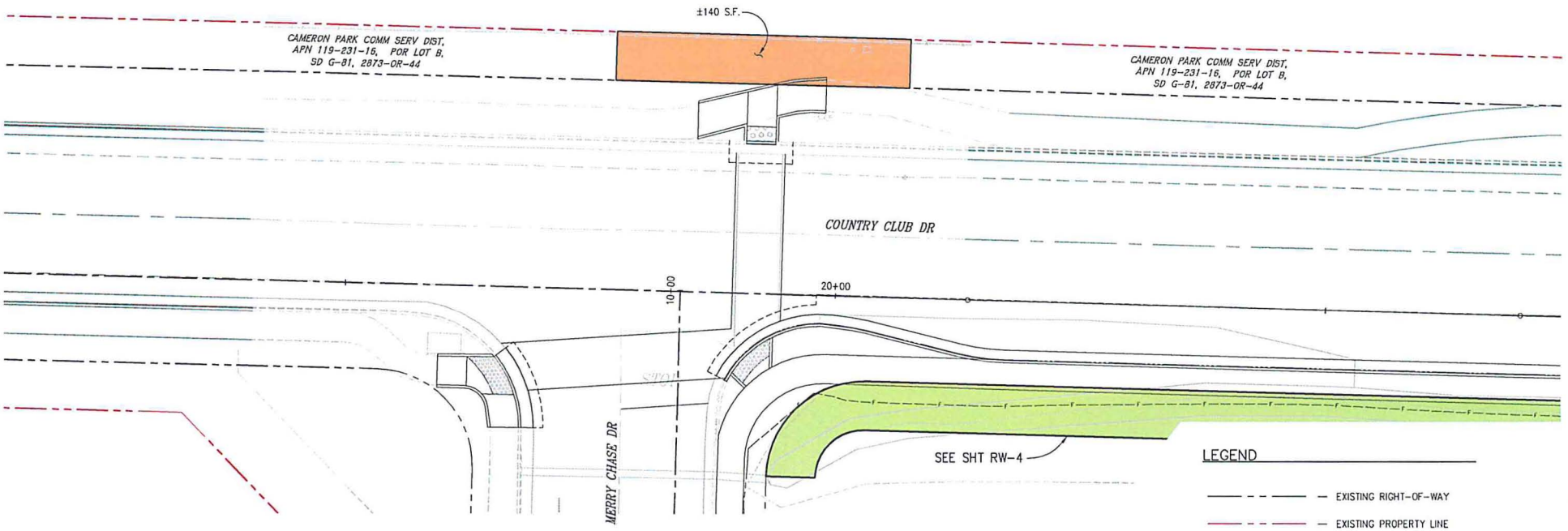
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DRAWN: SGM
CHECKED: –
DATE: 09/24/18
ROAD NUMBER: –

COUNTY OF EL DORADO
DEPARTMENT OF TRANSPORTATION

MERRYCHASE DRIVE
AND COUNTRY CLUB DRIVE
SIDEWALK AND BIKE PATH IMPROVEMENTS

SHEET
RW-2
2 of 6
W.O. No.
72312

FOR REDUCED PLANS
ORIGINAL SCALE IS IN INCHES
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PRELIMINARY

RIGHT-OF-WAY AND EASEMENTS EXHIBIT
SCALE : 1" = 10'

| REVISION NUMBER | DATE | DESCRIPTION | BY |
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| | | | |

PREPARED UNDER THE SUPERVISION OF :

REGISTERED CIVIL ENGINEER

DATE:

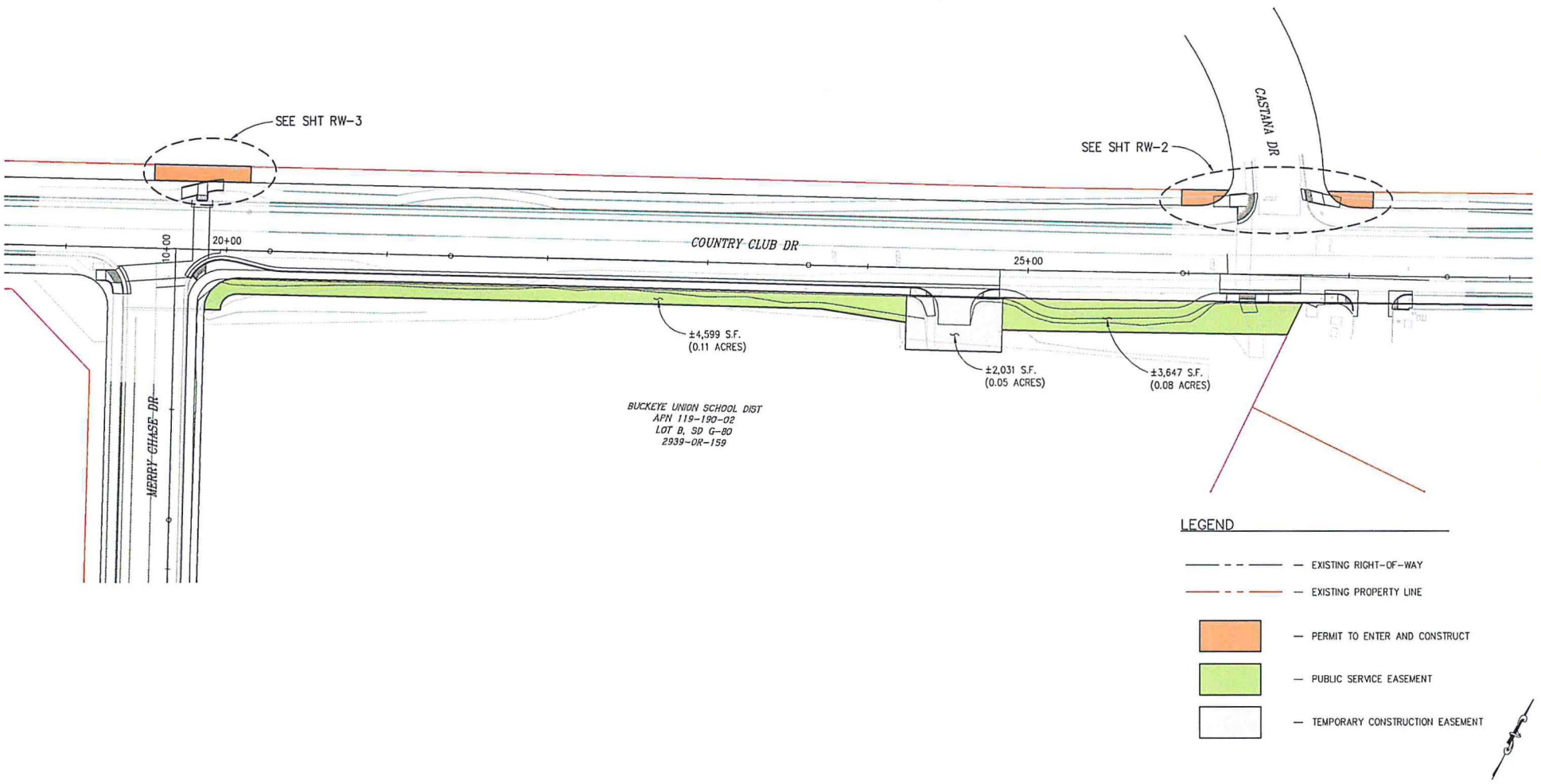
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DRAWN: SGM
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DATE: 09/24/18
ROAD NUMBER: –

COUNTY OF EL DORADO
DEPARTMENT OF TRANSPORTATION

MERRYCHASE DRIVE
AND COUNTRY CLUB DRIVE
SIDEWALK AND BIKE PATH IMPROVEMENTS

SHEET RW-3
3 of 6
W.O. No. 72312

FOR REDUCED PLANS
0 1 2
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ORIGINAL SCALE IS IN INCHES
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FOR REDUCED PLANS 0 1 2

PRELIMINARY

RIGHT-OF-WAY AND EASEMENTS EXHIBIT
SCALE : 1" = 30'

| REVISION | | | | |
|---|---|---|---|---|
| NUMBER | DATE | DESCRIPTION | BY | |

PREPARED UNDER THE SUPERVISION OF :

REGISTERED CIVIL ENGINEER

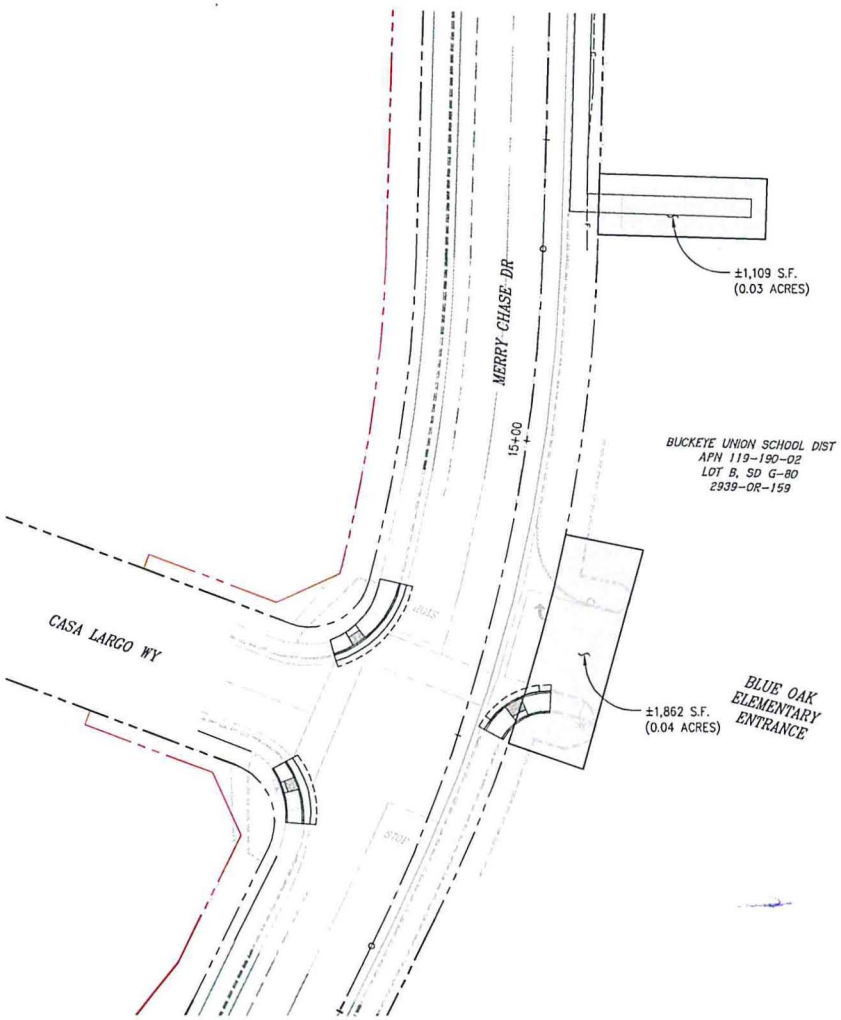
DATE:

DESIGNED: –
DRAWN: SGM
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DATE: 09/24/18
ROAD NUMBER: –

COUNTY OF EL DORADO
DEPARTMENT OF TRANSPORTATION

MERRYCHASE DRIVE
AND COUNTRY CLUB DRIVE
SIDEWALK AND BIKE PATH IMPROVEMENTS

SHEET RW-4 4 OF 6
W.O. No. 72312




LEGEND

- EXISTING RIGHT-OF-WAY
- EXISTING PROPERTY LINE
- PERMIT TO ENTER AND CONSTRUCT
- PUBLIC SERVICE EASEMENT
- TEMPORARY CONSTRUCTION EASEMENT

RIGHT-OF-WAY AND EASEMENTS EXHIBIT
SCALE : 1" = 20'

PRELIMINARY

| REVISION | | | | |
|---|---|---|---|---|
| NUMBER | DATE | DESCRIPTION | BY | |

PREPARED UNDER THE SUPERVISION OF :

REGISTERED CIVIL ENGINEER

DATE:

DESIGNED: –
CHANGE: SGM
CHECKED: –
DATE: 09/24/18
ROAD NUMBER: –

COUNTY OF EL DORADO
DEPARTMENT OF TRANSPORTATION

MERRYCHASE DRIVE
AND COUNTRY CLUB DRIVE
SIDEWALK AND BIKE PATH IMPROVEMENTS

SHEET
RW-5
5 or 6
W.O. No.
72312

FOR REDUCED PLANS
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# Your Property Your Transportation Project



## INTRODUCTION

This booklet was prepared for you as a person who may potentially be affected by a proposed public transportation project. If it is your property that is affected, you may have wondered what will happen. Who will contact you? What will you be paid for your property? Who will pay your moving costs? Will the State Department of Transportation (Department) help you find a new place to live? Important questions like these require specific answers.

We hope this booklet will answer some of your questions and present a better picture of our overall procedures.

## WHY DOES A PUBLIC AGENCY HAVE THE RIGHT TO BUY MY PROPERTY?

Our State and federal constitutions recognize the need for public agencies to purchase private property for public use, and provide appropriate safeguards to accomplish this purpose. State and federal constitutions and the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act, as amended, authorize the purchase of private property for public use and assure full protection of the rights of each citizen. The responsibility for studying potential sites for a transportation project rests with a team of specially trained individuals selected to do this important job. Many months or even years are spent in preliminary study and investigation to consider possible locations for a project.

Consideration of the environmental and social impacts are as much a part of location determination as engineering and cost. Participation by private citizens and public agencies is actively sought so that various views can be considered in the study process. The process may include public hearings and/or workshops, which give persons an opportunity to express their views on the locations being considered.

The California Department of Transportation is composed of many specialists. Among these are:

### Transportation Planners

These individuals determine methods and routes for the traveling public. This includes studies of existing traffic patterns, "origin-destination" surveys and user benefits. They also determine whether the proposed project location is economically sound. They research and analyze the effects produced by similar projects upon other communities.

### Environmental Planners

These individuals evaluate the socio-economic and/or environmental impacts, including traffic, noise and visual impacts of the proposed project

**Design Engineers**

These individuals recommend the type of transportation project which will be of the most benefit to the public. They prepare design plans which determine the properties needed for the project.

**Relocation Specialists**

These individuals perform early studies of the general needs of persons who may need to be relocated and the kind of replacement properties which may be required. A relocation impact analysis will be completed before the Department requires anyone to move from their property.

As a result of this team effort, the best possible location for a transportation facility is selected after thorough social, economic, engineering, and environmental analyses, as well as consideration of expressed public concerns and desires. The goal is that the project provide the greatest public good and the least private injury or inconvenience while rendering the best possible service.

**Transportation Surveyors**

These individuals perform field surveys and monument property lines to delineate and map the Department's right of way needs. They are also authorized by law to enter real property to perform such tasks. It is the Department's policy that owners and tenants of property will be notified prior to such surveys.

## WHO WILL CONTACT ME?

One of the first persons you will meet is a Right of Way Agent performing the staff appraisal. You will be afforded the opportunity to accompany the appraiser on the inspection of your property. At the time of the inspection the appraiser will also provide you with general project information. The appraiser will analyze your property and examine all of the features which contribute to its market value. Information about improvements you have made and any other special features that you believe may affect the market value of your property should be given to the appraiser to ensure he/she has all the information you feel is relevant.

It is the duty of the Department to ensure that you receive fair market value as if you sold your property privately in the open market. The Department cannot buy your property for more than it is worth, but it **can** and **will** assure you that you do not have to sell your property for less than its fair market value. California law provides that the owner shall receive a copy of the appraisal or a summary of the valuation upon which the Department's offer is based.

At the time the offer is made to purchase your property, you may obtain your own appraisal and the Department will reimburse you up to $5,000 for the actual, reasonable costs of obtaining an independent appraisal. A licensed State appraiser must perform your appraisal. Your Right of Way Agent will provide more information concerning this reimbursement at the time of the offer.

## WHAT ADVANTAGE IS THERE IN SELLING YOUR PROPERTY TO THE DEPARTMENT?

A real estate purchase by the Department of Transportation is handled in the same way as any private sale of property. However, there can be financial advantages in selling to the Department.

The Department will pay fair market value for your property. The Department will also pay for the preparation of all documents, all title and escrow fees, a policy of title insurance, recording fees and such other fees as may be required for the conveyance of title to the Department. Since this is a direct conveyance of real property from the property owner to the Department, there are no real estate commissions involved, and the Department will not recognize or pay any such real estate commissions.

A private sale will usually cost thousands of dollars in sales expenses. There are no seller's expenses in a purchase by the Department.

Additionally, depending on your specific circumstances, you may be eligible for relocation payments and benefits when you move. These benefits are described in supplemental booklets which will be provided to you, should the Department's acquisition actually cause you to be displaced from your property.

## WILL I BE PAID FOR LOSS IN VALUE TO MY REMAINING PROPERTY?

When only a part of your property is needed for a project, every reasonable effort is made to ensure that you do not suffer damages to the remainder of your property. The total payment by the Department will be for the property the Department actually purchases and for any loss in market value to your remaining property.

The determination of any loss in market value is an appraisal problem involving many variables. When this situation occurs, the Right of Way Agent will explain the effect of a partial acquisition on your remaining property.

## MAY I RETAIN AND MOVE MY HOME, BUSINESS BUILDING, MACHINERY, OR EQUIPMENT?

If your house is movable and you wish to make such an arrangement, the Department will pay you on the basis of the market value of your present lot including landscaping, plus the reasonable cost of moving the building. There are cases where, because of age, size or condition of the house, the cost of moving it would exceed its present market value, less its salvage value. In such a case, payment of moving costs would, of course, be an unwise expenditure of public funds.

If you operate a farm or business, you may wish to keep and move fixed machinery and equipment. Additionally, as an owner of a business conducted on the property to be purchased, you may be entitled to compensation for a loss of business goodwill. Your specific circumstances will need to be analyzed on a case-by-case basis.

If any of these concepts are applicable to your situation, they will be explained by the Right of Way Agent assigned to purchase your property.

## WILL I HAVE TIME TO SELECT ANOTHER HOME AFTER THE DEPARTMENT MAKES ITS PURCHASE?

The Department starts to appraise properties early enough so that you will have ample time to move prior to project construction. Like any other real estate transaction, it requires time to close an escrow after a right of way contract and deed have been signed. You will not be required to move until reasonable, decent, safe and sanitary replacement housing is available.

Once you have received the written offer to purchase your property from the Department, it is in your best interest to look for a new place to live as soon as possible. Finding a home early that best suits your needs before you are required to move will minimize your personal inconvenience and will avoid having to make a choice of housing under pressure. In some instances you may be able to sell your property to the Department and rent back temporarily pending construction.

The Department also offers to provide you with assistance in finding a new place in which to live. The Department will give you at least 90 days notice in writing before you are required to move.

## WHAT HAPPENS TO THE LOAN ON MY PROPERTY?

After you and the Department have agreed upon a price, a Right of Way Agent and/or a title company will contact all other parties having an interest in the property. Payment to satisfy outstanding loans or liens will be made through a title company escrow as in the case in any real estate transaction.

## WHAT WILL HAPPEN TO MY GI OR CAL-VET LOAN?

The Veterans Administration and the California Department of Veterans Affairs allow your veteran loan privileges to be transferred and to become available for coverage on another property.

Your Right of Way Agent will assist you in the transfer. However, it is to your benefit and your responsibility to check with the Veterans Administration or the California Department of Veterans Affairs for procedural instructions.

## IF THE VALUE OF MY PROPERTY IS HIGHER TODAY THAN WHEN I PURCHASED IT, DO I HAVE TO PAY INCOME OR CAPITAL GAINS TAX ON THIS DIFFERENCE WHEN I SELL/CONVEY TO THE DEPARTMENT?

According to the Internal Revenue Service, the sale of property to a governmental agency for public purposes comes under the definition of an "involuntary conversion". In these cases, it is not necessary to pay income tax or capital gains tax if the money you receive is used to buy a similar property within a limited period of time. In every case, however, you should check with your local Internal Revenue Service office and/or accountant.

## WILL I LOSE THE FAVORABLE PROPERTY TAX BASIS THAT I NOW HAVE UNDER THE PROVISIONS OF PROPOSITION 13?

Section 2(d) of Article XIII-A of the California Constitution and Section 68, Rule 462.5 of the Revenue and Taxation Code generally provide that property tax relief shall be granted to any real property owner who acquires comparable replacement property after having been displaced by governmental acquisition or eminent domain proceedings.

You will be given a copy of Rule 462.5 with an attached page showing examples of how to calculate estimates of the tax relief you may be eligible for. These are only approximations. You must see your county Tax Assessor for a final determination.

Note: Revenue and Taxation Code Section 68, Rule 462.5, G. 1 through G.4, set forth time limits that may affect your eligibility to retain your favorable current real property tax status.

## THE DEPARTMENT'S RIGHT OF EMINENT DOMAIN.

An owner's rights are guaranteed by the federal and State constitutions and applicable federal and State laws. The principal right is that "Just Compensation" must be paid.

The vast majority of our transactions are settled by contract. However, if the owner and the Department cannot agree on the terms of sale, the Department may resort to the eminent domain process to avoid delaying the project, and will ultimately initiate condemnation proceedings.

The Department will request authority from the California Transportation Commission (Commission) to file a condemnation action in court. You will be given an opportunity to appear before the Commission to question whether public interest, necessity, planning and location require the proposed project and your property. The Commission does not hear arguments regarding valuation or just compensation.

Condemnation lawsuit documents are prepared by the Department and filed with the court in the county where the property is located. The Summons and Complaint will then be served on all persons having a property interest in the parcel. The persons served must Answer the lawsuit within 30 days.

Counsel for the parties will then prepare for trial, and the court will set dates for preliminary motions and the trial.

## WHAT HAPPENS IN A CONDEMNATION TRIAL?

The purpose of the trial is to determine the amount of Just Compensation. Usually the trial is conducted before a judge and jury. Both the property owner and Department will have the opportunity to present evidence of value. The jury will determine the amount of compensation after being instructed as to the law by the judge. In those cases where the parties choose not to have a jury, the judge will decide the amount of compensation.

The Judgment is then prepared by counsel and signed by the judge. It will state that, upon payment of the amount of the verdict for the benefit of the property owner, title will be transferred to public ownership.

When the Department makes the payment as required by the Judgment, the Final Order of Condemnation is signed by the judge and recorded with the County Recorder's office. This finalizes the actual transfer of title.

## WHO PAYS THE CONDEMNATION TRIAL COSTS?

The Department pays the costs of its attorney and its engineering and appraisal witnesses. It will also pay the jury fees and your recoverable costs allowed by law. The fee for filing your Answer with the court is an example of such costs.

If the judge determines that the Department's offer of settlement was unreasonable, while the demand of the property owner was reasonable as viewed in light of the evidence admitted at trial and the verdict, the property owner may receive litigation expenses such as their attorney's fees. The Judgment is then prepared by counsel and signed by the judge.

## IF I WANT A TRIAL, MUST I HAVE AN ATTORNEY AND EXPERT WITNESSES?

Most property owners will be represented by an attorney, although they have the right to represent themselves.

You may wish to consult your family attorney. If you do not have one, in many communities the yellow pages of the telephone directory will refer you to an attorney reference service. The local bar association may also provide a list of attorneys who may offer services in eminent domain proceedings.

You and your attorney must decide what type of case you will present and what witnesses will be needed.

## WILL I BE PAID ANY RELOCATION ASSISTANCE BENEFITS EVEN THOUGH I GO TO COURT?

A decision to go to court has no effect on your right to relocation benefits. Payment of relocation benefits is administered separately from the condemnation action. You will be provided details of additional assistance to help displaced persons, businesses, farms or nonprofit organizations in finding, purchasing or renting, and moving to a new location. These are explained in various booklets prepared for homeowners, tenants, and business and farm operators and are made available by the Department of Transportation.

## HOW LONG CAN I KEEP MY PROPERTY?

Continued use of your property usually depends on when construction must begin, including utility relocations, and the demolition and/or clearance of buildings. If construction must begin before the trial, the Department will seek a court order for early possession of your property.

In this regard the Department will be required to deposit with the State Treasurer, the probable amount of just compensation, as determined by an appraisal as security for the value of the property rights it is seeking. The court will determine if the amount of money deposited is adequate. Once the deposit is made the owner may withdraw all or a portion of it at any time during the condemnation proceedings.

The court may then grant to the Department an order for early possession allowing the Department to use the property for construction of the project.

To obtain an Order for Possession, the Department will file a motion with the court and schedule a hearing 90 days after you and all occupants of the property are served with the motion papers (60 days if the property is unoccupied). You and the occupants, if any, will have 30 days to oppose the motion. Once the court grants an Order for Possession of the property, the Department may obtain possession of the property 30 days after the owner and any occupants are served with the Order.

Subject to the rights of any other persons having an interest in the property, you may withdraw all or part of the pre-Judgement deposit. If you do not make a withdrawal, the Department will pay interest on the eventual court award, or agreed settlement sum from the time it legally occupied your property until the date of final payment to you. Interest will accrue at the applicable statutory rate until paid at the time of final settlement.

The Department's Right of Way Agent assigned to purchase your property will assist you in the transaction and will be available to answer any additional questions you may have.

# DEFINITIONS

The language used in relation to eminent domain proceedings may be new to you. These are some terms you may hear and their general meaning.

**Acquire** - To purchase

**Answer** - The property owner's written reply, in appropriate legal form, filed with the court in response to the eminent domain complaint and as requested by the summons.

**Compensation** - The amount of money to which a property owner is entitled under the law for the purchase of their property and any related damages.

**Complaint** - The document filed with the court by the Department which initiates an eminent domain proceeding.

**Condemnation** - The legal process by which a proceeding in eminent domain is accomplished.

**Counsel** - An attorney or attorneys.

**Department** - The State of California acting through the Department of Transportation.

**Eminent Domain** - The right of government to purchase private property for public use.

**Fair Market value** - The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

**Final Order of Condemnation** - The instrument which, when recorded, transfers title to public ownership.

**Judgment** - The court's formal decision based on applicable law and the verdict.

**Just Compensation** - The measure of Just Compensation is Fair Market Value.

**Loss of business goodwill** - A loss in the value of a business caused by the Department's acquisition of property that cannot be reasonably prevented by relocation of the business or the owner adopting prudent or reasonable steps that preserve the value of the business goodwill.

**Parcel** - Usually means the property that is being acquired.

**Plaintiff** - The public agency that desires to purchase the property.

**Possession** - Legal control; to have the right to use.

**Property** - The right or interest which an individual has in land, including the rights to use or possess. Property is ownership; the exclusive right to use, possess or dispose of a thing.

**Right of Entry** - An agreement between an owner and the Department which allows the Department to utilize the property while continuing to negotiate the terms of settlement. Interest, calculated at the statutory rate, is included in the settlement upon conclusion of the transaction.

**Summons** - Notification of filing of a lawsuit in eminent domain and of the necessity to file answer or other responsive pleading.

**Title** - Legal ownership.

**Trial** - The hearing of the facts from a plaintiff and defendant in court of law, either with or without a jury.

**Verdict** - The amount of just compensation to be paid for a property including any damages to the remainder, if applicable.

# STATE OF CALIFORNIA
# BUSINESS, TRANSPORTATION AND HOUSING AGENCY
# DEPARTMENT OF TRANSPORTATION
# DIVISION OF RIGHT OF WAY AND LAND SURVEYS

**JULY 2008**




**This is an informational pamphlet only. It is not intended to give a complete statement of all State or federal laws and regulations pertaining to the purchase of your property for a public use, the Relocation Assistance Program, technical legal definitions, or any form of legal advice.**

**ADA Notice**

**For individuals with disabilities, this document is available in alternate formats. For information contact:**

**Division of Right of Way and Land Surveys**
**(916) 654-5896**
**CRS: (800) 735-2929**
**or write:**
**1120 N Street, MS 37**
**Sacramento, CA 95814**

### District 1
**Equal Employment Opportunity (EEO) Office**
1656 Union Street
Eureka, CA 95501
(707) 445-5318

### District 2
**EEO Office**
1657 Riverside Drive
Redding, CA 96001
(530) 225-3055

### District 3
**EEO Office**
703 B Street
Marysville, CA 95901
(530) 741-7130

### District 4
**EEO Office**
P.O. Box 23660, MS 6A
Oakland, CA 94623
(510) 286-5871

### District 5
**EEO Office**
50 Higuera Street
San Luis Obispo, CA 93401
(805) 549-3037

### District 6
**EEO Office**
1352 West Olive Avenue
Fresno, CA 93728
(559) 444-2522

### District 7
**EEO Office**
100 S. Main Street
Los Angeles, CA 90012
(213) 897-0797

### District 8
**EEO Office**
464 West 4th Street,
MS 1249
San Bernardino, CA 92401
(909) 383-6396

### District 9
**EEO Office**
500 S. Main Street
Bishop, CA 93514
(760) 872-0752

### District 10
**EEO Office**
1976 East Dr. Martin Luther King Jr. Blvd.
Stockton, CA 95205
(209) 948-3911

### District 11
**EEO Office**
4050 Taylor Street, MS 251
San Diego, CA 92110
(619) 688-4249

### District 12
**EEO Office**
1750 East 4th Street,
Suite 100
Santa Ana, CA 92705
(657) 328-6595

### Headquarters
**Title VI Coordinator**
1823 14th Street, MS 79
Sacramento, CA 95811
(916) 324-8379

**This publication will be made available in alternative formats:**

Braille
Large print
Computer disc
Audio version or
in a different language
upon request by calling
the Caltrans Office of
Business & Economic
Opportunity
(916) 324-8379
711 (TTY)

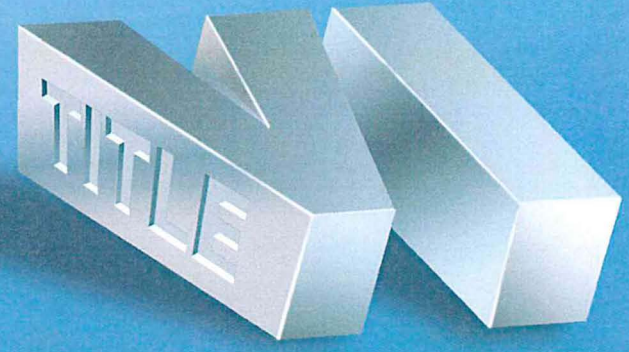
Caltrans

Jan 2017

# Caltrans & You

## Your Rights Under Title VI and Related Statutes

**This brochure is designed to inform you of the requirements of Title VI of the Civil Rights Act of 1964 and your rights under those requirements.**



# What is Title VI?

## Title VI is a statute provision of the Civil Rights Act of 1964.

***Title VI (Sec. 601) of the Civil Rights Act of 1964 provides:***

*"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."*
*(42 U.S.C. Sec. 2000d)*

***Additionally, Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations 1994 provides:***

*"Each Federal agency shall make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations."*

Related statutes provide protection against discrimination on the basis of sex, age, or disability by programs receiving federal financial assistance.

## What does this mean?

That Caltrans strives to ensure that access to and use of all programs, services, or benefits derived from any Caltrans activity will be administered without regard to race, color, national origin, sex, age, disability or socioeconomic status.

Caltrans will not tolerate discrimination by a Caltrans employee or recipients of federal funds such as cities, counties, contractors, consultants, suppliers, universities, colleges, planning agencies, and any other recipients of federal-aid highway funds.

Caltrans prohibits all discriminatory practices, which may result in:

- **Denial to any individual of any service, financial aid, or benefit provided under the program to which he or she may be otherwise entitled;**
- **Different standards or requirements for participation;**
- **Segregation or separate treatment in any part of the program;**
- **Distinctions in quality, quantity, or manner in which the benefit is provided;**
- **Discrimination in any activities conducted in a facility built in whole or part with federal funds.**

To ensure compliance with Title VI, related statutes, and the Presidential Executive Order on Environmental Justice, Caltrans will:

- **Avoid or reduce harmful human health and environmental effects on minority and low-income populations;**
- **Ensure the full and fair participation by all communities including low-income and minority populations in the transportation decision-making process;**
- **Prevent the denial of, reduction in, or significant delay in the receipt of benefits by minority and low-income populations.**

Additionally, any recipient, including, but not limited to, Metropolitan Planning Organizations and cities and counties, who receive federal financial aid bears a responsibility to administer its program and activities without regard to race, color, national origin, sex, age, disability, or socioeconomic status.

## Benefits and Services

Caltrans' mission is to provide the people of California with a safe, efficient, and effective inter-modal transportation system. All of the work Caltrans performs is intended to assist the transportation needs of all the people of California regardless of race, color, national origin, sex, age, disability, or socioeconomic status.

## Are your rights being violated?

If you believe that you have been discriminated against because of your race, color, national origin, sex, age, or disability, you may file a written complaint with the Caltrans Equal Employment Opportunity (EEO) Office. District EEO offices are located statewide. The addresses and telephone numbers are located on the back of this brochure. Title VI complaints are forwarded to Sacramento for investigation by the Caltrans Office of Business & Economic Opportunity Title VI Program.

## Who bears the responsibility to Title VI?

All of Caltrans employees and its functional programs.The Caltrans Office of Business & Economic Opportunity Title VI Program provides continuous leadership, guidance, and technical assistance to ensure ongoing compliance with Title VI and the Executive Order on Environmental Justice.

Seller: Buckeye Union
School District
APN: 119-190-02
Project#: 72312
Escrow#: P-257920

**EASEMENT ACQUISITION AGREEMENT FOR PUBLIC PURPOSES**

This Agreement ("Agreement") is made by and between THE COUNTY OF EL DORADO, a political subdivision of the State of California ("County"), and **Buckeye Union School District,** referred to herein as ("Seller"), with reference to the following facts:

**RECITALS**

A. Seller owns that certain real property located in an unincorporated area of El Dorado County, California, a legal description of which is attached hereto, as Exhibit A (the "Property").

B. County desires to purchase an interest in the Property as a Public Service Easement, as described and depicted in Exhibit B, and the exhibits thereto, and a Temporary Construction Easement, as described and depicted in Exhibit C, and the exhibits thereto which are attached hereto and referred to hereinafter as "the Easements," on the terms and conditions herein set forth.

**NOW, THEREFORE,** in consideration of the mutual covenants and conditions herein contained, the parties hereto agree as follows:

**AGREEMENT**

**1. ACQUISITION**

Seller hereby agrees to sell to County, and County, upon approval by the Director of the Department of Transportation, hereby agrees to acquire from Seller, the Easements, as described and depicted in the attached Exhibits B and C, and the exhibits thereto, which are attached hereto and hereby incorporated by reference and made a part hereof. The Temporary Construction Easement is for a period of 24 months from the date of full

Seller ____

execution of this Agreement. Construction is anticipated to take two months.

**2. JUST COMPENSATION**

The just compensation for the Easements is in the amount of $1.00 (One Dollar Exactly) for the Easements. Seller and County hereby acknowledge that the fair market value of the Easements is $4,050.00. The public project proposed will mutually benefit the Seller, the County, and its citizens.

**3. ESCROW**

The acquisition of the Easements shall be consummated by means of Escrow No. P-257920 for APN 119-190-02 which has been opened at Placer Title Company ("Escrow Holder"). This Agreement shall, to the extent possible, act as escrow instructions. The parties shall execute all further escrow instructions required by Escrow Holder. All such further escrow instructions, however, shall be consistent with this Agreement, which shall control. The "Close of Escrow" is defined to be the recordation of the Easements. Seller and County agree to deposit in escrow all instruments, documents, and writings identified or reasonably required to close escrow. The escrow must be closed no later than January 31, 2020, unless the closing date is extended by mutual agreement of the parties pursuant to the terms of this Agreement.

**4. ESCROW AND OTHER FEES**

County shall pay:

A. The Escrow Holder's fees; and

B. Recording fees, if applicable; and

C. The premium for the policy of title insurance, if applicable; and

D. Documentary transfer tax, if any; and

E. All costs of executing and delivering the Easement(s); and

F. All costs of any partial reconveyances of deeds of trust, if any.

**5. TITLE**

Seller shall, by Grants of Easement, grant to County the Easements, free and clear of title defects, liens, and encumbrances that would render the Easements unsuitable for their intended purposes, as outlined herein.

**6. AGREEMENT DECLARING RESTRICTIVE COVENANTS (ADRC)**

Seller acknowledges that County will use federal/state/local funds for the acquisition of the land rights for this Project. County has entered into a Master Agreement, Administering Agency – State Agreement for Federal Aid Projects, Agreement No. 03-5925F15, effective October 18, 2016. County has agreed to comply with the terms and conditions of that Agreement, which include compliance with all Fair Employment Practices and with all Nondiscrimination Assurances as are contained in said Master Agreement, including the addition of certain covenants as contained in the Easement Deeds being conveyed by Seller, and as shown in Exhibits B and C and the exhibits thereto, attached hereto and incorporated by reference herein.

**7. WARRANTIES**

Seller warrants that:

A. Seller owns the Property free and clear of all liens, licenses, claims, encumbrances, easements, and encroachments on the Property from adjacent properties, encroachments by improvements on the Property onto adjacent properties, and

rights of way of any nature, not disclosed by the public record.

B. Seller has no knowledge of any pending litigation involving the Property.

C. Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with, any applicable code statute, regulation, or judicial order pertaining to the Property.

D. All warranties, covenants, and other obligations described in this Agreement section and elsewhere in this Agreement shall survive delivery of the Easements.

**8. MORTGAGES, DEEDS OF TRUST**

Any or all monies payable under this Agreement, up to and including the total amount of unpaid principal and interest on notes secured by mortgages or deeds of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said trust deeds or mortgages shall, upon demands be made payable to the mortgagees or beneficiaries to furnish Grantor with good and sufficient receipt showing said monies credited against the indebtedness secured by said mortgages or deeds of trust.

**9. POSSESSION**

It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this Agreement, the right to possession and use of the Easements by the County or County's contractors or authorized agents, for the purpose of performing activities related to and incidental to the construction of improvements for the Merrychase and Country Club Drive - Sidewalks and Class II and Class III Bike Paths, Project #72312, inclusive of the right to remove and dispose of any existing improvements, shall commence upon the last date of execution of this Agreement by Seller and County. The amount of the just

compensation shown in Section 2 herein includes, but is not limited to, full payment for such possession and use, including damages, if any, from said date.

**10. WAIVER OF AND RELEASE OF CLAIMS**

This Agreement is full consideration for all claims and damage that Seller may have relating to the public project for which the Easements are conveyed and purchased, and Seller hereby waives any and all claims of Seller relating to said project that may exist on the date of this Agreement.

**11. COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

**12. REAL ESTATE BROKER**

Seller has not employed a broker or sales agent in connection with the sale of the Easements, and Seller shall indemnify, defend and hold the County free and harmless from any action or claim arising out of a claimed agreement by Seller to pay any commission or other compensation to any broker or sales agent in connection with this transaction.

**13. ITEMS TO BE DELIVERED AT CLOSE OF ESCROW**

A. Seller shall execute and deliver to Escrow Holder the Easements prior to the Close of Escrow, for delivery to the County at Close of Escrow.

B. County shall deliver to Escrow Holder prior to the Close of Escrow, for delivery or disbursement at Close of Escrow, funds in an amount equal to those shown in Section 2, together with County's Certificates of Acceptance to be attached to and

recorded with the Easements.

C. Escrow Holder shall:

(i) Record the Easement Deeds for the Easements described and depicted in Exhibits B and C and the exhibits thereto, together with County's Certificates of Acceptance.

(ii) Deliver the just compensation to Seller.

**14. TIME IS OF THE ESSENCE**

Time is of the essence to this Agreement. This Agreement may not be extended, modified, altered, or changed except in writing, signed by County and Seller.

**15. BEST EFFORTS**

County and Seller shall act in good faith and use their best efforts after the effective date hereof to ensure that their respective obligations hereunder are fully and punctually performed. County and Seller shall perform any further acts and execute and deliver any other documents or instruments that may be reasonably necessary to carry out the provisions of this Agreement.

**16. NOTICES**

All communications and notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given on the earlier of the date when actually delivered to Seller or County by the other or three (3) days after being deposited in the United States mail, postage prepaid, and addressed as follows, unless and until either of such parties notifies the other in accordance with this paragraph of a change of address:

**SELLER:** **Buckeye Union School District**
**Attn: Brian McCahon, Director of Facilities**
**PO Box 547**
**Shingle Springs CA 95682**

**COUNTY:** **County of El Dorado**
**Community Development Services**
**Department of Transportation**
**Attention: ROW Unit**
**2850 Fairlane Ct.**
**Placerville CA 95667**

**17. BINDING EFFECT**

This Agreement shall be binding on and inure to the benefit of the parties to this Agreement, their heirs, personal representatives, successors, and assigns except as otherwise provided in this Agreement.

**18. GOVERNING LAW**

This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California.

**19. HEADINGS**

The headings of the articles and sections of this Agreement are inserted for convenience only. They do not constitute part of this Agreement and shall not be used in its construction.

**20. WAIVER**

The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.

**21. ATTORNEY'S FEES**

In any action or proceeding at law or in equity brought to enforce any provision of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees, costs, and expenses incurred in said action or proceeding.

**22. LEASE WARRANTY PROVISION**

Seller warrants that there are no oral or written leases on all or any portion of the Property exceeding a period of one month.

**23. EFFECTIVE DATE**

This Agreement shall be subject to the approval of the Director of the Department of Transportation after due notice and in accordance with the provisions of applicable law.

**24. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof. No amendment, supplement, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

**25. AUTHORIZED SIGNATURES**

The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties the obligations set forth herein. The Director of the Department of Transportation's signatory authority is on record at the County Office of Board of Supervisors.

Seller: Buckeye Union
School District
APN: 119-190-02
Project#: 72312
Escrow#: P-257920

**SELLER: Buckeye Union School District**

Date: _____

By: _____
Buckeye Union School District

By: _____
Title

**COUNTY OF EL DORADO:**

Date: _____

By: _____
Rafael Martinez, Director
Community Development Services
Department of Transportation

Seller ____

# Exhibit "A"
# Legal Description

The land described herein is situated in the State of California, County of El Dorado, unincorporated area, described as follows:

Lot B as shown on that certain map entitled "Bar-J- Ranch Unit 1" filed in the office of the County Recorder of El Dorado County, State of California, on December 16, 1987, in Map Book "G", at page 80, more particularly described as follows:

All that real property located in the Southeast quarter of Section 5, Township 09 North, Range 09 East, Mount Diablo Meridian, County of El Dorado, State of California, more particularly described as follows:

BEGINNING at the Southeast comer of said property, a point from which the Southeast comer of Section 5 bears the following two courses and distances:(1) North 89 deg. 13' 35" East, 940.50 feet , and(2)South 00 deg. 58' 54" East, 350.39 feet; thence from said POINT OF BEGINNING, North 00 deg. 58' 55" West, 925.55 feet , to a 3/4 inch capped iron pipe, stamped RCE 13409; thence continuing North 00 deg. 58' 55" West, 72.13 feet; thence South 63 deg. 461 06" West, 156.35 feet; thence South 64 deg. 31' 57" West, 508.65 feet; thence along the arc of a curve to the left with a radius of 20.00 feet, said curve being subtended by a cord that bears South 19 deg. 31' 57" West, 28.28 feet; thence South 25 deg. 28' 03" East, 401.99 feet; thence along the arc of a curve to the right with a radius of 530.00 feet, said curve being subtended by a chord that bears South 13 deg. 13' 29" East, 224.78 feet; thence South 00 deg. 58'55" East, 92.72 feet; thence along the arc of a curve to the left with a radius of 20.00 feet, said curve being subtended by a chord that bears South 48 deg. 03' 31" East, 29.29 feet; thence along the arc of a curve to the right with a radius of 2030.00 feet, said curve being subtended by a chord that bears North 87 deg. 02' 49" East, 154.59 feet; thence North 89 deg 13' 45" Ease, 224.01 feet to the point of beginning, being a portion of Parcel B, as shown on that certain Parcel Map filed in the office of the County Recorder, County of El Dorado, State of California, on July 24, 1980, in Book 27 of Parcel Maps, at page 51.

APN: 119-190-02-100

**RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:**

County of El Dorado
Community Development Services
Department of Transportation
Attn: ROW Unit
2850 Fairlane Ct.
Placerville, CA 95667

**APN: 119-190-02**
**Seller: Buckeye Union School District**
**Project: 72312**

Mail Tax Statements to above.
Exempt from Documentary Tax Transfer
Per Revenue and Taxation Code 11922

Above section for Recorder's use

## GRANT OF PUBLIC SERVICE EASEMENT

**FOR VALUABLE CONSIDERATION**, receipt of which is hereby acknowledged, **Buckeye Union School District,** hereinafter referred to as "Grantor," grants to the **COUNTY OF EL DORADO**, **a political subdivision of the State of California**, a public service easement as defined in Streets and Highways Code Section 8306(a), and including sidewalks and slopes over, under, and across a portion of all that certain real property situate in the unincorporated area of the County of El Dorado, State of California,

**Described in Exhibit 'A1' and depicted in Exhibit 'B1' attached hereto and made a part hereof, which description is by this reference incorporated herein.**

**IN WITNESS WHEREOF**, Grantor has herein subscribed its name on this _____ day of _____, 20__.

**GRANTOR: Buckeye Union School District**

_____
**Buckeye Union School District**

_____
**Title**

**(All signatures must be acknowledged by a Notary Public)**

# EXHIBIT 'A1'

All that certain real property situate in the Southeast Quarter of Section 5, Township 9 North, Range 9 East, Mount Diablo Meridian, County of El Dorado, State of California, being portions of Lot B of that certain Subdivision Map of Bar-J-Ranch Unit 1 filed in Book G of Subdivision Maps, Page 80 in the official records of El Dorado County more particularly described as follows:

AREA 1:
BEGINNING at the Northeast corner of said Lot B; thence along the easterly line of said Lot B South 0° 58' 55" East 22.11 feet; thence leaving said easterly line South 63° 46' 06" West 147.03 feet; thence South 64° 31' 57" West 30.74 feet; thence North 25° 28' 03" West 20.00 feet to the northerly line of said Lot B and a point hereinafter referred to as POINT 'A'; thence along said northerly line the following two (2) courses: 1) North 64° 31' 57" West 30.61 feet; 2) North 63° 46' 06" East 156.33 to the POINT OF BEGINNING. Containing 3,647 square feet (0.08 acres) more or less.

TOGETHER WITH:

AREA 2:
BEGINNING at a point on the northerly line of said Lot B which bears South 64° 31' 57" West 60.00 feet from the aforementioned POINT 'A'; thence from said POINT OF BEGINNING leaving said northerly line South 25° 28' 03" East 16.87 feet; thence South 71° 49' 48" West 54.08 feet; thence South 64° 31' 57" West 364.34 feet to the beginning of a curve to the left having a radius of 10.00 feet; thence southwesterly 15.70 feet along said curve through a central angle of 90° 00' 00", said curve being subtended by a chord which bears South 19° 31' 57" West 14.14 feet; thence South 64° 31' 57" West 10.00 feet to the westerly line of said Lot B and the beginning of a curve to the right having a radius of 20.00 feet; thence along the westerly and northerly lines of said Lot B the following two (2) courses: 1) northeasterly 31.41 feet along said curve through a central angle of 90° 00' 00", said curve being subtended by a chord which bears North 19° 31' 57" East 28.28 feet; 2) North 64° 31' 57" East 417.98 feet to the POINT OF BEGINNING. Containing 4,599 square feet (0.10 acres) more or less.

-End of Description-

See Exhibit 'B1' attached hereto and made a part hereof.

The Basis of Bearings of the above description is Grid North. Distances used in the above description are grid distances. Divide distances by 0.999890 to obtain ground distances.

The purpose of the above description is to describe those portions of said Lot as an easement for public service purposes.

Joseph C. Neely, P.L.S. 9026
Associate Land Surveyor
El Dorado County
Department of Transportation

Dated: 9/25/18



# EXHIBIT 'B1'

## Situate in the Southeast 1/4 of Section 5
## T. 9 N., R. 9 E., M.D.M.
## County of El Dorado, State of California

| # | LINE & CURVE DATA |
|---|---|
| C1 | R=10.00' L=15.70' Δ=90°00'00" CH=S19°31'57"W 14.14' |
| C2 | R=20.00' L=31.41' Δ=90°00'00" CH=N19°31'57"E 28.28' |
| L1 | S0°58'55"E 22.11' |
| L2 | S63°46'06"W 147.03' |
| L3 | S64°31'57"W 30.74' |
| L4 | N25°28'03"W 20.00' |
| L5 | N64°31'57"E 30.61' |
| L6 | N63°46'06"E 156.33' |
| L7 | S64°31'57"W 60.00' |
| L8 | S25°28'03"E 16.87' |
| L9 | S71°49'48"W 54.08' |
| L10 | S64°31'57"W 10.00' |

PROFESSIONAL LAND SURVEYOR
JOSEPH C. NEELY
No. 9026
STATE OF CALIFORNIA

NORTH
SCALE 1"=100'

NORTHEAST CORNER
LOT B, S.D. G-80

POINT 'A'

AREA 2 P.O.B.

L1
L6
L5
L2
L7
L4
L3
L8
L9

COUNTRY CLUB DR

N64°31'57"E 417.98'
S64°31'57"W 364.34'

PUBLIC SERVICE
EASEMENT AREA 1
3,647 SQ. FT. ±
(0.08 ACRES ±)

PUBLIC SERVICE
EASEMENT AREA 2
4,599 SQ. FT. ±
(0.10 ACRES ±)

C2
C1
L10

MERRYCHASE DR

*BUCKEYE UNION SCHOOL DIST*
*APN 119-190-02*
*LOT B, SD G-80*
*2939-OR-159*

**RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:**

County of El Dorado
Community Development Services
Department of Transportation
Attn: ROW Unit
2850 Fairlane Ct.
Placerville, CA 95667

**APN: 119-190-02**
**Seller: Buckeye Union School District**
**Project #: 72312**

Mail Tax Statements to above.
Exempt from Documentary Tax Transfer
Per Revenue and Taxation Code 11922

Above section for Recorder's use

## GRANT OF TEMPORARY CONSTRUCTION EASEMENT

**Buckeye Union School District,** hereinafter referred to as "Grantor," grants to the **COUNTY OF EL DORADO,** a political subdivision of the State of California, hereinafter referred to as "Grantee," a temporary construction easement over, upon, and across a portion of that real property in the unincorporated area of the County of El Dorado, State of California, described as:

**See Exhibits "A2" and "B2"**
**attached hereto and by reference is made a part hereof.**

This temporary construction easement is granted under the express conditions listed below:

1. In consideration of $1.00 (One Dollar AND no/100) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby Grant to Grantee an easement for temporary construction over and across those identified portions of the Grantor parcel.

2. Grantor represents and warrants that they are the owner of the property described in Exhibit A2 and depicted on the map in Exhibit B2 attached hereto and made a part hereof, and that Grantor has the exclusive right to grant the temporary construction easement.

3. This temporary construction easement is necessary for the purpose of constructing the Merrychase and Country Club Drive - Sidewalks and Class II and Class III Bike Paths Project (Project). Specifically, this temporary construction easement shall allow Grantee or its agents, employees, and contractors the right of ingress and egress as may be reasonably necessary for construction purposes, inclusive of such repairs, replacements, and removals as may be from time to time required as well as for other purposes incidental to construction of the project.

Stockpiling or parking of vehicles or equipment is allowed to take place in this area. This temporary construction easement shall not be revoked and shall not expire until the recordation of the Notice of Completion of the Project. Included within this temporary construction easement is the right of ingress and egress of Grantee, its agents, employees, and contractors for warranty repairs and the correction of defects in the work within the first year following completion of construction. This right during the one-year warranty period survives the expiration of this easement.

4. The Temporary Construction Easement is for a period of 24 months from the date of full execution of this Agreement. Construction is anticipated to take 60 days. This easement also includes a one-year warranty period.

5. Grantee agrees to indemnify and hold harmless Grantor from and against any liability arising out of the entry onto the property by Grantee or its agents, employees, and contractors during the term of this temporary construction easement. In the event of property damage, Grantee, at its sole option, may either repair the damage or pay the estimated costs for the repair.

County will use federal/state/local funds for the acquisition of the land rights for this Project. County has entered into a Master Agreement, Administering Agency – State Agreement for Federal Aid Projects, Agreement No. 03-5925F15, effective October 18, 2016. County has agreed to comply with the terms and conditions of that Agreement, which include compliance with all Fair Employment Practices and with all Nondiscrimination Assurances as are contained in said Master Agreement.

TO HAVE AND TO HOLD said lands and interests therein unto COUNTY OF EL DORADO and its successors forever, subject, however, to the covenant, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and shall be binding on COUNTY OF EL DORADO, its successors and assigns. COUNTY OF EL DORADO does hereby covenant and agree as a covenant running with the land for itself, successors and assigns that:

(a) no person shall on the grounds of race, color, sex, national origin, religion, age or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed; and

(b) COUNTY OF EL DORADO shall use the lands and interests in land so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as Regulations may be amended; and

(c) in the event of breach of any of the above-mentioned nondiscrimination conditions, and only after determination that it is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964, the U.S. Department of Transportation shall have a right to re-enter said lands and facilities on said land, and the above-

described land and facilities shall thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed upon COUNTY OF EL DORADO's acquisition.

**IN WITNESS WHEREOF**, Grantor has herein subscribed its name on this _____ day of _____, 20__.

**GRANTOR:** **Buckeye Union School District**

_____

**Buckeye Union School District**

_____

**Title**

**(All signatures must be acknowledged by a Notary Public)**

# EXHIBIT 'A2'

All that certain real property situate in the Southeast Quarter of Section 5, Township 9 North, Range 9 East, Mount Diablo Meridian, County of El Dorado, State of California, being portions of Lot B of that certain Subdivision Map of Bar-J-Ranch Unit 1 filed in Book G of Subdivision Maps, Page 80 in the official records of El Dorado County more particularly described as follows:

AREA 1:
COMMENCING at the Northeast corner of said Lot B; thence along the northerly line of said Lot B the following two (2) courses: 1) South 63° 46' 06" West 156.33 feet; 2) South 64° 31' 57" 30.61 feet to the POINT OF BEGINNING; thence leaving said northerly line South 25° 28' 03" East 33.84 feet; thence South 64° 31' 57" West 60.00 feet; thence North 25° 28' 03" West 33.84 feet to the northerly line of said Lot B and a point hereinafter referred to as POINT 'A'; thence along said northerly line North 64° 31' 57" East 60.00 feet to the POINT OF BEGINNING. Containing 2,031 square feet more or less.

TOGETHER WITH:

AREA 2:
COMMENCING at the aforementioned POINT 'A'; thence along the northerly and westerly lines of said Lot B the following three (3) courses: 1) South 64° 31' 57" West 417.98 feet to the beginning of a curve to the left having a radius of 20.00 feet; 2) southwesterly 31.41 feet along said curve through a central angle of 90° 00' 00", said curve being subtended by a chord which bears South 19° 31' 57" West 28.28 feet; 3) South 25° 28' 03" East 373.15 feet to the POINT OF BEGINNING; thence leaving said westerly line North 64° 31' 57" East 55.48 feet; thence South 25° 28' 03" East 20.00 feet; thence South 64° 31' 57" West 55.48 feet to said westerly line and a point hereinafter referred to as POINT 'B'; thence along said westerly line North 25° 28' 03" West 20.00 feet to the POINT OF BEGINNING. Containing 1,110 square feet more or less.

TOGETHER WITH:

AREA 3:
COMMENCING at the aforementioned POINT 'B'; thence along the westerly line of said Lot B the following two (2) courses: 1) South 25° 28' 03" East 8.80 feet to the beginning of a curve to the right having a radius of 529.94 feet; 2) southeasterly 91.42 feet along said curve through a central angle of 9° 53' 02", said curve being subtended

by a chord which bears South 20° 31′ 32″ East 91.30 feet to the POINT OF BEGINNING; thence leaving said westerly line North 74° 24′ 59″ East 26.27 feet; thence South 11° 43′ 04″ East 75.00 feet; thence South 82° 08′ 53″ West 26.27 feet to said westerly line and the beginning a of curve to the left having a radius of 529.94 feet; thence 71.51 feet along said curve and westerly line through a central angle of 7° 43′ 54″, said curve being subtended by a chord which bears North 11° 43′ 04″ West 71.46 feet to the POINT OF BEGINNING. Containing 1,862 square feet more or less.

-End of Description-

See Exhibit 'B2' attached hereto and made a part hereof.

The Basis of Bearings of the above description is Grid North. Distances used in the above description are grid distances. Divide distances by 0.999890 to obtain ground distances.

The purpose of the above description is to describe those portions of said Lot as a temporary easement for construction purposes.

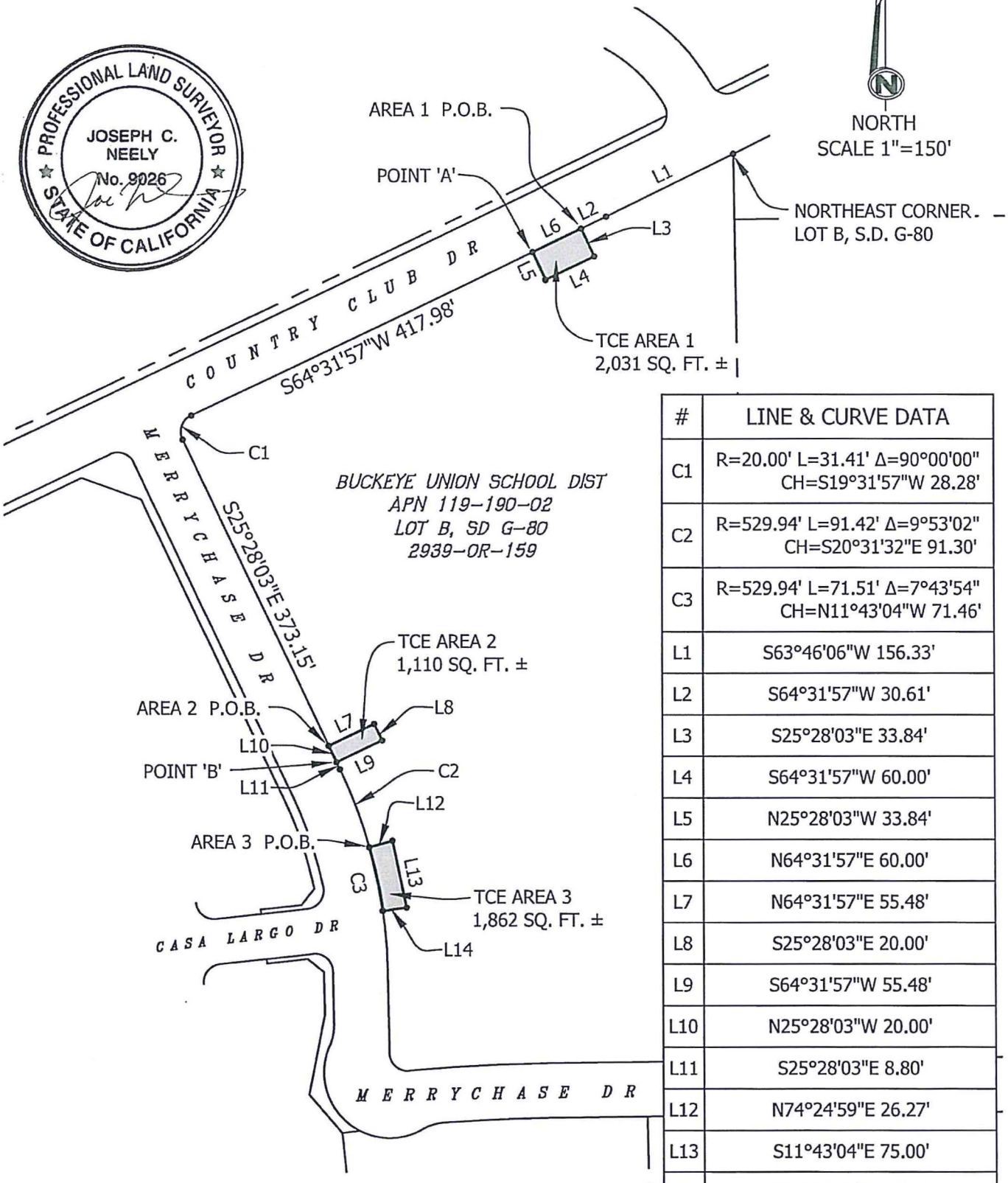
Joseph C. Neely, P.L.S. 9026
Associate Land Surveyor
El Dorado County
Department of Transportation




Dated: 9/25/18

# EXHIBIT 'B2'

Situate in the Southeast 1/4 of Section 5
T. 9 N., R. 9 E., M.D.M.
County of El Dorado, State of California




| # | LINE & CURVE DATA |
|---|---|
| C1 | R=20.00' L=31.41' Δ=90°00'00" CH=S19°31'57"W 28.28' |
| C2 | R=529.94' L=91.42' Δ=9°53'02" CH=S20°31'32"E 91.30' |
| C3 | R=529.94' L=71.51' Δ=7°43'54" CH=N11°43'04"W 71.46' |
| L1 | S63°46'06"W 156.33' |
| L2 | S64°31'57"W 30.61' |
| L3 | S25°28'03"E 33.84' |
| L4 | S64°31'57"W 60.00' |
| L5 | N25°28'03"W 33.84' |
| L6 | N64°31'57"E 60.00' |
| L7 | N64°31'57"E 55.48' |
| L8 | S25°28'03"E 20.00' |
| L9 | S64°31'57"W 55.48' |
| L10 | N25°28'03"W 20.00' |
| L11 | S25°28'03"E 8.80' |
| L12 | N74°24'59"E 26.27' |
| L13 | S11°43'04"E 75.00' |
| L14 | S82°08'53"W 26.27' |

In the Merrychase Drive/Country Club Drive area in Cameron Park, the County of El Dorado (County) is proposing to add approximately 2,100 linear feet of new sidewalks and install 2.1 miles of Class II bike lanes and Class III bike routes. Other improvements include new crosswalks, solar-powered flashing beacons and new or upgraded curbs, ramps and gutters.

Your property located at 2391 Merrychase Drive, Cameron Park CA, is within the project area, and is also identified by your County Assessor as parcel number 119-190-02

Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the California Relocation Assistance and Real Property Acquisition Guidelines require that each owner from whom the County purchases real property or an interest therein or each tenant owning improvements on said property be provided with at a minimum, a summary of the appraisal of the real property or interest therein, as well as the following information:

1. You are entitled to receive full payment prior to vacating the real property being purchased unless you have heretofore waived such entitlement. You are not required to pay recording fees, transfer taxes, or the pro rata portion of real property taxes which are allocable to any period subsequent to the passage of title or possession.

2. The County will offer to purchase any remnant(s) considered by the County to be an uneconomic unit(s) which is/are owned by you or, if applicable, occupied by you as a tenant and which is/are contiguous to the land being conveyed.

3. All buildings, structures and other improvements affixed to the land described in the referenced document(s) covering this transaction and owned by the grantor(s) herein or, if applicable, owned by you as a tenant, are being conveyed unless other disposition of these improvements has been made. The interest acquired is a **Public Service Easement** and a **Temporary Construction Easement.** The property being purchased comprises of **8,246 square feet of Public Service Easement** and **5,003 square feet of Temporary Construction Easement** and is described in the offer package and exhibits attached thereto, which are attached to the enclosed draft Acquisition Agreement for Public Purposes.

4. The market value of the property being purchased is based upon a market value valuation which is summarized on the attached Appraisal Summary Statement to you for your review and such amount:

   a. Represents the full amount of the valuation of just compensation for the property to be purchased; and

   b. Is not less than the approved valuation of the fair market value of the property as improved; and

   c. Disregards any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for which the property is to be acquired or by the likelihood that the property would be acquired for such public improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant; and

   d. Does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits which the owner is entitled to receive under an agreement with the County.

5. Pursuant to Code of Civil Procedure Section 1263.025 should you elect to obtain an independent appraisal, the County will pay for the actual reasonable costs up to five thousand dollars ($5,000) subject to the following conditions:

**SUMMARY STATEMENT RELATING TO THE PURCHASE OF REAL PROPERTY OR AN INTEREST THEREIN (Cont.)**
(Form #)

a. You, not the County, must order the appraisal. Should you enter into a contract with the selected appraiser, the County will not be a party to the contract;

b. The selected appraiser is licensed with the Office of Real Estate Appraisers (OREA);

c. Appraisal cost reimbursement requests must be made in writing, and submitted to the County of El Dorado, Department of Transportation, Attn: ROW Unit, 2850 Fairlane Ct., Placerville, CA 95667, within ninety (90) days of the earliest of the following dates: (1) the date the selected appraiser requests payment from you for the appraisal; or, (2) the date upon which you, or someone on your behalf, remitted full payment to the selected appraiser for the appraisal. Copies of the contract (if a contract was made), appraisal report, and the invoice for the completed work by the appraiser must be provided to the County concurrent with submission of the Appraisal Cost Reimbursement Agreement. The costs must be reasonable and justifiable.

6. The owner of a business conducted on a property to be acquired, or conducted on the remaining property which will be affected by the purchase of the required property, may be entitled to compensation for the loss of goodwill. Entitlement is contingent upon the Owner's ability to prove such loss in accordance with the provisions of Sections 1263.510 and 1263.520 of the Code of Civil Procedure.

7. If you ultimately elect to reject the County's offer for your property, you are entitled to have the amount of compensation determined by a court of law in accordance with the laws of the State of California.

8. You are entitled to receive all benefits that are available through donation to the County of all or part of your interest in the real property sought to be acquired by the County as set out in Streets and Highways Code Sections 104.2 and 104.12.

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORATION **CONFIDENTIAL** EXHIBIT

# APPRAISAL SUMMARY STATEMENT

8-EX-15A (REV 6/2010)

(Form #)

| Dist. | Co. | P.M. | Parcel No. | Federal Aid Project No. | Date / Revised Date |
|---|---|---|---|---|---|
| 03 | ED | | EDC 119-190-02 | CML 5925(145) | 12/1/18 |

Owner: Buckeye Union School District Date Acquired: unknown

Property Address: 2391 Merrychase Drive
Cameron Park CA 95682

Property to be acquired: Part _X_ All __

Total Property Area: 9.84 +/- acres

Including Permanent Access Rights: Yes _X__ No __

## STATUTORY BASIS OF VALUATION

The market value for the property to be acquired by the County is based upon a Waiver Valuation prepared in accordance with accepted appraisal principles and procedures.

Code of Civil Procedure Section 1263.320 define Fair Market Value as follows:

a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
b) The fair market value of property taken for which there is no relevant, comparable market value on the date of valuation as determined by any method of valuation that is just and equitable.

Code of Civil Procedure section 1263.321 defines the Value for Nonprofit, Special Use Property as follows:
A just and equitable method of determining the value of nonprofit, special use property for which there is no relevant, comparable market is as set forth in Section 824 of the Evidence Code, but subject to the exceptions set forth in subdivision (c) of Section 824 of the Evidence Code.

The market value for the property to be acquired by the County is based upon Code of Civil Procedure Section 1263.320 as defined above.

## BASIC PROPERTY DATA

Interest valued: Public Service Easement
Temporary Construction Easement

Date of valuation: December 1, 2018 Original _X___ Updated ____

Applicable zoning: R1

Area to be acquired: 8,246 SF of Public Service Easement
5,003 SF of Temporary Construction Easement

Highest and best use: R1

Current use: Public School

## IMPROVEMENTS WITHIN THE RIGHT OF WAY

Item: N/A

Size: N/A

| | |
|---|---|
| Lump Sum Total: | $ None |
| Value of the Entire Property – LAND ONLY: | $338,618.01 |
| Value of IMPROVED PROPERTY: | $ N/A |
| Value of the IMPROVEMENTS: | $ N/A |
| Value of the property being acquired including the following improvements: | |
| Public Service Easement | $ 3,257.17 |
| Temporary Construction Easement | $ 790.47 (not permanent) |
| TOTAL | $ 4,047.64 |
| Value of the remainder as part of the whole LAND ONLY: | $335,360.84 |
| Value of the remainder as a separate parcel (cured): | $ N/A |
| Severance Damages: | |
| Cost to Cure Damages: | $ None |
| Incurable Damages: | $ None |
| Total Damages: | $ None |
| Benefits: | $ None |
| Net Damages: | $ None |
| The amount of any other compensation: | $ None |
| **JUST COMPENSATION FOR ACQUISITION** | $ 4,047.64 |
| **Rounded To** | **$ 4,050.00** |
| Construction Contract Work: | $ N/A |

## SEVERANCE DAMAGES

| | |
|---|---|
| Cost To Cure Damage Items: | $ None |
| Incurable Damages: | $ None |
| Total Damages: | $ None |
| Benefits: | $ None |
| Lump Sum Total: | $ None |
| Net Damages: (Total Damages less Benefits) | $ None |

## CONSTRUCTION CONTRACT WORK ITEMS

N/A

## THE FOLLOWING INFORMATION IS BASED ON THE PARTIAL ACQUISITION ONLY

1. The Sale Comparison approach is based on the consideration of
   Comparable land sales.
   Indicated value by Sales Comparison Approach $ 338,618.01
   See attached sheet for principal transaction. LAND ONLY
   Comparable land and improved sales
   Indicated value by Sales Comparison Approach $ N/A
   See attached sheet for principal transaction. LAND AND IMPROVEMENTS

## SUMMARY OF THE BASIS FOR JUST COMPENSATION

The comparables are listed in the table attached to this report.

COUNTY OF EL DORADO

# WAIVER VALUATION

**CONFIDENTIAL** – *This document contains personal information and pursuant to Civil Code 1798.21 it shall be kept confidential in order to protect against unauthorized disclosure.*

APN: 119-190-02
Report No. 1 Date: 12/1/18

OWNER: Buckeye Union School District
PO Box 547
Shingle Springs, CA 95682

PROPERTY ADDRESS: 2391 Merrychase Dr
Cameron Park, CA 95682

PARCEL SIZE: 9.84 acres

PROPOSED ACQUISITION: 8,246 Square Feet (SF) of Public Service Easements
5,003 SF of Temporary Construction Easements

____ Full __X__ Partial

Including permanent access rights __X__ Yes ____ No

---

**SUMMARY BASIS OF JUST COMPENSATION:**

The Sales Comparison Approach was relied upon to value the larger subject parcel as vacant. The Income and Cost Approaches are not typically used to appraise this type of property and were not performed.

Four comparables were located in the subject parcel's market area. These comparable sales were utilized to establish a value for the subject property from an array of sales based on parcel size, zoning and land use. Because the County purchases land generally adjacent to or part of road/bridge or maintenance projects, the value contained herein is based only on land value and does not account for improved sales.

This is a partial acquisition that values both Public Service Easements and a Temporary Construction Easements.

The acquisition of the required easement/s and any proposed future construction and or maintenance will result in no damages to the subject property. The functional utility of the subject property will remain the same after the acquisition and the highest and best use will not change.

## Comparable Sales Table

Vacant Land Data

| No. | Address City | Recording Date | Site Size (AC) (Sq Ft) | Current Use/Zoning | Utilities/ Improvements | Sale Price $/Sq Ft |
|---|---|---|---|---|---|---|
| C-01 | 4345 Screech Owl Creek Rd, | 6/11/18 | 10.07 | Res | n/a | $345,000 $34,260/ac |

| | | | | | | |
|---|---|---|---|---|---|---|
| | El Dorado Hills, 95762 | | | | | $0.79 psf |
| C-02 | 1 Jane Dr, Rescue, 95672 | 8/9/18 | 6.77 | Res | n/a | $385,000<br>$56,869/ac<br>$1.30 psf |
| C-03 | 2421 Shingle Springs Dr, Placerville, 95667 | 11/20/18 | 10.00 | Res | n/a | $250,000<br>$25,000/ac<br>$0.57 psf |
| C-04 | 3737 Freedom Way, Placerville, 95667 | 10/15/18 | 10.00 | Res | n/a | $130,000<br>$13,000<br>$0.30 psf |

## Comparable Sales Adjustment Grid

| Comparable | C-01<br>4345 Screech Owl Creek Rd , El Dorado Hills, 95762 | C-02<br>1 Jane Dr, Rescue, 95672 | C-03<br>2421 Shingle Springs Dr, Placerville, 95667 | C-04<br>3737 Freedom Way, Placerville, 95667 |
|---|---|---|---|---|
| Size (Acres) | 10.07 | 6.77 | 10.00 | 10.00 |
| Sales Date | 6/11/18 | 8/9/18 | 11/20/18 | 10/15/18 |
| Sales Price:<br>($/sf) | $345,000<br>$34,260/ac<br>$0.79 psf | $385,000<br>$56,869/ac<br>$1.30 psf | $250,000<br>$25,000/ac<br>$0.57 psf | $130,000<br>$13,000<br>$0.30 psf |
| Property Rights Conveyed | 0 | 0 | 0 | 0 |
| Financing Terms | 0 | 0 | 0 | 0 |
| Conditions of Sale | 0 | 0 | 0 | 0 |
| Expenditures After Purchase | 0 | 0 | 0 | 0 |
| Market Conditions (Time) | 0 | 0 | 0 | 0 |
| Location | Neutral | Neutral | Positive | Positive |
| Size | Neutral | Negative | Neutral | Neutral |
| Land Use (Zoning / General Plan) | 0 | 0 | 0 | 0 |
| Site Utility / Constraints | 0 | 0 | 0 | Sloping parcel |
| Access | 0 | 0 | 0 | 0 |
| Contributory Improvements & Utilities | 0 | 0 | 0 | 0 |
| **Net Adjustment** | Neutral | Negative | Positive | Positive |

COUNTY OF EL DORADO

# WAIVER VALUATION SUMMARY

**CONFIDENTIAL**
This document contains personal information and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure

APN: 119-190-02 PARCEL NO. N/A

| N/A | 12/1/18 | 3 | ED | | | | |
|---|---|---|---|---|---|---|---|
| Report No. | Date | Reg/Dist | Co | Rte | KP (P.M) | Exp Auth | Map No. |

**Owner:** Buckeye Union School District
PO Box 547
Shingle Springs, CA 95682

**Locale:** Cameron Park, CA

**Property Address:** 2391 Merrychase Dr.

**Zone:** PF **Present Use:** Public School **Best Use:** R1

**Possible Hazardous Waste (including underground tanks):** __X__ Unknown ____ Yes ____No

**Date Acquired:** 5/4/88

**Parcel Size:** 9.84 acres

**Proposed acquisition:** ____ Full __X__ Partial (including permanent access rights _X___ Yes ____ No)

**Waiver Valuation Value:** **$ 4,050.00 (Rounded)**

**PARCEL DESCRIPTION:**

The subject parcel consists of 9.84 acres and is located in the community of Cameron Park in El Dorado County. The parcel is zoned Public Facility (PF) and is the site of a public school. It's shape is generally rectangular and covered in semi-natural (oaks) and landscaped vegetation. The parcel is located within a residential neighborhood bordered by Merrychase and Country Club Drives.

The County proposes to acquire a Public Service Easement and a Temporary Construction Easement consisting of approximately 8,246 square feet and 5,003 square feet respectively. The proposed easements are located on the west and north sides of the property.

**ANALYSIS FINDING:**

The proposed easements will not affect access to the property. The easements are both permanent and temporary in nature. Owner will retain ownership of the land and the underlying fee, subject to the easement language provided in the easement documents.

According to the Uniform Standards of Professional Appraisal Practice (USPAP), highest and best use is defined as "The reasonably probable and legal use of property that is physically possible, appropriately supported, and financially feasible, and that results in the highest value." In order to determine Highest and Best Use, the property must meet the following tests. These four tests are applied in their corresponding order, in other words the test of legal permissibility must be met before the test of physically possible may be applied, and so forth.

1) Be legally permissible
2) Be physically possible
3) Be financially feasible, and
4) Be maximally productive.

The appraisal methodology requires analysis of the property to the most likely alternative economic use, as opposed to a public use as a public school. Purchase of land by public entities (schools, park land, etc.) does not meet the definition of market value, and the use of these sales is precluded by the Evidence Code given sales cannot be considered by an entity that has the power of eminent domain, regardless of the intent of the agency to utilize this power.

The subject property is currently used as a site for a public school, and has a Land Use Designation of PF (Public Facility). The current zoning for the subject property is R1, One-Family Residential. However, use of the land as a public school is not the most maximally productive use of the property, when compared to use of the land as the legally permissible and physically possible use as residential lots/homes.

In order to meet the financially feasible test, consideration was given to the current status of the subject property as a public school site with improvements. While those facts would tend to restrict consideration of any alternative use, it is possible that because the subject property is zoned for residential, a developer could propose an exchange of lands, whereby the developer provides land that is suitable for another school site. If the property to be exchanged met several criteria, including being located within the existing boundaries of the school district, and was an improvement, the school board could make the necessary findings that the exchange was in the best interest of the community. While this scenario may seem far-fetched, it is in fact a possibility and meets the financially feasible test, and if it were implemented, would result in the higher land value for residential use of the subject property.

The subject property is developed with the public school. As stated above, this is considered a public use, not an economically profitable use. However, it does provide a service to the community, and thus is considered an appropriate use. The improvements/facility (school) is not affected by the proposed project and acquisition, and the school will remain the same in the after condition. Thus, it is our opinion that in order to properly value the land being acquired, we must value the site as if vacant, as a potential residential site.

**CALCULATION:**

| | |
|---|---|
| Public Service Easement – 8,246 sf x $0.79/sf x 50% = | $3,257.17 |
| Temporary Construction Easement – 5,003 sf x $0.79/sf x 10% x 2 years = | $ 790.47 |
| **Total:** | **= $ 4,047.64** |
| **Rounded:** | **= $ 4,050.00** |

**DAMAGES AND BENEFITS:**
None

**CONSTRUCTION CONTRACT WORK:**
None

Inspected Date: 12/1/18 By: Kyle Lassner, ROW Supervisor

# COUNTY OF EL DORADO
## COMMUNITY DEVELOPMENT SERVICES
## DEPARTMENT OF TRANSPORTATION
http://www.edcgov.us/DOT/

PLACERVILLE OFFICES:
MAIN OFFICE:
2850 Fairlane Court, Placerville, CA 95667
(530) 621-5900 / (530) 626-0387 Fax

CONSTRUCTION & MAINTENANCE:
2441 Headington Road, Placerville, CA 95667
(530) 642-4909 / (530) 642-0508 Fax

LAKE TAHOE OFFICES:
ENGINEERING:
924 B Emerald Bay Road, South Lake Tahoe, CA 96150
(530) 573-7900 / (530) 541-7049 Fax

MAINTENANCE:
1121 Shakori Drive, South Lake Tahoe, CA 96150
(530) 573-3180 / (530) 577-8402 Fax


## LETTER OF AUTHORIZATION TO RELEASE INFORMATION

**LENDER:** _____ **LOAN #:**_____

**LENDER MAILING ADDRESS:** _____

**LENDER CONTACT #:** _____ **FAX #:** _____

**PARCEL APN:** __119-190-02_____

**PROPERTY ADDRESS:** __2391 Merrychase Drive, Cameron Park CA 95682_____

**SELLERS/BORROWER'S PRINTED NAME:** _____

**PROJECT NAME:** Merrychase and Country Club Drive - Sidewalks and Class II and Class III Bike Paths, CIP No. 72312

**ACQUISITION INTEREST(S):** Public Service Easement and Temporary Construction Easement

**ESCROW NUMBER:** P-257920

Seller/Borrower, hereinafter referred to as "Borrower", authorizes lender and its representatives to discuss and disclose confidential account information regarding Borrower's mortgage loan status and any related financial information regarding the loan pertaining to the above property, including but not limited to terms regarding potential terms of sale or foreclosure of the above property, loan balance and pay-off information and bankruptcy status or as necessary to obtain release of beneficiary interest in acquisition properties, via telephone, in person, by e-mail or regular mail, with and to the following:

Primary Agent Representing County of El Dorado:

(530) 621-5367 jackie.cook@edcgov.us

_____ _____

Jackie Cook
Right of Way Administrative Assistant

Direct Line / Email

**Other Authorized Individuals to include: County Department of Transportation staff, Right of Way staff, and the Designated Escrow Officer assigned to this escrow, its employees or any title insurance company or other such escrow agent that may participate in the closing of the sale of the acquisition property**.

Borrower certifies that this request has been made voluntarily and that the information given above is believed to be accurate. Borrower acknowledges that Borrower may revoke this authorization at any time, except to the extent that action has already been taken to comply with it. Re-disclosure of the information released pursuant hereto is hereby authorized. This authorization will remain in effect until revoked in writing by the undersigned and revokes all prior authorizations. By signing below, Borrower knowingly and voluntarily waives any applicable privacy rights regarding the disclosure of this information and releases the County of El Dorado and Placer Title Company, their respective officers, employees and personnel from any and all liability for damages of whatever kind which may at any time result to the undersigned, their heirs, family or associates because of compliance with this authorization and release of information pursuant hereto.

_____

SELLER/BORROWER DATE

_____

TITLE

# Preliminary Report Top Sheet

♦ HELP US STAY ON TOP OF YOUR TRANSACTION ♦

**IF ANY OF THESE QUESTIONS ARE ANSWERED "YES", OR IF YOU HAVE QUESTIONS ABOUT THE BELOW, PLEASE CONTACT YOUR ESCROW OFFICER IMMEDIATELY**

- Have any of the principals recently filed bankruptcy?
- Do any of the principals plan to use a power of attorney?
- Are any of the principals going through a divorce? (if so, is there an attorney involved?)
- Is anyone currently vested in title deceased? Has a new Tax I.D. Number been established?
- Do any of the principals NOT have a valid photo identification?
- Is there construction work in progress or incomplete construction?
    - Any construction completed in the last year?
    - Any construction completed in the last 4 months?
- Is there a mobile or manufactured home on the property?
- Are the sellers a non-resident alien or a foreign out of country seller?
- Is the property an investment property or not considered seller's principal residence?
- Will a new entity be formed? (i.e. Partnership, LLC, Corporation)
- If your principals are currently vested or are taking title in their trust, have bank accounts been established in the name of the Trust?
- Will any of the principals be participating in a 1031 Exchange?
- Are any of the principals not able to sign with a Placer Title Company? If so, an approved notary will be required.

THANK YOU FOR CHOOSING

**Placer Title Company**

PLACER TITLE COMPANY
A MOTHER LODE COMPANY

Placer Title Company
3840 El Dorado Hills Blvd, Suite 302
El Dorado Hills, CA 95762
Phone: (916) 933-4550
Fax: (916) 782-0987

| | | |
|---|---|---|
| Order No.: | P-257920 | Update |
| Reference: | | |
| Escrow Officer: | Lynette Collins | |
| Email: | lmcollins@placertitle.com | |
| Email Loan Docs To: | 205edocs@placertitle.com | |

Proposed Insured:
Proposed Loan Amount:

Proposed Underwriter: Westcor Land Title Insurance Company

Property Address: 2391 Merrychase Drive, Cameron Park, CA 95682

## PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, Placer Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

***Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.***

***It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.***

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated: July 23, 2018 at 7:30AM
Title Officer: Kelly Riddle

The form of policy of title insurance contemplated by this report is:

2006 ALTA Standard Owners Policy

2006 ALTA Extended Loan Policy

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee Simple

Title to said estate or interest at the date hereof is vested in:

Buckeye Union School District

The land referred to in this report is described as follows:

See Exhibit "A" Attached for Legal Description

# Exhibit "A"
# Legal Description

The land described herein is situated in the State of California, County of El Dorado, unincorporated area, described as follows:

Lot B as shown on that certain map entitled "Bar-J- Ranch Unit 1" filed in the office of the County Recorder of El Dorado County, State of California, on December 16, 1987, in Map Book "G", at page 80, more particularly described as follows:

All that real property located in the Southeast quarter of Section 5, Township 09 North, Range 09 East, Mount Diablo Meridian, County of El Dorado, State of California, more particularly described as follows:

BEGINNING at the Southeast comer of said property, a point from which the Southeast comer of Section 5 bears the following two courses and distances:(1) North 89 deg. 13' 35" East, 940.50 feet , and(2)South 00 deg. 58' 54" East, 350.39 feet; thence from said POINT OF BEGINNING, North 00 deg. 58' 55" West, 925.55 feet , to a 3/4 inch capped iron pipe, stamped RCE 13409; thence continuing North 00 deg. 58' 55" West, 72.13 feet; thence South 63 deg. 461 06" West, 156.35 feet; thence South 64 deg. 31' 57" West, 508.65 feet; thence along the arc of a curve to the left with a radius of 20.00 feet, said curve being subtended by a cord that bears South 19 deg. 31' 57" West, 28.28 feet; thence South 25 deg. 28' 03" East, 401.99 feet; thence along the arc of a curve to the right with a radius of 530.00 feet, said curve being subtended by a chord that bears South 13 deg. 13' 29" East, 224.78 feet; thence South 00 deg. 58'55" East, 92.72 feet; thence along the arc of a curve to the left with a radius of 20.00 feet, said curve being subtended by a chord that bears South 48 deg. 03' 31" East, 29.29 feet; thence along the arc of a curve to the right with a radius of 2030.00 feet, said curve being subtended by a chord that bears North 87 deg. 02' 49" East, 154.59 feet; thence North 89 deg 13' 45" Ease, 224.01 feet to the point of beginning, being a portion of Parcel B, as shown on that certain Parcel Map filed in the office of the County Recorder, County of El Dorado, State of California, on July 24, 1980, in Book 27 of Parcel Maps, at page 51.

APN: 119-190-02-100

# EXCEPTIONS

At the date hereof, exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2017-2018 not assessed at this time.

2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5, (commencing with Section 75) of the Revenue and Taxation Code, of the State of California.

3. Dedications as set forth and shown on the official map of said subdivision as follows:
   A. Public utilities, Affects the rear 10 feet and the side 5 feet.
   B. Building setback and slope, Affects the front 20 feet, or 5 feet beyond the top of cut or toe of fill, whichever is larger.

4. Terms, conditions and provisions of an unrecorded lease, between Security Pacific National Bank, as Lessor, and Buckeye Union School District, as Lessee, disclosed by a Lessee Owner's Agreement and Waiver, recorded July 13, 1990, (book) 3388 (page) 69, Official Records.

5. Terms, conditions and provisions contained in the Exetension of Facilities Agreement-Water, recorded November 2, 2007, as (instrument) 2007-68610, Official Records.

6. An easement over said land for water pipelines and incidental purposes, as granted to El Dorado Irrigation District , in deed recorded February 4, 2008, (instrument) 2008-5141, Official Records.

   Affects: a Northeasterly portion of the premises, as shown in said document

   No representation is made as to the current ownership of said easement.

********** SPECIAL INFORMATION **********

*** CHAIN OF TITLE REPORT:

According to the public records, no deeds conveying the property described in this report have been recorded within a period of 2 years prior to the date of this report, except as shown herein: NONE

***NOTICE REGARDING MAPS

Any maps provided herewith are for reference only. The property and/or easements shown are but approximations, and no assurances are given as to accuracy, reliability, dimensions or acreage. This will not limit the coverage provided by a CLTA 116, 116.1 or 116.03 endorsement if issued to the policy.

*** NOTICE REGARDING FUNDS DEPOSITED IN ESCROW:

IMPORTANT NOTICE- ACCEPTABLE TYPE OF FUNDS

Please be advised that in accordance with the provisions of the California Insurance Code, Section 12413.1, any funds deposited for the closing must be deposited into the escrow depository and cleared prior to disbursement. Funds deposited by wire transfer may be disbursed upon receipt. Funds deposit via cashier's checks drawn on a California based bank may be disbursed the next business day. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

IMPORTANT NOTE: PLEASE BE ADVISED THAT ESCROW HOLDER DOES NOT ACCEPT CASH, MONEY ORDERS, ACH TRANSFERS, OR FOREIGN CHECKS.

PLEASE CONTACT ESCROW REGARDING QUESTIONS ON TYPE OF FUNDS REQUIRED IN ORDER TO FACILITATE THE PROMPT CLOSING OF THIS TRANSACTION.

NOTE: If you intend to remit multiple cashier's checks to close your escrow (which may or may not include gift funds or third party funds) IRS cash reporting under IRS Code 8300 may be required. For this reason, you may wish to consider wiring funds in lieu of remitting cashier's checks.

## *** DISCLOSURE OF DISCOUNTS ***

You may be entitled to a discount on your title premiums and/or escrow fees if you meet any of the following conditions:

1. You are an employee of the title insurer or Placer Title Company and the property is your primary residence; or
2. The transaction is a loan, the purpose of which is to rebuild the improvements on the property as a result of a governmentally declared disaster; or
3. The property is being purchased or encumbered by a religious, charitable or nonprofit organization for its use within the normal activities for which such entity was intended.

Please advise the company if you believe any of the above discounts apply.

## *** LENDER'S NOTE ***

In accordance with Executive Order 13224, and the USA Patriot Act, **PLACER TITLE COMPANY** compares the names of parties to the proposed transaction to the Specially Designated Nationals and Blocked Persons (SDN List) maintained by the United States Office of Foreign Asset Control.

## *** BUYER'S NOTE ***

If an ALTA Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following Exceptions From Coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.

2. (a) Water rights, claims or title to water; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters exception under (a), (b) or (c) are shown by the public records.

3. Any rights, interest or claims of parties in possession of the land which are not shown by the public records.

4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.

5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.

## CLTA PRELIMINARY REPORT FORM
### Attachment One (Rev 06-05-14)
### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

### EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
   Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

## EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I (continued)

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

## CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
## EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning: a) building; b) zoning; c) land use; d) improvements on the Land; e) land division; and f) environmental protection. This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks: a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date; c) that result in no loss to You; or d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right: a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b) in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

## LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | Your Deductible Amount | Our Maximum Dollar Limit of Liability |
|---|---|---|
| Covered Risk 16: | 1% of Policy Amount or $2,500.00 (whichever is less) | $10,000.00 |
| Covered Risk 18: | 1% of Policy Amount or $5,000.00 (whichever is less) | $25,000.00 |
| Covered Risk 19: | 1% of Policy Amount or $5,000.00 (whichever is less) | $25,000.00 |
| Covered Risk 21: | 1% of Policy Amount or $2,500.00 (whichever is less) | $5,000.00 |

**2006 ALTA LOAN POLICY (06-17-06)**
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

## EXCLUSIONS FROM COVERAGE (continued)

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

## EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

## 2006 ALTA OWNER'S POLICY (06-17-06)
## EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

## EXCLUSIONS FROM COVERAGE (continued)

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

## EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

## ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)
## EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

## NOTICE
## FEDERAL FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA)

Upon the sale of United States real property, by a non-resident alien, foreign corporation, partnership or trust, the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), and as revised by the Tax Reform Act of 1984 (26 USCA 897 (C)(1)(A)(1) and 26 USCA 1445), Revised by the Path Act of 2015, These changes may be reviewed in full in H.R. 2029, now known as Public Law 114-113. See Section 324 of the law for the full text of FIRPTA changes. Effective February 27, 2016, the amendments to FIRPTA contained in the PATH Act have increased the holdback rate from 10% of gross proceeds to 15% of gross proceeds of the sale, regardless of whether the actual tax due may exceed (or be less than) the amount withheld if ANY of the following conditions are met:

1. If the amount realized (generally the sales price) is $300,000 or less, and the property will be used by the Transferee as a residence (as provided for in the current regulations), no monies need be withheld or remitted to the IRS.

2. If the amount realized exceeds $300,000 but does not exceed $1,000,000, and the property will be used by the Transferee as a residence, (as provided for in the current regulations) then the withholding rate is 10% on the full amount realized (generally the sales prices)

3. If the amount realized exceeds $1,000,000, then the withholding rate is 15% on the entire amount, regardless of use by the Transferee. The exemption for personal use as a residence does not apply in this scenario.
If the purchaser who is required to withhold income tax from the seller fails to do so, the purchaser is subject to fines and penalties as provided under Internal Revenue Code Section 1445.

Escrow Holder will, upon written instructions from the purchaser, withhold Federal Income Tax from the seller and will deposit said tax with the Internal Revenue Service, together with IRS Forms 8288 and 8288-A. The fee charged for this service is $25.00 payable to the escrow holder.

## CALIFORNIA WITHHOLDING

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a transferee (Buyer) may be required to withhold an amount equal to 3 1/3 percent of the sales price or an alternative withholding amount certified to by the seller in the case of a disposition of California real property interest by either:

1. A seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary or the seller, OR
2. A corporate seller that has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars ($500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars ($100,000.00), OR
2. The seller executes a written certificate, under the penalty of perjury, of any of the following:
    a. The property qualifies as the seller's (or decedent's, if being sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121; or
    b. The seller (or decedent, if being sold by the decedent's estate) last used the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period; or
    c. The seller has a loss or zero gain for California income tax purposes on this sale; or
    d. The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for non-recognition of gain for California income tax purposes under IRC Section 1033; or
    e. If the transfer qualifies for non-recognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest); or
    f. The seller is a corporation (or an LLC classified as a corporation for federal and California income tax purposes) that is either qualified through the California Secretary of State or has a permanent place of Business in California; or
    g. The seller is a partnership (or an LLC that is not a disregarded single member LLC and is classified as a partnership for federal and California income tax purposes) with recorded title to the property in the name of the partnership of LLC; or
    h. The seller is a tax-exempt entity under either California or federal law; or
    i. The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust; or
    j. The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031; or
    k. The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031; or
    l. The transfer of this property will be an installment sale that you will report as such for California tax purposes and the buyer has agreed to withhold on each principal payment instead of withholding the full amount at the time of transfer.

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

## NOTICE
## DEPOSIT OF FUNDS AND DISBURSEMENT DISCLOSURE

Unless you elect otherwise (as described below), all funds received by (the "Company") in escrow will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The depositor acknowledges that the deposit of funds in a non-interest bearing demand account by Escrow Holder may result in said company receiving a range of economic benefits from the bank in the form of services, credits, considerations, or other things of value. The depositor hereby specifically waives any claim to such economic benefits payable to Escrow Holder resulting from non-interest bearing deposits. Unless you direct the Company to open an interest-bearing account (as described below), the Company shall have no obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by the Company and/or its affiliated company. Any such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow.

If you elect, funds deposited by you prior to the close of escrow may be placed in an individual interest-bearing account arrangement that the Company has established with one of its financial institutions. You do not have an opportunity to earn interest on the funds deposited by a lender. If you elect to earn interest through this special account arrangement, the Company will charge you an additional fee of $50.00 for the establishment and maintenance of the account. This fee compensates the Company for the costs associated with opening and managing the interest-bearing account, preparing correspondence/documentation, transferring funds, maintaining appropriate records for audit/reconciliation purposes, and filing any required tax withholding statements. It is important that you consider this cost in your decision since the cost may exceed the interest you earn.

# PRIVACY POLICY NOTICE

## Purpose Of This Notice

Title V of the Gramm-Leach-Bailey Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of a persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document which notifies you of the privacy policies and practices of:

Montana Title and Escrow Company
National Closing Solutions, Inc.
National Closing Solutions of Alabama, LLC
National Closing Solutions of Maryland, Inc.
Texas National Title
Placer Title Company
Placer Title Insurance Agency of Utah
Premier Title Agency
North Idaho Title Insurance Company
Wyoming Title and Escrow Company

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as an application or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finances, securities and insurance.
- Nonfinancial companies such as envelope stuffers and other fulfillment service providers.

**We do not disclose any nonpublic personal information about you with anyone for any purpose that is not specifically permitted by law.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

## PRIVACY POLICY
## Westcor Land Title Insurance Company

Westcor Land Title Insurance Company ("WLTIC") values its customers and is committed to protecting the privacy of personal information. In keeping with that philosophy, we have developed a Privacy Policy, set out below, that will ensure the continued protection of your nonpublic personal information and inform you about the measures WLTIC takes to safeguard that information.

### Who is Covered

Our Privacy Policy applies to each customer who purchases a WLTIC title insurance policy. Typically, this means that the customer covered by our Privacy Policy at the closing of the real estate transaction.

### Information Collected

In the normal course of business and to provide the necessary services to our customers, we may obtain nonpublic personal information directly from the customer, from customer-related transactions, or from third parties such as our title insurance agents, lenders, appraisers, surveyors or other similar entities.

### Access to Information

Access to all nonpublic personal information is limited to those employees who have a need to know in order to perform their jobs. These employees include, but are not limited to, those in departments such as legal, underwriting, claims administration and accounting.

### Information Sharing

It is the policy of WLTIC not to share nonpublic personal information that it collects with anyone other than our policy issuing agents as necessary to complete the real estate settlement services and issue the title insurance policy requested by our customer. WLTIC may share nonpublic personal information as permitted by law with entities with whom WLTIC has a joint marketing agreement. Entities with whom WLTIC has a joint marketing agreement have agreed to protect the privacy of our customer's nonpublic personal information by utilizing similar precautions and security measures to those that WLTIC uses to protect this information and only to use the information for lawful purposes. WLTIC, however, may share information as required by law in response to a subpoena, to a government regulatory agency or to prevent fraud.

### Information Security

WLTIC, at all times, strives to maintain the confidentiality and integrity of the personal information in its possession and has instituted measures to guard against its unauthorized access. We maintain physical, electronic and procedural safeguards in compliance with federal standards to protect that information.

## Affiliated Business Arrangement Disclosure Statement Notice

To: The County of El Dorado, A Political Subdivision of the State of California
Buckeye Union School District
From: Placer Title Company
Property: 2391 Merrychase Drive, Cameron Park, CA 95682
Date: 3/2/2018 Update

This is to give you notice that Placer Title Company has a business relationship with Westcor Land Title Insurance Company. The parent company of Placer Title Company holds a 29.14 percentage interest in the shares of said company. Because of this relationship, this referral may provide Placer Title Company a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services identified below. You are NOT required to use the listed settlement service provider as a condition of the purchase, sale, or refinance of the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Settlement Service: Title Insurance

Settlement Service Provider: Westcor Land Title Insurance Company

Charge or Range of Charges:

| | |
|---|---|
| 2006 ALTA Standard Owners Policy | $550.00 |
| 2006 ALTA Extended Loan Policy | $0.00 |
| CLTA 100-06 (Restrictions) | $0.00 |
| CLTA 116-06 (Designation of Improvements, Address) | $0.00 |
| ALTA 8.1-06/CLTA 110.9-06 (Environmental) | $25.00 |
| **Total Estimated Charges:** | **$575.00** |

The Charge or Range of Charges is based upon the most currently available information provided to Placer Title Company concerning the purchase price of the subject property (if this is a sale transaction), the amount of the loan, and the service or product requested. If these figures change during the course of the transaction, the charge or range of charges may also change.

### ACKNOWLEDGMENT

I/we have read this disclosure form, and understand that referring party is referring me/us to purchase the above-described settlement services may receive a financial or other benefit as the result of this referral.

The County of El Dorado, A Political Subdivision of the State of California

_____
Buckeye Union School District

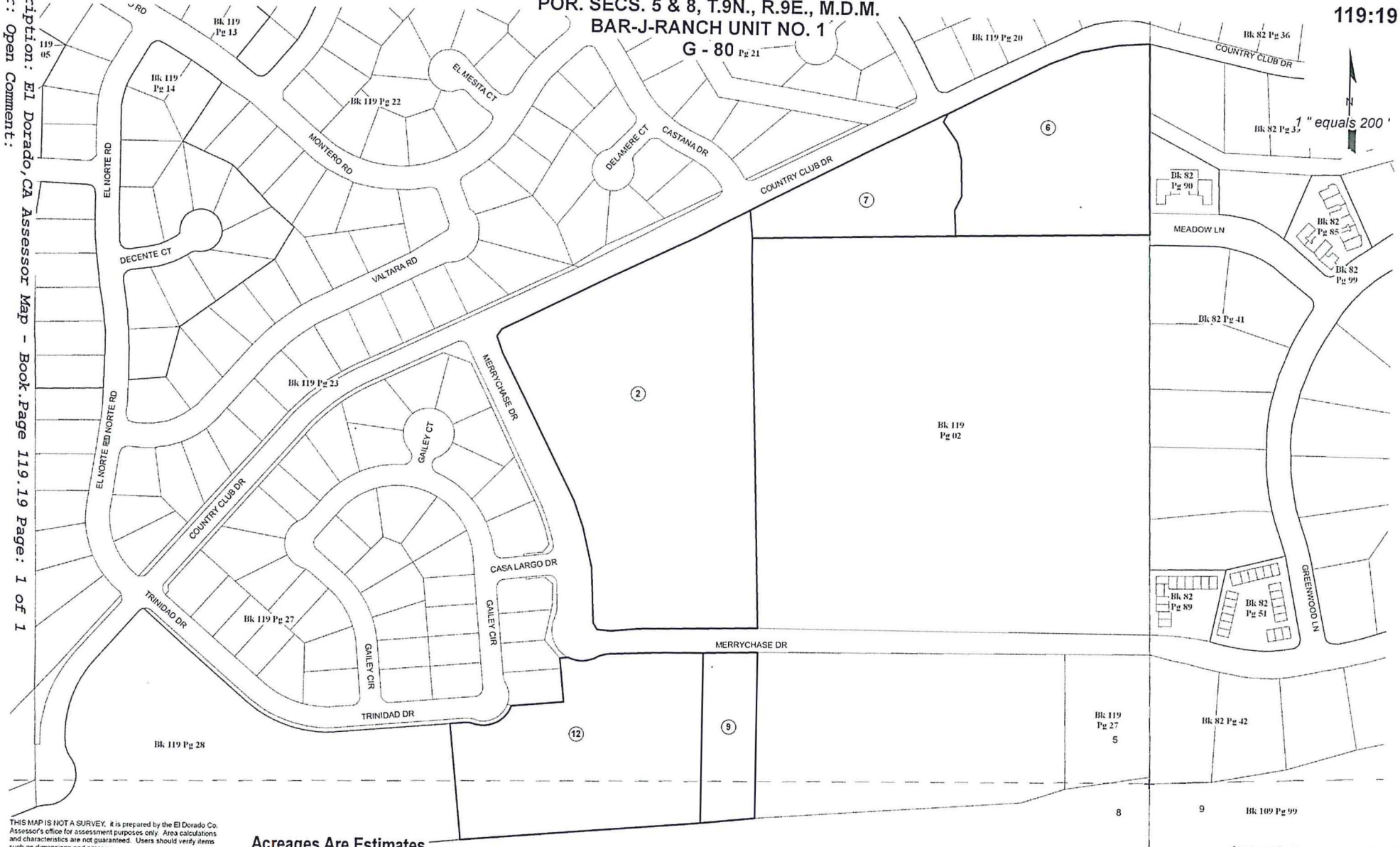
By:

_____
Authorized Signer

Description: El Dorado,CA Assessor Map - Book.Page 119.19 Page: 1 of 1
Order: Open Comment:

# POR. SECS. 5 & 8, T.9N., R.9E., M.D.M.
## BAR-J-RANCH UNIT NO. 1
## G - 80 Pg 21

**119:19**




THIS MAP IS NOT A SURVEY. It is prepared by the El Dorado Co. Assessor's office for assessment purposes only. Area calculations and characteristics are not guaranteed. Users should verify items such as dimensions and acreage.

**Acreages Are Estimates**

Rev. June 12, 2006 WY 50

*Assessor's Map Bk. 119 - Pg. 19*
*County of El Dorado, CA*

PLACER TITLE COMPANY
LENDER DIVISION
A MOTHER LODE COMPANY

# IDENTITY AFFIDAVIT

**(to be completed by the Seller)**

385529-1371-0

Before me, the undersigned Notary Public, personally came and appeared the undersigned Seller, who being duly sworn did depose and state the following:

1) My full legal name is _____
(First) (Middle) (Last) (Jr, Sr., III)

2) The address of my principal residence is

_____
(Street)

_____
(City) (State) (ZIP)

3) My date of birth is _____
(Month/Day/Year)

4) The State and number of my driver's license or identification card are _____

5) I swear under oath that the information provided in this affidavit is true and correct. I consent to the transfer of the information contained in this affidavit for the sole purposes of verifying my identity and preventing fraud. I understand that this information will not be disclosed to any party for any other purpose.

WITNESS THE HAND AND SEAL OF THE UNDERSIGNED.

_____
Seller

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )
) ss.
County of El Dorado )

On _____ before me,

_____,

Notary Public personally appeared _____

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

SIGNATURE _____

# BUCKEYE UNION SCHOOL DISTRICT

## FINANCIAL STATEMENTS

June 30, 2018

BUCKEYE UNION SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018
(Continued)

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BUCKEYE UNION SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

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Crowe

Crowe LLP
Independent Member Crowe Global

# INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Buckeye Union School District
El Dorado Hills, California

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Buckeye Union School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Buckeye Union School District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained Is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Buckeye Union School District, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 4 to 12 and other Required Supplementary Information, such as the General Fund Budgetary Comparison Schedule, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of the District's Contributions on pages 43 to 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Buckeye Union School District's basic financial statements. The accompanying Schedule of Expenditure of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditure of Federal Awards and supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Schedule of Financial Trends and Analysis, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal Awards and other supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2018 on our consideration of Buckeye Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Buckeye Union School District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
December 13, 2018

BUCKEYE UNION SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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The discussion and analysis of Buckeye Union School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. 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 page 1, notes to the basic financial statements and the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999.

## FINANCIAL HIGHLIGHTS

- General Fund revenues and other sources were less than expenditures and other uses by $77 thousand for ending the year with available reserves of $1.3 million, meeting the State recommended reserve level of 3%.

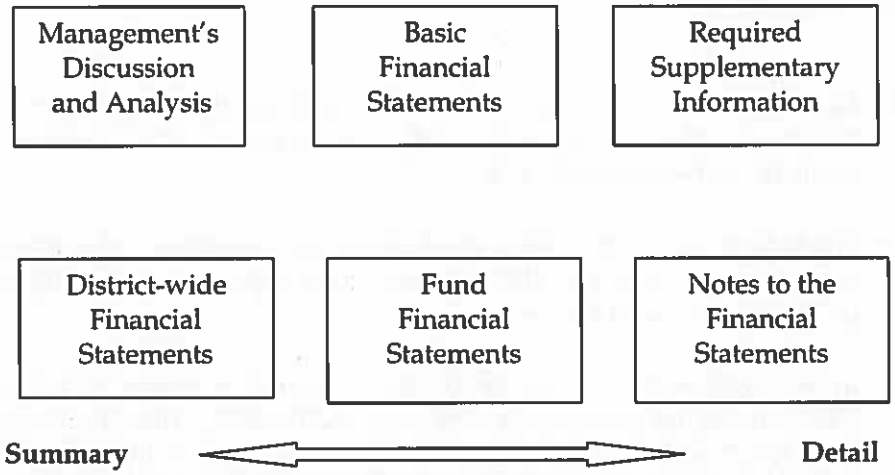
- The total of the District's fixed assets, land, site, buildings, and equipment, valued on an acquisition cost basis was $101.1 million. After depreciation, the June 30, 2018 book value for fixed assets totaled $68.4 million.

- In complying with GASB 68, the District recognized its portion of the unfunded STRS and PERS pension liabilities for the first time in 2014-2015. These liabilities are based on the most recent actuarial valuations. The District's portion of the unfunded STRS and PERS pension liability increased $6.9 million in 2017-2018 and is reported in the Statement of Net Position.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can understand the Buckeye Union School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**Components of the Financial Section**




The first two statements are *district-wide financial statements,* the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's more significant funds with all other non-major funds presented in total in one column. A comparison of the District's General Fund budget is included.

## OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

**Components of the Financial Section (Concluded)**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

**Reporting the School District as a Whole**

*Statement of Net Position and the Statement of Activities*

These two statements provide information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2017-2018?"

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many other non-financial factors, such as the quality of education provided and the safety of the schools to assess the overall health of the District.

- Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.

- Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

## OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

### 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 - not the District as a whole. 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. However, the District establishes other funds to control and manage money for specific purposes.

- Governmental Funds

  Most of the District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, County School Facilities Fund, Community Facilities District Fund and the Buckeye Facilities Corporation 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 here are more or fewer financial resources that can be spent in the near future to finance he District's programs.

- Fiduciary Funds

  The District is the trustee, or fiduciary, for its student activity funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

*The School District as a Whole*

The District's net position was $18.3 million at June 30, 2018. Net investment in capital assets account for $22.6 million of the total net position. A comparative analysis of government-wide data is presented in Table 1.

**(Table 1)**
**Comparative Statement of Net Position**

| | Governmental Activities | |
|---|---|---|
| | 2018 | 2017 |
| **ASSETS** | | |
| Cash | $ 28,909,606 | $ 35,995,678 |
| Receivables | 3,320,053 | 3,063,952 |
| Stores inventory | 17,084 | 15,684 |
| Prepaid expenditures | 788,088 | 66,011 |
| Capital assets | 68,448,753 | 62,456,794 |
| Total assets | 101,483,584 | 100,382,750 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| Deferred outflows on pensions | 13,751,101 | 7,936,033 |
| Deferred payment on debt refunding | 1,285,431 | 1,365,771 |
| Total deferred outflows of resources | 15,036,532 | 9,301,804 |
| **LIABILITIES** | | |
| Accounts payable and other current liabilities | 1,369,214 | 1,759,794 |
| Unearned revenue | - | 68,593 |
| Long-term liabilities –due within one year | 2,228,657 | 2,293,342 |
| Long-term liabilities – due after one year | 91,316,730 | 86,438,404 |
| Total liabilities | 94,914,601 | 90,560,133 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Deferred inflows on pensions | 3,375,000 | 3,783,000 |
| **NET POSITION** | | |
| Net investment in capital assets | 22,485,858 | 14,523,956 |
| Restricted | 24,398,738 | 26,606,161 |
| Unrestricted (deficit) | (28,654,081) | (27,573,327) |
| Total net position | $ 18,230,515 | $ 16,556,790 |

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONTINUED)

The District's net position increased $1.7 million this fiscal year (See Table 2). The District's expenses for instructional and pupil services represented 73% of total expenses. The purely administrative activities of the District accounted for just 5% of total costs. The remaining 22% was spent in the areas of plant services, interest on long-term debt, depreciation and other outgo. (See Figure 2).

**(Table 2)**
**Comparative Statement of Change in Net Position**

| | Governmental Activities | |
|---|---|---|
| | 2018 | 2017 |
| **REVENUES** | | |
| Program revenues | $ 8,704,271 | $ 7,114,280 |
| General revenues | | |
| Taxes levied for general purposes | 15,144,448 | 14,048,238 |
| Taxes levied for debt service | 1,568,061 | 1,489,238 |
| Taxes levied for other specific purposes | 3,982,880 | 3,872,588 |
| Federal and State Aid not restricted to specific purposes | 23,110,283 | 22,687,001 |
| Interest and investment earnings | 297,504 | 167,618 |
| Interagency revenues | 1,557,475 | 3,152,782 |
| Miscellaneous | 660,380 | 667,405 |
| Total revenues | 55,025,302 | 53,172,195 |
| **EXPENSES** | | |
| Instruction | 29,574,728 | 31,173,993 |
| Instruction related services | 4,303,453 | 4,032,422 |
| Pupil support services | 4,795,700 | 4,780,230 |
| General administration | 2,818,054 | 2,314,682 |
| Plant services | 5,442,664 | 3,790,773 |
| Other | 6,416,978 | 4,858,393 |
| Total expenses | 53,351,577 | 50,950,493 |
| Increase (decrease) in net position | $ 1,673,725 | $ 2,221,702 |

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was $53 million. The amount that our local taxpayers financed for these activities through property taxes was $20.7 million. Federal and state aid not restricted to specific purposes totaled $23.1 million. State and Federal Categorical revenue totaled over $5.7 million, and covered 10% of the expenses of the entire District.

## 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 District's 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 $32.2 million, a decrease of $5.7 million from the previous fiscal year's combined ending balance of $37.9 million.

### General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget monthly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- 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 District adjusted the budget to agree to year-end actual revenue and expenditure amounts at June 30, 2018.

The District ended the year with a decrease of $77 thousand in to the General Fund ending balance. The State recommends an ending reserve for economic uncertainties of 3%, which was met. The District's ending available reserve was 15%, which included the reserve for economic uncertainties.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

By the end of the 2017-2018 fiscal year, the District had invested $101.1 million in a broad range of capital assets, including school buildings, athletic facilities, administrative buildings, site improvements, vehicles and equipment. The capital assets net of depreciation were $68.4 million at June 30, 2018, which is an increase of $6.0 million from the previous year.

## CAPITAL ASSET AND DEBT ADMINISTRATION (CONCLUDED)

### Capital Assets

**(Table 3)**
**Comparative Schedule of Capital Assets**
**(net of depreciation)**
**June 30, 2018 and 2017**

| | 2018 | 2017 | Difference Increase (Decrease) |
|---|---|---|---|
| Land | $ 12,012,104 | $ 12,012,104 | $ - |
| Site Improvements | 1,540,816 | 1,628,576 | (87,760) |
| Buildings | 49,194,317 | 47,426,268 | 1,768,049 |
| Machinery and Equipment | 947,181 | 1,243,596 | (296,415) |
| Work in Process | 4,754,335 | 146,250 | 4,608,085 |
| Totals | $ 68,448,753 | $ 62,456,794 | $ 5,991,959 |

The increase to fixed assets is related to the District uses of Measure K bonds towards continual school site improvements and projects.

### Long-Term Debt

At June 30, 2018, the District had $93.5 million in long-term debt outstanding.

**(Table 4)**
**Comparative Schedule of Outstanding Debt**
**June 30, 2018 and 2017**

| | 2018 | 2017 |
|---|---|---|
| General Obligation Bonds | $ 25,055,000 | $ 25,575,000 |
| Unamortized Premiums | 1,748,326 | 1,833,609 |
| Early Retirement Incentives | 40,078 | 80,154 |
| Certificates of Participation | 20,445,000 | 21,890,000 |
| Compensated Absences | 202,983 | 202,983 |
| Net Pension Liability | 46,054,000 | 39,150,000 |
| Totals | $ 93,545,387 | $ 88,731,746 |

The District continues to maintain excellent credit ratings on all of its debt issues. The S&P underlying rating for the 2014 General Obligation Refunding Bonds was AA-.

The District share of the STRS and PERS unfunded pension liability increased $6.9 million in 2017-2018.

## FACTORS BEARING ON THE DISTRICT'S FUTURE

The Local Control Funding Formula (LCFF) is aimed at correcting historical inequities while decreasing previous constraints on restricted program expenses. The formula is intended to make funding more transparent and simple. With the new flexibility also comes new requirements for accountability. The Local Control Accountability Plan (LCAP) is mandated and must be aligned and adopted with the District's 2017-2018 budget. The LCAP is expected to describe how the District intends to meet annual goals for all pupils, with specific activities to address state and local priorities identified during the LCAP development process.

The LCFF is the largest unknown for the District. The new funding structure has no statutory cost of living allowance built into it and relies solely on the annual budget process at the legislative level. Planning for the "out years" will be much more difficult and volatile under the LCFF funding formula. The eight years necessary to bring the District to their target funding could be unpredictable and unstable, thereby creating a need for a larger reserve than past years. The ongoing unpredictability of the District's supplemental and concentration funding under the LCFF will also create unstable budgets even after the district's target has been met in 2020-2021.

Future predictions and uncertainties with the changes to the State funding formula require management to plan carefully and prudently to provide the necessary resources to meet student's needs and continue to keep pace with inflation increases over the next several years

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Jan Blossom, Director of Fiscal Services, Buckeye Union School District, 5049 Robert J. Matthews Parkway, El Dorado Hills, CA 95762.

# BASIC FINANCIAL STATEMENTS

BUCKEYE UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2018

| | Governmental Activities |
|---|---|
| **ASSETS** | |
| Cash and investments (Note 2) | $ 28,909,606 |
| Receivables | 3,320,053 |
| Prepaid expenses | 788,088 |
| Stores inventory | 17,084 |
| Non-depreciable capital assets (Note 4) | 16,766,439 |
| Depreciable capital assets, net of accumulated depreciation (Note 4) | 51,682,314 |
| Total assets | 101,483,584 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Deferred outflows of resources - pensions (Notes 7 and 8) | 13,751,101 |
| Deferred outflow from advance refunding of debt | 1,285,431 |
| Total deferred outflows of resources | 15,036,532 |
| **LIABILITIES** | |
| Accounts payable | 1,369,214 |
| Unearned revenue | |
| Long-term liabilities (Note 5): | |
| Due within one year | 2,228,657 |
| Due after one year | 91,316,730 |
| Total liabilities | 94,914,601 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Deferred inflows of resources - pensions (Notes 7 and 8) | 3,375,000 |
| **NET POSITION** | |
| Net investment in capital assets | 22,485,858 |
| Restricted: | |
| Legally restricted programs | 1,829,287 |
| Capital projects | 21,424,579 |
| Debt service | 1,144,872 |
| Unrestricted | (28,654,081) |
| Total net position | $ 18,230,515 |

See accompanying notes to financial statements.

BUCKEYE UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

| | Expenses | Program Revenues: Charges For Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Instruction | $ 29,574,728 | $ 535,405 | $ 5,533,365 | $ 155,395 | $ (23,350,563) |
| Instruction-related services: | | | | | |
| Supervision of instruction | 204,009 | - | 68,580 | - | (135,429) |
| Instructional library, media and technology | 544,286 | 5,701 | 30,961 | - | (507,624) |
| School site administration | 3,555,158 | 34 | 333,591 | - | (3,221,533) |
| Pupil services: | | | | | |
| Home-to-school transportation | 1,144,059 | 157 | 8,993 | - | (1,134,909) |
| Food services | 1,244,657 | 700,498 | 553,442 | - | 9,283 |
| All other pupil services | 2,406,984 | 2,865 | 390,750 | - | (2,013,369) |
| General administration: | | | | | |
| Data processing | 252,704 | - | - | - | (252,704) |
| All other general administration | 2,565,350 | 3,263 | 35,476 | - | (2,526,611) |
| Plant services | 5,442,664 | 5,466 | 41,081 | - | (5,396,117) |
| Other outgo | 588,793 | - | 299,248 | - | (289,545) |
| Interest on long-term liabilities | 3,424,116 | - | - | - | (3,424,116) |
| Depreciation - unallocated (Note 4) | 2,404,069 | - | - | - | (2,404,069) |
| Total governmental activities | $ 53,351,577 | $ 1,253,389 | $ 7,295,487 | $ 155,395 | (44,647,306) |
| General revenues: | | | | | |
| Taxes and subventions: | | | | | |
| Taxes levied for general purposes | | | | | 15,144,448 |
| Taxes levied for debt service | | | | | 1,568,061 |
| Taxes levied for other specific purposes | | | | | 3,982,880 |
| Federal and state aid not restricted to specific purposes | | | | | 23,110,283 |
| Interest and investment earnings | | | | | 297,504 |
| Interagency revenues | | | | | 1,557,475 |
| Miscellaneous | | | | | 660,380 |
| Total general revenues | | | | | 46,321,031 |
| Change in net position | | | | | 1,673,725 |
| Net position, July 1, 2017 | | | | | 16,556,790 |
| Net position, June 30, 2018 | | | | | $ 18,230,515 |

See accompanying notes to financial statements.

BUCKEYE UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

| | General Fund | County School Facilities Fund | Community Facilities District Fund | Buckeye Facilities Corporation Fund | All Non-Major Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash and investments: | | | | | | |
| Cash in County Treasury | $ 8,741,427 | $ 4,246,418 | $ 8,258,410 | $ 4,143,880 | $ 3,518,384 | $ 28,908,519 |
| Cash in revolving fund | 1,000 | - | - | - | 70 | 1,070 |
| Cash with Fiscal Agent | - | - | - | 17 | - | 17 |
| Receivables | 761,939 | 974,335 | 22,010 | 1,557,476 | 4,293 | 3,320,053 |
| Prepaid expenditures | 788,088 | - | - | - | - | 788,088 |
| Stores inventory | - | - | - | - | 17,084 | 17,084 |
| Total assets | $ 10,292,454 | $ 5,220,753 | $ 8,280,420 | $ 5,701,373 | $ 3,539,831 | $ 33,034,831 |
| **LIABILITIES AND FUND BALANCES** | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | $ 822,635 | $ 20,849 | $ - | $ - | $ 5,424 | $ 848,908 |
| Fund balances: | | | | | | |
| Nonspendable | 789,088 | - | - | - | 17,154 | 806,242 |
| Restricted | 1,682,704 | 5,199,904 | 8,280,420 | 5,701,373 | 3,517,253 | 24,381,654 |
| Assigned | 5,682,309 | - | - | - | - | 5,682,309 |
| Unassigned | 1,315,718 | - | - | - | - | 1,315,718 |
| Total fund balances | 9,469,819 | 5,199,904 | 8,280,420 | 5,701,373 | 3,534,407 | 32,185,923 |
| Total liabilities and fund balances | $ 10,292,454 | $ 5,220,753 | $ 8,280,420 | $ 5,701,373 | $ 3,539,831 | $ 33,034,831 |

See accompanying notes to financial statements.

BUCKEYE UNION SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET -
TO THE STATEMENT OF NET POSITION
June 30, 2018

| | | |
|---|---|---|
| Total fund balances - Governmental Funds | | $ 32,185,923 |
| Amounts reported for governmental activities in the statement of net position 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 $101,117,003 and the accumulated depreciation is $32,668,250 (Note 4). | | 68,448,753 |
| 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. | | (520,306) |
| 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, 2018 consisted of (Note 5): | | |
| General Obligation Bonds | $ (25,055,000) | |
| Unamortized premiums | (1,748,326) | |
| Certificates of participation | (20,445,000) | |
| Early retirement incentives | (40,078) | |
| Net pension liability (Notes 7 and 8) | (46,054,000) | |
| Compensated absences | (202,983) | |
| | | (93,545,387) |
| In governmental funds, deferred inflows and deferred outflows of resources resulting from defeasance of debt are not recorded. In governmental activities, for advance refundings resulting in defeasance of debt reported in governmental activities, the difference between reacquisition price and the net carrying amount of the retired debt are reported as deferred inflows or deferred outflows of resources: | | 1,285,431 |
| In government funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 7 and 8). | | |
| Deferred outflows of resources relating to pensions | $ 13,751,101 | |
| Deferred inflows of resources relating to pensions | (3,375,000) | |
| | | 10,376,101 |
| Total net position - governmental activities | | $ 18,230,515 |

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

| | General Fund | County School Facilities Fund | Community Facilities District Fund | Buckeye Facilities Corporation Fund | All Non-Major Funds | Total Govern-mental Funds |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Local Control Funding Formula (LCFF): | | | | | | |
| State apportionment | $ 25,105,249 | $ - | $ - | $ - | $ - | $ 25,105,249 |
| Local sources | 11,488,787 | - | - | - | - | 11,488,787 |
| Total LCFF | 36,594,036 | - | - | - | - | 36,594,036 |
| Federal sources | 983,187 | - | - | - | 495,275 | 1,478,462 |
| Other state sources | 3,958,654 | 155,395 | - | - | 61,939 | 4,175,988 |
| Other local sources | 2,884,183 | 1,085,690 | 2,462,977 | 3,126,499 | 2,851,466 | 12,410,815 |
| Total revenues | 44,420,060 | 1,241,085 | 2,462,977 | 3,126,499 | 3,408,680 | 54,659,301 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Certificated salaries | 20,234,834 | - | - | - | - | 20,234,834 |
| Classified salaries | 7,097,759 | - | - | - | 493,381 | 7,591,140 |
| Employee benefits | 10,790,467 | - | - | - | 151,361 | 10,941,828 |
| Books and supplies | 1,634,948 | - | - | - | 548,293 | 2,183,241 |
| Contract services and operating expenditures | 3,431,294 | 1,437 | 9,945 | - | 136,478 | 3,579,154 |
| Other outgo | 588,793 | - | 1,563,167 | - | - | 2,151,960 |
| Capital outlay | 714,889 | 8,212,198 | - | 9,383 | 826,974 | 9,763,444 |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | 1,445,000 | 520,000 | 1,965,000 |
| Interest | - | - | - | 935,711 | 974,288 | 1,909,999 |
| Total expenditures | 44,492,984 | 8,213,635 | 1,573,112 | 2,390,094 | 3,650,775 | 60,320,600 |
| (Deficiency) excess of revenues (under) expenditures | (72,924) | (6,972,550) | 889,865 | 736,405 | (242,095) | (5,661,299) |
| Other financing (uses) sources: | | | | | | |
| Transfers in | - | - | - | - | 4,549 | 4,549 |
| Transfers out | (4,549) | - | - | - | - | (4,549) |
| Total other financing (uses) sources | (4,549) | - | - | - | 4,549 | - |
| Change in fund balances | (77,473) | (6,972,550) | 889,865 | 736,405 | (237,546) | (5,661,299) |
| Fund balances, July 1, 2017 | 9,547,292 | 12,172,454 | 7,390,555 | 4,964,968 | 3,771,953 | 37,847,222 |
| Fund balances, June 30, 2018 | $ 9,469,819 | $ 5,199,904 | $ 8,280,420 | $ 5,701,373 | $ 3,534,407 | $ 32,185,923 |

See accompanying notes to financial statements.

BUCKEYE UNION 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, 2018

| | | |
|---|---|---|
| Net change in fund balances - Total Governmental Funds | | $ (5,661,299) |
| 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 position (Note 4). | $ 8,396,028 | |
| Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4). | (2,404,069) | |
| 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 position (Note 5). | 1,965,000 | |
| 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 position. | 13,978 | |
| In governmental funds, debt issued at a premium is recognized as an other financing source. In the government-wide statements debt issued at a premium is amortized as interest over the life of the debt (Note 5). | 85,283 | |
| In government-wide statements, any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Deferred gain or loss from debt refunding, for the period is: | (80,340) | |
| In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: | (680,932) | |
| In the statement of activities, expenses related to other early retirement incentives and compensated absences 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). | 40,076 | 7,335,024 |
| Change in net position of governmental activities | | $ 1,673,725 |

See accompanying notes to financial statements.

BUCKEYE UNION SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2018

| | Agency Fund Student Body |
|---|---|
| **ASSETS** | |
| Cash on hand and in banks (Note 2) | $ 88,361 |
| **LIABILITIES** | |
| Due to student groups | $ 88,361 |

See accompanying notes to financial statements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Buckeye Union School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Reporting Entity:The Board of Trustees 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.

The Buckeye Union School District (the "District") has financial and operational relationships with the El Dorado School Financing Community Facilities District No. 2007-1 (the "Agency") and the Buckeye Union District Facilities Corporation (the "Corporation"), which meet the reporting entity definition criteria of the GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Agency and the Corporation as component units of the District. Accordingly, the financial activities of the Agency and the Corporation are required to be included in the financial statements of the District and are included here as blended units.

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

El Dorado School Financing Community Facilities District: The El Dorado School Financing Community Facilities District No. 2007-1 (Agency) was formed by a Joint Powers Agreement among the Buckeye Union School District, Rescue Union School District and El Dorado Union High School District pursuant to the Mello-Roos Community Facilities Act of 1982. The Agency was formed for the purpose of administering and collecting special taxes for its member districts. The Agency has no employees or property and equipment, and its powers are limited to the implementation of the Mello-Roos financing plan contemplated in the Joint Powers Agreement.

The following are those aspects of the relationship between the District and the Agency, which satisfy GASB Codification Section 2100 criteria.

*Manifestations of Oversight*

The Agency is governed by an elected board consisting of one representative from each member district. Board members are elected by the participating districts' governing boards and have decision–making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Oversight responsibility; the ability to conduct independent financial affairs, issue debt instruments, approve budgets, sign contracts, levy taxes, and otherwise influence operations and account for fiscal matters, is exercised by the Agency's Governing Board. Accordingly, the Agency is considered to be a separate legal entity from the school district, but the District's financial statements must include the Mello-Roos activity as a component unit. This information is presented in these financial statements as the Community Facilities District Fund.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Buckeye District Facilities Corporation: The Buckeye District Facilities Corporation (Corporation) is a nonprofit, public benefits corporation, incorporated under the laws of the State of California and recorded by the Secretary of State in March, 2001. The Corporation was formed for the sole purpose of providing financial assistance to the district by financing the design, development, acquisition, construction, improvement and remodeling of facilities and equipment, together with site acquisition, development, landscaping, utilities, furnishings, improvements, parking and all appurtenant and related facilities. When the Corporation's Certificates of Participation have been paid with State reimbursements and the District's developer fees, title to all Corporation property will pass to the District for no additional consideration.

The following are those aspects of the relationship between the District and the Corporation, which satisfy GASB Codification Section 2100 criteria.

*Manifestations of Oversight*

The Corporation is governed by the elected Board of Trustees of the Buckeye Union School District ex officio. Board members have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. The Corporation has no employees. The District's Superintendent and Assistant Superintendent of Business and Operations Official function as agents of the Corporation. Neither individual receives additional compensation for work performed in this capacity. The District exercises significant influence over operations of the Corporation as it is anticipated that the District will always be the sole lessee of all facilities owned by the Corporation. All major financing arrangements, contracts and financial transactions of the Corporation must have the consent of the District.

*Accountability for Fiscal Matters*

It is anticipated that the District's lease payments will be the sole revenue source of the Corporation. Any deficit incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

*Scope of Public Service*

The Corporation was created for the sole purpose of financially assisting the District. The District has entered into a long-term agreement with the Corporation whereby the Corporation leases land from the District; and, the District occupies the facilities (a portion of the Buckeye Union School District) under a lease-purchase agreement with the Corporation. The District's annual lease payments are factored to meet the Corporation's operating expenses and bond retirement costs.

Accordingly, the Corporation is considered to be a separate legal entity from the school district, but the District's financial statements must include the related financing activities as a component unit. This information is presented in these financial statements as the Buckeye Facilities Corporation.

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.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position 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 Position at the fund financial statement level.

The Statement of Net Position 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. Interest on general long-term liabilities and depreciation of capital assets are considered an indirect expense and are reported separately on the Statement of Activities.

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.

A - Major Funds

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. The activities of the Special Reserve for Other Than Capital Outlay Fund and Deferred Maintenance Fund have been included in the General Fund for financial reporting purposes.

The County Schools Facilities Fund and Buckeye Facilities Corporation Fund are capital projects fund used to account for resources used for the acquisition or construction of capital facilities by the District.

The Community Facilities District Fund is a debt service fund used for the purpose of administering and collecting special taxes for the District.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B - Other Funds

The Cafeteria Fund is a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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 Building, Capital Facilities, and State School Building Lease Purchase.

The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The 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: The governmental 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 Trustees must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Trustees complied with these requirements.

Receivables: Receivables are made up principally of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2018.

Stores Inventory: Inventory in the Cafeteria Fund consists primarily of consumable supplies held for future use and are valued at average cost. Inventories are recorded as an expenditure at the time the individual inventory items are withdrawn for use in operations or meal production.

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 acquisition value for the contributed asset. 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 5 - 50 years depending on asset types.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Also, the District has recognized a deferred outflow of resources relate to recognition of the net pension liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability reported which is in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, Information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in aggregate:

| | STRP | PERF B | Total |
|---|---|---|---|
| Deferred outflows of resources | $ 10,077,966 | $ 3,673,135 | $ 13,751,101 |
| Deferred inflows of resources | $ 3,065,000 | $ 310,000 | $ 3,375,000 |
| Net pension liability | $ 34,227,000 | $ 11,827,000 | $ 46,054,000 |
| Pension expense | $ 4,538,490 | $ 2,131,167 | $ 6,669,657 |

Compensated Absences: Compensated absences totaling $202,983 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 STRP and PERF B employees, when the employee retires.

Unearned 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 unearned revenue until earned.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Net Position: Net position is displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. It is the District's policy to use restricted net position first when allowable expenditures are incurred.

3. Unrestricted Net Position – All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - Restricted Fund Balance:

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide and fiduciary trust fund statements.

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-Imposed by formal action of the Board of Trustees. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Trustees is required to remove any commitment from any fund balance. At June 30, 2018, the District had no committed fund balances.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Trustees has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances, however, as of June 30, 2018, no such designation has occurred.

E - Unassigned Fund Balance:

In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Trustees. At June 30, 2018, the District has established a minimum General Fund fund balance policy of 3% of General Fund total outgo. As of June 30, 2018, the District has an unassigned balance of $1,315,718 or 3%.

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 El Dorado 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. All encumbrances are liquidated as of June 30.

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position 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.

(Continued)

## NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2018 are reported at fair value and consisted of the following:

| | Governmental Activities | Fiduciary Activities |
|---|---|---|
| Pooled Fund: | | |
| Cash in County Treasury | $ 28,908,519 | $ - |
| Deposits: | | |
| Cash on hand and in banks | - | 88,361 |
| Cash in revolving fund | 1,070 | - |
| Investments: | | |
| Cash with Fiscal Agent | 17 | - |
| Total cash and investments | $ 28,909,606 | $ 88,361 |

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest bearing El Dorado County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's prorata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2018, the carrying amount of the District's accounts was $89,431 and the bank balance was $88,950, all of which was insured.

Investments: The Cash with Fiscal Agent of $17 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: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool and having the pool purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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, 2018, the District had no concentration of credit risk.

(Continued)

## NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: At June 30, 2018, the District had no interfund receivables/payables.

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

Transfers for the 2017-2018 fiscal year were as follows:

| | |
|---|---|
| Transfer from the General Fund to the Cafeteria Fund to support program operations. | $ 4,549 |

## NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2018, is shown below:

| Governmental Activities | Balance July 1, 2017 | Additions | Deductions | Balance June 30, 2018 |
|---|---|---|---|---|
| Non-depreciable: | | | | |
| Land | $ 12,012,104 | $ - | $ - | $ 12,012,104 |
| Work-in-process | 146,250 | 4,608,085 | - | 4,754,335 |
| Depreciable: | | | | |
| Buildings | 72,044,695 | 3,515,959 | - | 75,560,654 |
| Equipment | 4,744,408 | 271,984 | - | 5,016,392 |
| Site improvements | 3,773,518 | - | - | 3,773,518 |
| Totals, at cost | 92,720,975 | 8,396,028 | - | 101,117,003 |
| Less accumulated depreciation: | | | | |
| Buildings | (24,618,427) | (1,747,910) | - | (26,366,337) |
| Equipment | (3,500,812) | (568,399) | - | (4,069,211) |
| Site improvements | (2,144,942) | (87,760) | - | (2,232,702) |
| Total accumulated depreciation | (30,264,181) | (2,404,069) | - | (32,668,250) |
| Capital assets, net | $ 62,456,794 | $ 5,991,959 | $ - | $ 68,448,753 |

Depreciation expense was charged to governmental activities as follows:

| | |
|---|---|
| Unallocated | $ 2,404,069 |

(Continued)

## NOTE 5 - LONG-TERM LIABILITIES

General Obligation Bonds: On September 25, 2014, the District issued General Obligation Bonds, Series 2014, totaling $25,735,000. The bonds were used to refund General Obligations Bonds, Election of 2006, Series 2008. The refunding resulted in deferred outflow of resources with a balance of $1,285,431 as of June 30, 2018. The bonds bear interest at rates ranging from 4.00% to 5.00% and are scheduled to mature through 2034 as follows:

| Year Ended June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 600,000 | $ 951,138 | $ 1,551,138 |
| 2020 | 680,000 | 925,538 | 1,605,538 |
| 2021 | 775,000 | 892,563 | 1,667,563 |
| 2022 | 880,000 | 851,188 | 1,731,188 |
| 2023 | 985,000 | 804,563 | 1,789,563 |
| 2024-2028 | 7,165,000 | 3,106,313 | 10,271,313 |
| 2029-2033 | 11,210,000 | 1,462,994 | 12,672,994 |
| 2034 | 2,760,000 | 48,300 | 2,808,300 |
| | $ 25,055,000 | $ 9,042,597 | $ 34,097,597 |

Certificates of Participation (COP): The outstanding Certificates of Participation of the Buckeye Union School District at June 30, 2018 are:

| Issue Date | Interest Rate % | Maturity Date | Amount of Original Issue | Outstanding July 1, 2017 | Deletions Current Year | Outstanding June 30, 2018 |
|---|---|---|---|---|---|---|
| 2007 | 3.875%- 5.00% | June 2023 | $ 9,515,000 | $ 3,605,000 | $ 730,000 | $ 2,875,000 |
| 2011 | 3.00%- 5.50% | November 2038 | 11,495,000 | 10,695,000 | 280,000 | 10,415,000 |
| 2012 | 2.00%- 3.75% | June 2031 | 9,615,000 | 7,590,000 | 435,000 | 7,155,000 |
| | | | $ 30,625,000 | $ 21,890,000 | $ 1,445,000 | 20,445,000 |

The annual requirements to amortize the Certificates of Participation of the Buckeye Union School District at June 30, 2018 are:

| Year Ended June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 1,500,000 | $ 884,081 | $ 2,384,081 |
| 2020 | 1,545,000 | 828,481 | 2,373,481 |
| 2021 | 1,605,000 | 771,031 | 2,376,031 |
| 2022 | 1,055,000 | 711,331 | 1,766,331 |
| 2023 | 1,140,000 | 673,250 | 1,813,250 |
| 2024-2028 | 4,810,000 | 2,794,188 | 7,604,188 |
| 2029-2033 | 4,570,000 | 1,705,895 | 6,275,895 |
| 2034-2038 | 3,545,000 | 720,988 | 4,265,988 |
| 2039 | 675,000 | 19,406 | 694,406 |
| | $ 20,445,000 | $ 9,108,651 | $ 29,553,651 |

(Continued)

**NOTE 5 - LONG-TERM LIABILITIES** (Continued)

Early Retirement Incentives: In addition to the benefits described in Notes 7 and 8, the District has offered PERS "Golden Handshake" early retirement incentives since 2014 to classified employees who were at least 55 years of age and who had at least fifteen (15) years of service with the District. The incentive provides two (2) additional years of service credit for PERS with the District paying the "present value" costs. Nine (9) eligible classified employees have agreed to the terms of the incentives for a total cost to the District of $244,011.

The future estimated payments remaining to meet this obligation are as follows:

| Year Ending June 30, | Annual Payments |
|---|---|
| 2019 | $ 40,078 |

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 30, 2018 is shown below:

| | Balance July 1, 2017 | Additions | Deletions | Balance June 30, 2018 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| General Obligation Bonds | $ 25,575,000 | $ - | $ 520,000 | $ 25,055,000 | $ 600,000 |
| Unamortized premiums | 1,833,609 | - | 85,283 | 1,748,326 | 88,579 |
| Certificates of participation | 21,890,000 | - | 1,445,000 | 20,445,000 | 1,500,000 |
| Early retirement incentives | 80,154 | - | 40,076 | 40,078 | 40,078 |
| Net pension liability (Notes 7 and 8) | 39,150,000 | 6,904,000 | - | 46,054,000 | - |
| Compensated absences | 202,983 | - | - | 202,983 | - |
| Total | $ 88,731,746 | $ 6,904,000 | $ 2,090,359 | $ 93,545,387 | $ 2,228,657 |

The net pension liability, compensated absences and early retirement incentives are paid from the General Fund. Payments on the certificates of participation are made by the Buckeye Facilities Corporation Fund with the collection of special assessments. Payments on the general obligation bonds will be paid by the Bond Interest and Redemption Fund from local property taxes.

(Continued)

## NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2018 consisted of the following:

| | General Fund | County School Facilities Fund | Buckeye Facilities Corporation Fund | Community Facilities District Fund | All Non-Major Funds | Total |
|---|---|---|---|---|---|---|
| Nonspendable: | | | | | | |
| Revolving cash fund | $ 1,000 | $ - | $ - | $ - | $ 70 | $ 1,070 |
| Prepaid expenditures | 788,088 | - | - | - | - | 788,088 |
| Store inventory | - | - | - | - | 17,084 | 17,084 |
| Subtotal non-spendable | 789,088 | - | - | - | 17,154 | 806,242 |
| Restricted: | | | | | | |
| Legally restricted programs | 1,682,704 | - | - | - | 129,499 | 1,812,203 |
| Capital projects | - | 5,199,904 | 8,280,420 | 5,701,373 | 2,242,882 | 21,424,579 |
| Debt service | - | - | - | - | 1,144,872 | 1,144,872 |
| Subtotal restricted | 1,682,704 | 5,199,904 | 8,280,420 | 5,701,373 | 3,517,253 | 24,381,654 |
| Assigned: | | | | | | |
| Site allocation/block grant carryover | 4,890,912 | - | - | - | - | 4,890,912 |
| Additional reserve | 368,623 | - | - | - | - | 368,623 |
| Other assignments | 422,774 | - | - | - | - | 422,774 |
| Subtotal assigned | 5,682,309 | - | - | - | - | 5,682,309 |
| Unassigned: | | | | | | |
| Reserve for economic uncertainty | 1,315,718 | - | - | - | - | 1,315,718 |
| Total fund balances | $ 9,469,819 | $ 5,199,904 | $ 8,280,420 | $ 5,701,373 | $ 3,534,407 | $ 32,185,923 |

(Continued)

## NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

*General Information about the State Teachers' Retirement Plan*

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com/comprehensive-annual-financial-report.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

*CalSTRS 2% at 60*

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

*CalSTRS 2% at 62*

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for three consecutive years of credited service.

(Continued)

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

*Members* - Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2017-18. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 9.205 percent of applicable member earnings for fiscal year 2017-18.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1 percent since the last time the member contribution rate was set. Based on the June 30, 2017 valuation adopted by the board in May 2018, the increase in normal cost was greater than 1 percent. Therefore, contribution rates for CalSTRS 2% at 62 members will increase by 1 percent effective July 1, 2018.

*Employers* – 14.43 percent of applicable member earnings.

In accordance with AB 1469, employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation also gives the board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

The CalSTRS employer contribution rate increases effective for fiscal year 2017-18 through fiscal year 2045-46 are summarized in the table below:

| Effective Date | Prior Rate | Increase | Total |
|---|---|---|---|
| July 01, 2017 | 8.25% | 6.18% | 14.43% |
| July 01, 2018 | 8.25% | 8.03% | 16.28% |
| July 01, 2019 | 8.25% | 9.88% | 18.13% |
| July 01, 2020 | 8.25% | 10.85% | 19.10% |
| July 01, 2021 to June 30, 2046 | 8.25% | * | * |
| July 01, 2046 | 8.25% | Increase from prior rate ceases in 2046-47 | |

(Continued)

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

*The Teachers' Retirement Board (the "board") cannot adjust the employer rate by more than 1 percent in a fiscal year, and the increase to the contribution rate above the 8.25 percent base contribution rate cannot exceed 12 percent for a maximum of 20.25 percent.

The District contributed $2,904,966 to the plan for the fiscal year ended June 30, 2018.

*State* - 9.328 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year.

Also as a result of AB 1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046. The CalSTRS state contribution rates effective for fiscal year 2017-18 and beyond are summarized in the table below.

As shown in the table below, the state rate will increase to 5.311 percent on July 1, 2018, to continue paying down the unfunded liabilities associated with the benefits structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions.

| Effective Date | Base Rate | AB 1469 Increase For 1990 Benefit Structure | SBMA Funding (1) | Total State Appropriation to DB Program |
|---|---|---|---|---|
| July 01, 2018 | 2.017% | 5.311%(2) | 2.50% | 9.828% |
| July 01, 2019 to June 30, 2046 | 2.017% | (3) | 2.50% | (3) |
| July 01, 2046 and thereafter | 2.017% | (4) | 2.50% | 4.517%(3) |

(1) This rate does not include the $72 million reduction in accordance with Education Code Section 22954.
(2 )In May 2018 the board of CalSTRS exercised its limited authority to increase the state contribution rate by 0.5 percent of the payroll effective July 1, 2018.
(3) The CalSTRS board has limited authority to adjust state contribution rates annually through June 30, 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0 percent. Rates in effect prior to July 1, 2014, are reinstated if necessary to address any remaining 1990 unfunded actuarial obligation from July 1, 2046, and thereafter.
(4) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining 1990 unfunded actuarial obligation.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|---|---|
| District's proportionate share of the net pension liability | $ 34,227,000 |
| State's proportionate share of the net pension liability associated with the District | 20,248,000 |
| Total | $ 54,475,000 |

(Continued)

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts and the State. At June 30, 2017, the District's proportion was 0.037 percent, which was an increase of 0.001 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $4,538,490 and revenue of $2,012,622 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 127,000 | $ 597,000 |
| Changes of assumptions | 6,341,000 | - |
| Net differences between projected and actual earnings on investments | - | 912,000 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 705,000 | 1,556,000 |
| Contributions made subsequent to measurement date | 2,904,966 | - |
| Total | $ 10,077,966 | $ 3,065,000 |

$2,904,966 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ended June 30, | |
|---|---|
| 2019 | $ (34,734) |
| 2020 | $ 1,298,267 |
| 2021 | $ 807,267 |
| 2022 | $ (85,400) |
| 2023 | $ 927,100 |
| 2024 | $ 1,195,500 |

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2017 measurement date. Deferred outflows and Inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

| | |
|---|---|
| Valuation Date | June 30, 2016 |
| Experience Study | July 1, 2010 through June 30, 2015 |
| Actuarial Cost Method | Entry age normal |
| Investment Rate of Return | 7.10% |
| Consumer Price Inflation | 2.75% |
| Wage Growth | 3.50% |
| Post-retirement Benefit Increases | 2.00% simple for DB<br>Not applicable for DBS/CBB |

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

During the 2016-17 measurement period, CalSTRS completed an experience study for the period starting July 1, 2010, and ending June 30, 2015. The experience study was adopted by the board in February 2017. As a result of the study, certain assumptions used in determining the NPL of the STRP changed, including the price inflation, wage growth, discount rate and the mortality tables used in the actuarial valuation of the NPL. The changes to the assumptions as a result of the experience study follow:

| | Measurement Period | |
|---|---|---|
| Assumption | As of June 30, 2017 | As of June 30, 2016 |
| Consumer price inflation | 2.75% | 3.00% |
| Investment rate of return | 7.10% | 7.60% |
| Wage growth | 3.50% | 3.75% |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the CalSTRS board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

(Continued)

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

| Asset Class | Assumed Asset Allocation | Long-Term* Expected Real Rate of Return |
|---|---|---|
| Global Equity | 47% | 6.30% |
| Fixed Income | 12 | 0.30 |
| Real Estate | 13 | 5.20 |
| Private Equity | 13 | 9.30 |
| Absolute Retum / Risk Mitigating Strategies | 9 | 2.90 |
| Inflation Sensitive | 4 | 3.80 |
| Cash / Liquidity | 2 | (1.00) |

* 20-year geometric average

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of retum was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

| | 1% Decrease (6.10%) | Current Discount Rate (7.10%) | 1% Increase (8.10%) |
|---|---|---|---|
| District's proportionate share of the net pension liability | $ 50,256,000 | $ 34,227,000 | $ 21,218,000 |

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

(Continued)

## NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

*General Information about the Public Employer's Retirement Fund B*

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

https://www.calpers.ca.gov/docs/forms-publications/cafr-2017.pdf

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2018 were as follows:

*Members* - The member contribution rate was 6.50 or 7.50 percent of applicable member earnings for fiscal year 2017-18.

*Employers* - The employer contribution rate was 15,531 percent of applicable member earnings.

The District contributed $1,071,135 to the plan for the fiscal year ended June 30, 2018.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2018, the District reported a liability of $11,827,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2017, the District's proportion was 0.050 percent, which was no change from its proportion measured as of June 30, 2016.

(Continued)

**NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)**

For the year ended June 30, 2018, the District recognized pension expense of $2,131,167. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 424,000 | $ - |
| Changes of assumptions | 1,727,000 | 139,000 |
| Net differences between projected and actual earnings on investments | 409,000 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 42,000 | 171,000 |
| Contributions made subsequent to measurement date | 1,071,135 | - |
| Total | $ 3,673,135 | $ 310,000 |

$1,071,135 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ended June 30, | |
|---|---|
| 2019 | $ 638,167 |
| 2020 | $ 1,084,167 |
| 2021 | $ 793,666 |
| 2022 | $ (224,000) |

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2017 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

**NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B** (Continued)

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

| | |
|---|---|
| Valuation Date | June 30, 2016 |
| Experience Study | June 30, 1997 through June 30, 2011 |
| Actuarial Cost Method | Entry age normal |
| Investment Rate of Return | 7.15% |
| Consumer Price Inflation | 2.75% |
| Wage Growth | Varies by entry age and service |
| Post-retirement Benefit Increases | Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter |

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

During the 2016-17 measurement period, the financial reporting discount rate for the Plan was lowered from 7.65 percent to 7.15 percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

| Asset Class | Long -Term* Assumed Asset Allocation | Expected Real Rate of Return Years of 1 - 10 (1) | Expected Real Rate of Return Years of 11+ (2) |
|---|---|---|---|
| Global Equity | 47% | 4.90% | 5.38% |
| Fixed Income | 19 | 0.80 | 2.27 |
| Inflation of Assets | 6 | 0.60 | 1.39 |
| Private Equity | 12 | 6.60 | 6.63 |
| Real Estate | 11 | 2.80 | 5.21 |
| Infrastructure & Forestland | 3 | 3.90 | 5.36 |
| Liquidity | 2 | (0.40) | (0.90) |

* 10-year geometric average
(1) An expected inflation rate of 2.50% used for this period
(2) An expected inflation rate of 3.00% used for this period

(Continued)

**NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B** (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

| | 1% Decrease (6.15%) | Current Discount Rate (7.15%) | 1% Increase (8.15%) |
|---|---|---|---|
| District's proportionate share of the net pension liability | $ 17,401,000 | $ 11,827,000 | $ 7,202,000 |

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

(Continued)

## NOTE 9 - JOINT POWERS AGREEMENT

Schools Insurance Authority: The District is a member with other school districts of a Joint Powers Authority, Schools Insurance Authority (SIA), for the operation of a common risk management and insurance program for property and liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

The following is a summary of financial information for SIA at June 30, 2018:

| | |
|---|---|
| Total assets | $ 140,450,093 |
| Total liabilities | $ 67,894,697 |
| Total net position | $ 72,555,396 |
| Total revenues | $ 54,917,755 |
| Total expenses | $ 47,903,083 |
| Change in net position | $ 7,014,672 |

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.

## NOTE 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 or results of operations.

# REQUIRED SUPPLEMENTARY INFORMATION

BUCKEYE UNION SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2018

| | Budget | | | Variance Favorable |
|---|---|---|---|---|
| | Original | Final | Actual | (Unfavorable) |
| Revenues: | | | | |
| Local Control Funding Formula: | | | | |
| State apportionment | $ 24,525,564 | $ 25,105,249 | $ 25,105,249 | $ - |
| Local sources | 13,763,391 | 14,769,359 | 11,488,787 | (3,280,572) |
| Total LCFF | 38,288,955 | 39,874,608 | 36,594,036 | (3,280,572) |
| Federal sources | 901,985 | 1,021,414 | 983,187 | (38,227) |
| Other state sources | 3,391,615 | 3,526,894 | 3,958,654 | 431,760 |
| Other local sources | 2,153,748 | 2,215,720 | 2,884,183 | 668,463 |
| Total revenues | 44,736,303 | 46,638,636 | 44,420,060 | (2,218,576) |
| Expenditures: | | | | |
| Current: | | | | |
| Certificated salaries | 18,675,896 | 19,894,974 | 20,234,834 | (339,860) |
| Classified salaries | 6,500,902 | 6,857,219 | 7,097,759 | (240,540) |
| Employee benefits | 10,948,764 | 10,162,410 | 10,790,467 | (628,057) |
| Books and supplies | 2,332,920 | 4,823,394 | 1,634,948 | 3,188,446 |
| Contract services and operating expenditures | 2,649,285 | 311,983 | 3,431,294 | (3,119,311) |
| Other outgo | 416,334 | 280,750 | 588,793 | (308,043) |
| Capital outlay | 75,000 | 50,298 | 714,889 | (664,591) |
| Total expenditures | 41,599,101 | 42,381,028 | 44,492,984 | (2,111,956) |
| Excess (deficiency) of revenues over (under) expenditures | 3,137,202 | 4,257,608 | (72,924) | (4,330,532) |
| Other financing uses: | | | | |
| Transfers out | (80,504) | (50,000) | (4,549) | 45,451 |
| Change in fund balance | 3,056,698 | 4,207,608 | (77,473) | (4,285,081) |
| Fund balance, July 1, 2017 | 9,547,292 | 9,547,292 | 9,547,292 | - |
| Fund balance, June 30, 2018 | $ 12,603,990 | $ 13,754,900 | $ 9,469,819 | $ (4,285,081) |

See accompanying notes to required supplementary information.

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2018

State Teachers' Retirement Plan
Last 10 Fiscal Years

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| District's proportion of the net pension liability | 0.039% | 0.039% | 0.036% | 0.037% |
| District's proportionate share of the net pension liability | $ 22,790,430 | $ 25,495,062 | $ 29,248,000 | $ 34,227,000 |
| State's proportionate share of the net pension liability associated with the District | 13,410,429 | 14,018,000 | 16,652,000 | 20,248,000 |
| Total net pension liability | $ 36,200,859 | $ 39,513,062 | $ 45,900,000 | $ 54,475,000 |
| District's covered payroll | $ 18,600,000 | $ 18,787,588 | $ 18,022,000 | $ 19,615,000 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 122.50% | 136.00% | 162.29% | 161.70% |
| Plan fiduciary net position as a percentage of the total pension liability | 77.00% | 74.02% | 70.04% | 69.46% |

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2018

Public Employer's Retirement Fund B
Last 10 Fiscal Years

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| District's proportion of the net pension liability | 0.050% | 0.051% | 0.050% | 0.050% |
| District's proportionate share of the net pension liability | $ 5,721,627 | $ 8,027,413 | $ 9,902,000 | $ 11,827,000 |
| District's covered payroll | $ 5,153,563 | $ 5,352,063 | $ 6,015,000 | $ 6,317,000 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 110.22% | 140.88% | 164.62% | 181.45% |
| Plan fiduciary net position as a percentage of the total pension liability | 83.00% | 79.43% | 73.89% | 71.87% |

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2018

State Teachers' Retirement Plan
Last 10 Fiscal Years

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| Contractually required contribution | $ 1,549,976 | $ 1,933,783 | $ 2,662,868 | $ 2,904,966 |
| Contributions in relation to the contractually required contribution | (1,549,976) | (1,933,783) | (2,662,868) | (2,904,966) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - |
| District's covered payroll | $ 18,787,588 | $ 18,022,000 | $ 19,615,000 | $ 20,131,000 |
| Contributions as a percentage of covered payroll | 8.25% | 10.73% | 12.58% | 14.43% |

All years prior to 2015 are not available.

(Continued)

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2018

Public Employer's Retirement Fund B
Last 10 Fiscal Years

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| Contractually required contribution | $ 612,383 | $ 712,602 | $ 905,165 | $ 1,071,135 |
| Contributions in relation to the contractually required contribution | (612,383) | (712,602) | (905,165) | (1,071,135) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - |
| District's covered payroll | $ 5,352,063 | $ 6,015,000 | $ 6,317,000 | $ 6,897,000 |
| Contributions as a percentage of covered payroll | 11.44% | 11.85% | 13.89% | 15.53% |

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

## NOTE 1 - PURPOSE OF SCHEDULES

A - Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B - Schedule of the District's Proportionate Share of the Net Pension Liability

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

C – Schedule of the District's Contributions

The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

D – Changes of Benefit Terms

There are no changes in benefit terms reported in the Required Supplementary Information.

E - Changes of Assumptions

There are no changes in benefit terms reported in the Required Supplementary Information.

The discount rate for Public Employer's Retirement Fund B was 7.50, 7.65, 7.65 and 7.15 percent in the June 30, 2013, 2014, 2015, and 2016 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

| | Measurement Period | | |
|---|---|---|---|
| Assumptions | As of June 30, 2017 | As of June 30, 2016 | As of June 30, 2015 |
| Consumer price inflation | 2.75% | 3.00% | 3.00% |
| Investment rate of return | 7.10% | 7.60% | 7.60% |
| Wage growth | 3.50% | 3.75% | 3.75% |

# SUPPLEMENTARY INFORMATION

BUCKEYE UNION SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2018

| | Cafeteria Fund | Building Fund | Capital Facilities Fund | State School Building Lease Purchase Fund | Bond Interest Redemption Fund | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash in County Treasury | $ 130,630 | $ - | $ 2,242,882 | $ 446 | $ 1,144,426 | $ 3,518,384 |
| Cash in revolving fund | 70 | - | - | - | - | 70 |
| Receivables | 4,293 | - | - | - | - | 4,293 |
| Stores inventory | 17,084 | - | - | - | - | 17,084 |
| Total assets | $ 152,077 | $ - | $ 2,242,882 | $ 446 | $ 1,144,426 | $ 3,539,831 |
| **LIABILITIES AND FUND BALANCES** | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | $ 5,424 | $ - | $ - | $ - | $ - | $ 5,424 |
| Fund balances: | | | | | | |
| Nonspendable | 17,154 | - | - | - | - | 17,154 |
| Restricted | 129,499 | - | 2,242,882 | 446 | 1,144,426 | 3,517,253 |
| Total fund balances | 146,653 | - | 2,242,882 | 446 | 1,144,426 | 3,534,407 |
| Total liabilities and fund balances | $ 152,077 | $ - | $ 2,242,882 | $ 446 | $ 1,144,426 | $ 3,539,831 |

BUCKEYE UNION SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the Year Ended June 30, 2018

| | Cafeteria Fund | Building Fund | Capital Facilities Fund | State School Building Lease Purchase Fund | Bond Interest Redemption Fund | Total |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Federal sources | $ 495,275 | $ - | $ - | $ - | $ - | $ 495,275 |
| Other state sources | 61,939 | - | - | - | - | 61,939 |
| Other local sources | 706,506 | 4,454 | 564,738 | 909 | 1,574,859 | 2,851,466 |
| Total revenues | 1,263,720 | 4,454 | 564,738 | 909 | 1,574,859 | 3,408,680 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Classified salaries | 426,051 | - | 67,330 | - | - | 493,381 |
| Employee benefits | 128,516 | - | 22,845 | - | - | 151,361 |
| Books and supplies | 548,029 | - | 264 | - | - | 548,293 |
| Contract services and operating expenditures | 91,945 | - | 44,533 | - | - | 136,478 |
| Capital outlay | - | 406,371 | 10,780 | 409,823 | - | 826,974 |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | 520,000 | 520,000 |
| Interest | - | - | - | - | 974,288 | 974,288 |
| Total expenditures | 1,194,541 | 406,371 | 145,752 | 409,823 | 1,494,288 | 3,650,775 |
| Excess (deficiency) of revenues over (under) expenditures | 69,179 | (401,917) | 418,986 | (408,914) | 80,571 | (242,095) |
| Other financing sources: | | | | | | |
| Transfers in | 4,549 | - | - | - | - | 4,549 |
| Net change in fund balances | 73,728 | (401,917) | 418,986 | (408,914) | 80,571 | (237,546) |
| Fund balances, July 1, 2017 | 72,925 | 401,917 | 1,823,896 | 409,360 | 1,063,855 | 3,771,953 |
| Fund balances, June 30, 2018 | $ 146,653 | $ - | $ 2,242,882 | $ 446 | $ 1,144,426 | $ 3,534,407 |

BUCKEYE UNION SCHOOL DISTRICT
ORGANIZATION
June 30, 2018

Buckeye Union School District, was established on September 1, 1858 by the unionization of French Creek and Buckeye Union School Districts. The District includes the residential communities of Shingle Springs, Cameron Park and El Dorado Hills and includes an area approximately 54 square miles. There were no changes in District boundaries during the year. The District operates five elementary schools, two middle schools and one charter school.

## BOARD OF TRUSTEES

| Name | Office | Term Expires |
|---|---|---|
| Royce Gough | President | December 2018 |
| Winston Pingery | Clerk | December 2018 |
| Brenda Hanson-Smith | Member | December 2018 |
| Kirk Seal | Member | December 2020 |
| Gloria Silva | Member | December 2020 |

## ADMINISTRATION

David Roth, Ph. D.
District Superintendent

Jacqueline McHaney
Assistant Superintendent,
Administrative Services

Patricia Randolph
Director of Curriculum and Instruction

Jan Blossom
Director of Fiscal Services

Nicole Schraeder
Director of Student Services

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2018

| | Second Period Report | Annual Report |
|---|---|---|
| DISTRICT | | |
| Certificate #: | B75319FF | 7AD2F033 |
| Elementary: | | |
| Transitional Kindergarten through Third | 1,543 | 1,553 |
| Fourth through Sixth | 1,396 | 1,394 |
| Seventh and Eighth | 1,136 | 1,137 |
| Special Education | 7 | 8 |
| ADA Totals | 4,082 | 4,092 |
| CHARTER SCHOOLS | | |
| Certificate # | E7CF0DF2 | 35F533B6 |
| Charter: | | |
| Transitional Kindergarten through Third | 317 | 315 |
| Fourth through Sixth | 175 | 176 |
| Total Charter Schools | 492 | 491 |

See accompanying notes to supplementary information.

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2018

| Grade Level | Statutory Minutes Requirement | 2017-2018 Actual Minutes | Number of Days Traditional Calendar | Status |
|---|---|---|---|---|
| **DISTRICT** | | | | |
| Kindergarten | 36,000 | 36,135 | 180 | In Compliance |
| Grade 1 | 50,400 | 50,871 | 180 | In Compliance |
| Grade 2 | 50,400 | 50,871 | 180 | In Compliance |
| Grade 3 | 50,400 | 50,871 | 180 | In Compliance |
| Grade 4 | 54,000 | 54,111 | 180 | In Compliance |
| Grade 5 | 54,000 | 54,111 | 180 | In Compliance |
| Grade 6 | 54,000 | 57,932 | 180 | In Compliance |
| Grade 7 | 54,000 | 57,932 | 180 | In Compliance |
| Grade 8 | 54,000 | 57,932 | 180 | In Compliance |
| **CHARTER SCHOOL** | | | | |
| Charter Montessori Blue Oak | | | | |

| Grade Level | Statutory Minutes Requirement | 2017-2018 Actual Minutes | Number of Days Traditional Calendar | Status |
|---|---|---|---|---|
| Kindergarten | 36,000 | 36,135 | 180 | In Compliance |
| Grade 1 | 50,400 | 53,211 | 180 | In Compliance |
| Grade 2 | 50,400 | 53,211 | 180 | In Compliance |
| Grade 3 | 50,400 | 53,211 | 180 | In Compliance |
| Grade 4 | 54,000 | 56,331 | 180 | In Compliance |
| Grade 5 | 54,000 | 56,331 | 180 | In Compliance |

See accompanying notes to supplementary information.

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2018

| Federal Catalog Number | Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Pass-Through Entity Identifying Number | Federal Expend-itures |
|---|---|---|---|
| U.S. Department of Education - Passed through California Department of Education | | | |
| 84.367 | ESEA: Title II, Part A, Improving Teacher Quality Local Grant | 14341 | $ 73,959 |
| 84.010 | ESEA: Title I, Part A, Basic Grants Low-Income and Neglected | 14329 | 382,283 |
| 84.365 | ESEA: Title III, Limited English Proficient (LEP) Student Program | 14341 | 32,014 |
| 84.365 | ESEA: Title III, Immigrant Ed Program | 15146 | 5,114 |
| | Total U.S. Department of Education | | 493,370 |
| U.S. Department of Education - Passed through El Dorado County Office of Education | | | |
| | Special Education Cluster: | | |
| 84.027 | Special Ed: IDEA Basic and Local Assistance Entitlement, Part B, Sec 611 (Formerly 94-142) | 13379 | 367,922 |
| | Subtotal Special Education Cluster | | 367,922 |
| U.S. Department of Agriculture - Passed through El Dorado Office of Education | | | |
| 10.665 | Forest Reserve Funds - Forest Service Schools and Roads Cluster | 10044 | 96,427 |
| U.S. Department of Agriculture - Passed through California Department of Education | | | |
| | Child Nutrition Cluster: | | |
| 10.555 | Donated Food Commodities - Child Nutrition Cluster | N/A | 97,866 |
| 10.555 | Child Nutrition: School Programs | 13523/13524 | 60,546 |
| 10.553 | Child Nutrition: School Breakfast Basic | 13525 | 310,617 |
| 10.553 | Especially Needy School Breakfast | 13526 | 18,550 |
| | Total Child Nutrition Cluster | | 487,579 |
| | U.S. Department of Agriculture | | 584,006 |

(Continued)

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2018

| Federal Catalog Number | Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Pass-Through Entity Identifying Number | Federal Expend-itures |
|---|---|---|---|
| U.S. Department of Health and Human Services - Passed through California Department of Education | | | |
| 93.778 | Department of Health Care Services (DHCS): Medi-Cal Assistance Program (MAA) - Medicaid Cluster | 10060 | $ 24,228 |
| | Total Federal Awards | | $ 1,469,526 |

See accompanying notes to supplementary information.

BUCKEYE UNION SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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

See accompanying notes to supplementary information.

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2018
(UNAUDITED)

| | (Budget) 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| General Fund | | | | |
| Revenues and other financing sources | $ 45,155,809 | $ 44,420,060 | $ 42,452,431 | $ 43,333,781 |
| Expenditures | 43,917,062 | 44,492,984 | 41,885,472 | 38,257,589 |
| Other uses and transfers out | 244,480 | 4,549 | 552,099 | 65,000 |
| Total outgo | 44,161,542 | 44,497,533 | 42,437,571 | 38,322,589 |
| Change in fund balance | $ 994,267 | $ (77,473) | $ 14,860 | $ 5,011,192 |
| Ending fund balance | $ 10,464,086 | $ 9,469,819 | $ 9,547,292 | $ 9,532,432 |
| Available reserves | $ 1,682,705 | $ 1,315,718 | $ 1,268,892 | $ 5,729,346 |
| Designated for economic uncertainties | $ 1,682,705 | $ 1,315,718 | $ 1,268,892 | $ 5,729,346 |
| Undesignated fund balance | $ - | $ - | $ - | $ - |
| Available reserves as percentages of total outgo | 3.8% | 3.0% | 3.0% | 15.0% |
| All Funds | | | | |
| Total long-term liabilities | $ 91,316,730 | $ 93,545,387 | $ 88,731,746 | $ 84,766,311 |
| Average daily attendance at P-2, including Charter Schools | 4,638 | 4,574 | 4,503 | 4,521 |

The General Fund fund balance has increased by $4,948,579 over the past three years. The fiscal year 2018-2019 budget projects an increase of $994,267. 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, 2018, the District has met this requirement.

The District has incurred an operating surplus in two of the past three years, and anticipates an operating surplus in fiscal year 2018-2019 .

Total long-term liabilities have increased by $8,779,076 over the past two years.

Average daily attendance has increased by 53 over the past two years. An increase of 64 ADA is projected for the 2018-2019 fiscal year.

See accompanying notes to supplementary information.

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2018

| Charter Schools Chartered by District | Included in District Financial Statements, or Separate Report |
|---|---|
| 0665 - The Charter Montessori School | Included in Report |
| 0774 - Shingle Springs Campus charter | Separate Report |
| 1655 - Rising Sun Montessori Charter School | Separate Report |

See accompanying notes to supplementary information.

## NOTE 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. The District neither met nor exceeded its target funding. 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

The Schedule of Expenditure of Federal Awards includes the federal award activity of Buckeye Union School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

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, 2018.

| Description | CFDA Number | Amount |
|---|---|---|
| Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances | | $ 1,478,462 |
| Less: Medi-Cal Billing Funds unspent | 93.778 | (8,936) |
| Total Schedule of Expenditure of Federal Awards | | $ 1,469,526 |

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.

(Continued)

**NOTE 1 - PURPOSE OF SCHEDULES** (Continued)

E - Schedule of Financial Trends and Analysis - Unaudited

This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2018-2019 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.

**NOTE 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, 2018, the District did not adopt this program.

Crowe

Crowe LLP
Independent Member Crowe Global

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

Board of Trustees
Buckeye Union School District
El Dorado Hills, California

## Report on Compliance with State Laws and Regulations

We have audited Buckeye Union School District's compliance with the types of compliance requirements described in the State of California's *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the "Audit Guide") applicable to the state laws and regulations listed below for the year ended June 30, 2018.

| Description | Procedures Performed |
|---|---|
| Attendance | Yes |
| Teacher Certification and Misassignments | Yes |
| Kindergarten Continuance | Yes |
| Independent Study | No, see below |
| Continuation Education | No, see below |
| Instructional Time | Yes |
| Instructional Materials | Yes |
| Ratio of Administrative Employees to Teachers | Yes |
| Classroom Teacher Salaries | Yes |
| Early Retirement Incentive | No, see below |
| Gann Limit Calculation | Yes |
| School Accountability Report Card | Yes |
| Juvenile Court Schools | No, see below |
| Middle or Early College High Schools | No, see below |
| K-3 Grade Span Adjustment | Yes |
| Transportation Maintenance of Effort | Yes |
| Educator Effectiveness | Yes |
| Apprenticeship: Related and Supplemental Instruction | No, see below |
| California Clean Energy Jobs Act | Yes |
| After/Before School Education and Safety Program: | |
| General requirements | No, see below |
| After school | No, see below |
| Before school | No, see below |
| Proper Expenditure of Education Protection Account Funds | Yes |
| Unduplicated Local Control Funding Formula Pupil Counts | Yes |
| Local Control and Accountability Plan | Yes |
| Independent Study - Course Based | No, see below |
| Attendance, for charter schools | Yes |
| Mode of Instruction, for charter schools | Yes |
| Nonclassroom-Based Instruction/Independent Study, for charter schools | No, see below |
| Determination of Funding for Nonclassroom-Based Instruction, for charter schools | No, see below |
| Annual Instructional Minutes - Classroom-Based, for charter schools | Yes |
| Charter School Facility Grant Program | No, see below |

(Continued)

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

We did not perform testing for Continuation Education because the District did not offer this program in the current year.

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.

We did not perform procedures related to Juvenile Court Schools because the District does not offer Juvenile Court Schools.

We did not perform procedures related to Middle or Early College High Schools because the District does not offer Middle or Early College High Schools.

The District does not offer an Apprenticeship: Related and Supplemental Instruction program; therefore, we did not perform any procedures related to this program.

We did not perform procedures related to the After/Before School Education and Safety Program, as the District does not operate this program.

We did not perform procedures related to the Independent Study-Course Based Program, as the District does not operate an Independent Study-Course Based Program.

We did not perform procedures for Nonclassroom-Based Instruction/Independent Study, for charter schools because the District does not operate this program.

We did not perform procedures related to Charter School Facility Grant because the District did not receive funding for this program.

***Management's Responsibility***

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

***Auditor's Responsibility***

Our responsibility is to express an opinion on Buckeye Union School District's compliance with state laws and regulations, as listed above of based on our audit of the types of compliance requirements referred to above. 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 *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Those standards and the Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Buckeye Union School District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Buckeye Union 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 on compliance with state laws and regulations. However, our audit does not provide a legal determination of Buckeye Union School District's compliance.

(Continued)

***Opinion with State Laws and Regulations***

In our opinion, Buckeye Union School District complied, in all material respects, with the compliance requirements referred to above that are applicable to state laws and regulations referred to above for the year ended June 30, 2018.

**Purpose of this Report**

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the State of California's *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 13, 2018

Crowe LLP
Independent Member Crowe Global

# 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 Trustees
Buckeye Union School District
El Dorado Hills, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Buckeye Union School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Buckeye Union School District's basic financial statements, and have issued our report thereon dated December 13, 2018.

## Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Buckeye Union School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Buckeye Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Buckeye Union School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Buckeye Union 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*.

**Purpose of this Report**

The purpose of this report is solely 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 effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 13, 2018

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Buckeye Union School District
El Dorado Hills, California

## Report on Compliance for Each Major Federal Program

We have audited Buckeye Union School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Buckeye Union School District's major federal programs for the year ended June 30, 2018. Buckeye Union School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Buckeye Union School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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;the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance 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 Buckeye Union 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Buckeye Union School District's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, Buckeye Union School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

(Continued)

***Report on Internal Control Over Compliance***

Management of Buckeye Union School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Buckeye Union School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 Buckeye Union School District's internal control over compliance.

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 13, 2018

# FINDINGS AND RECOMMENDATIONS

BUCKEYE UNION SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

## SECTION I - SUMMARY OF AUDITOR'S RESULTS

### FINANCIAL STATEMENTS

| | | | |
|---|---|---|---|
| Type of auditor's report issued: | Unmodified | | |
| Internal control over financial reporting: | | | |
| Material weakness(es) identified? | _____ Yes | __X__ No | |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ Yes | __X__ None reported | |
| Noncompliance material to financial statements noted? | _____ Yes | __X__ No | |

### FEDERAL AWARDS

| | | | |
|---|---|---|---|
| Internal control over major programs: | | | |
| Material weakness(es) identified? | _____ Yes | __X__ No | |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ Yes | __X__ None reported | |
| Type of auditor's report issued on compliance for major programs: | Unmodified | | |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____ Yes | __X__ No | |

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| 10.555, 10.553 | Child Nutrition Cluster |

| | | |
|---|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $ 750,000 | |
| Auditee qualified as low-risk auditee? | __X__ Yes | _____ No |

### STATE AWARDS

| | |
|---|---|
| Type of auditor's report issued on compliance for state programs: | Unmodified |

(Continued)

## SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

## SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

## SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

## STATUS OF PRIOR YEAR

## FINDINGS AND RECOMMENDATIONS

BUCKEYE UNION SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2018

| Finding/Recommendation | Current Status | District Explanation If Not Implemented |
|---|---|---|

No matters were reported.

# BUCKEYE UNION SCHOOL DISTRICT

## MEASURE K GENERAL OBLIGATION BONDS
## FINANCIAL STATEMENTS
June 30, 2018

BUCKEYE UNION SCHOOL DISTRICT
El Dorado Hills, California

MEASURE K GENERAL OBLIGATION BONDS
June 30, 2018

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# INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Buckeye Union School District

## Report on the Financial Statements

We have audited the accompanying financial statements of Buckeye Union School District (the "District") Measure K General Obligation Bonds (the "Bonds") activity included in the Building Fund of the District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 of America. 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. The procedures selected depend on the auditor's judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Buckeye Union School District (the "District") Measure K General Obligation Bonds activity as of June 30, 2018, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1, the financial statements present the financial activity and balances of the Measure K General Obligation Bonds activity only, and do not purport to, and do not, present fairly the financial position of Buckeye Union School District, as of June 30, 2018 or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for Measure K General Obligation Bonds activity. 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 internal control over financial reporting or on compliance for Measure K General Obligation Bonds activity. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control financial reporting and compliance for the Measure K General Obligation Bonds activity.

Crowe LLP

Crowe LLP

Sacramento, California
December 13, 2018

BUCKEYE UNION SCHOOL DISTRICT
MEASURE K GENERAL OBLIGATION BONDS
BALANCE SHEET
June 30, 2018

**ASSETS**

| | |
|---|---|
| Cash in County Treasury (Note 2) | $ - |

**LIABILITIES AND FUND BALANCE**

| | |
|---|---|
| Fund balance – restricted (Note 3) | $ - |
| Total liabilities and fund balance | $ - |

See accompanying notes to financial statements.

BUCKEYE UNION SCHOOL DISTRICT
MEASURE K GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE
For the Year Ended June 30, 2018

| | |
|---|---|
| Revenues: | |
| Other local sources | $ 4,454 |
| Expenditures: | |
| Capital Outlay | 406,371 |
| Change in fund balance | (401,917) |
| Fund balance, July 1, 2017 | 401,917 |
| Fund balance, June 30, 2018 | $ - |

See accompanying notes to financial statements.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Buckeye Union School District (the "District") conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practices within California school districts. The District accounts for its financial transactions in accordance with policies and procedures of the Department of Education's *California School Accounting Manual.* The activities of the Measure K Bonds are recorded along with other activities in the District's Building Fund. 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 (GASB). The following is a summary of the more significant accounting policies:

Financial Reporting Entity: The financial statements include the activity and balances of the Measure K General Obligation Bonds activity, only. The activities of the Measure K General Obligation Bonds are recorded along with other activities in the District's Building Fund. These financial statements are not intended to present the financial position and results of operations of Buckeye Union School District as a whole.

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

The basic 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: Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By State law, the District's Board of Trustees must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Board of Trustees satisfied these requirements.

The District's Board of Trustees and Superintendent revise the budgets during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Accounting Estimates: The presentation 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 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. Actual results could differ from those estimates.

(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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. All encumbrances are liquidated as of June 30.

**NOTE 2 – CASH**

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest bearing El Dorado County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The cash held in the County Treasury are classified within level 2 of the fair value hierarchy because they are valued using broker or dealer quotations, or alternative pricing sources with reasonable level of price transparency. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. At June 30, 2018, there was no Cash in County Treasury.

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, 2018, 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, 2018, the District had no concentration of credit risk.

**NOTE 3 – FUND BALANCE CLASSIFICATION**

Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications are non-spendable, restricted, committed, assigned and unassigned. The fund balance of the Measure K General Obligation Bonds is restricted, as described below.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. Fund balance is restricted for capital projects of the Building Fund in accordance with the Bond Project List for Measure K General Obligation Bonds.

(Continued)

**NOTE 4 – PURPOSE OF BOND ISSUANCE** (Continued)

Bond Authorization: By approval of this proposition by at least 55% of the registered voters voting on the proposition at an election held on November 7, 2006, Buckeye Union School District was authorized to issue and sell bonds of up to $28,300,000 in aggregate the principal amount.

Purpose of Bonds: The proceeds of the Bonds may be used:

> *"To Improve education quality and student safety at every school, modernize, update and construct classrooms and school facilities at existing schools and become eligible for millions in additional State money, shall the Buckeye Union School District issue $28,300,000 in bonds at interest rates within the statutory limit? The Board will appoint a citizens' oversight committee, conduct annual independent audits, and spend funds only on school and classroom improvements, with NO money used for administrative salaries."*

As required by the California Constitution, the proceeds from the sale of bonds will be used only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Bond Project List: The District's Board of Trustees developed Bond Projects listed below to be undertaken at the following schools for Measure K:

Buckeye Elementary School
Blue Oak Elementary School
William Brooks Elementary School
Silva Valley Elementary School
Oak Meadow School
Camerado Springs Middle School
Rolling Hills Middle School

Renovation, Repair and Upgrade Projects

- Replace/repair roof and roof drainage systems. Replace dry rot and other damaged areas.
- Replace/repair outdated and/or damaged water and sewer systems.
- Install/replace heating, air conditioning and ventilation systems with new energy efficient systems.
- Replace/repair plumbing systems, including repair/removal of damaged and outdated systems.
- Install Energy Management Systems to promote energy efficiency and cost reductions.
- Upgrade electrical systems to current standards.
- Provide upgrades to interior and exterior lighting systems and controls to promote efficiency, public safety, and access.
- Replace, repair, and update technology systems necessary for student learning, efficient operations, security, increased capacity and/or processing speed including but not limited to: wiring, LAN/WAN (network) equipment; computers; printers; projectors; assisted listening systems; software and other related equipment.
- Replace, repair, and update Public Address, Intercom, Clock, Bell, Telephone and/or Voice-Over-Internet-Protocol (VOIP) systems.

(Continued)

**NOTE 4 – PURPOSE OF BOND ISSUANCE** (Continued)

- Install/update/replace/repair Fire and Life Safety and Security/Surveillance systems where needed for safety and security, or required by current codes and/or regulations, including those of the Division of the State Architect. These systems may include, but not be limited to: fire and intrusion alarm systems; video surveillance; appropriate door hardware; fire suppression systems; water service; upgrade existing spaces for fire safety; kitchen and kitchen equipment upgrades, and other necessary repairs, replacements, and upgrades.
- Install, update, replace and/or repair facility systems as required by Americans With Disabilities Act and other current codes and regulations related to safety and/or accessibility, including those of the Division of the State Architect. These systems may include, but not be limited to: handicap accessible ramps and walkways to permanent and portable school buildings; curb ramps; install accessible doors and hardware; install/repair accessible restrooms for both students and staff; install/repair accessible drinking fountains; install/repair site asphalt and/or concrete for safe path of travel, parking, and accessibility.
- Provide new permanent and portable classroom buildings for current and future growth at existing campuses.
- Remove unusable portable classrooms and restore grounds.
- Provide necessary storage facilities at school sites.
- Replace/repair window systems for safety and energy efficiency.
- Replace/repair asphalt paving, including correction of drainage problems. Provide asphalt systems where necessary.
- Replace/provide covered outdoor eating structures to promote a sanitary, healthy, comfortable student experience.
- Remove hazardous building material, including asbestos and lead as required by health and safety standards.
- Replace/repair flooring systems.
- Replace/repair physical education equipment in multi-purpose rooms including basketball hoops; bleacher systems; lockers; and room dividers for safety and to enhance the student experience.

**NOTE 5 – GENERAL OBLIGATION BOND ISSUANCES**

The bonds are general obligations of the District, and El Dorado County is obligated to levy ad valorem taxes for the payment of and interest on, the principal of the bonds. The Bond Interest and Redemption Fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the payment of interest and redemption of principal of the bonds issued by the District.

On July 12, 2007, the District issued General Obligation Bonds in the amount of $16,400,000 to fund the modernization of existing schools and construct new schools and classrooms. Repayment of the bonds is made from the ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Bonds mature serially in varying amounts during the succeeding years through 2032, with interest rates varying from 4.00% to 5.00%.

(Continued)

**NOTE 5 – GENERAL OBLIGATION BOND ISSUANCES** (Continued)

On July 17, 2008, the District issued General Obligation Bonds in the amount of $8,120,000 to fund the modernization of existing schools and construct new schools and classrooms. Repayment of the bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Bonds mature serially in carrying amounts during the succeeding years through 2033, with interest rates varying from 4.50% to 5.00%.

On September 25, 2014, the District received funds for issuance of General Obligation Refunding Bonds in the aggregate principal amount of $25,735,000. The Refunding Bonds are being issued for the purpose of refund General Obligation Bonds, Election 2006 and 2008. The Refunding Bonds will bear an interest rate ranging from 4.00% to 5.00% and mature through 2034.

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# 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 Trustees
Buckeye Union School District
El Dorado Hills, California

We have audited, 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 the financial statements of Buckeye Union School District (the "District") Measure K General Obligation Bonds (the "Bonds") activity included in the Building Fund of the District, as of and for the year ended June 30, 2018, and related notes to the financial statements and have issued our report thereon dated December 13, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Buckeye Union School District's internal control over Measure K General Obligation Bond activity financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Buckeye Union School District's internal control. Accordingly, we do not express an opinion of the effectiveness of Buckeye Union School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Buckeye Union School District Measure K General Obligation Bond activity included in the Building Fund of the District's financial statements is free of material misstatement, we performed tests of the District's 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*.

**Purpose of this Report**

This purpose of this report is intended solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 13, 2018

BUCKEYE UNION SCHOOL DISTRICT
MEASURE K GENERAL OBLIGATION BONDS
SCHEDULE OF AUDIT FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018

No matters were reported.

BUCKEYE UNION SCHOOL DISTRICT
MEASURE K GENERAL OBLIGATION BONDS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS RECOMMENDATIONS
For the Year Ended June 30, 2018

No matters were reported.

# BUCKEYE UNION SCHOOL DISTRICT

## MEASURE K GENERAL OBLIGATION BONDS
## PERFORMANCE AUDIT

June 30, 2018

BUCKEYE UNION SCHOOL DISTRICT
El Dorado Hills, California

MEASURE K GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
June 30, 2018

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# INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Buckeye Union School District
El Dorado Hills, California

We have conducted a performance audit of the Buckeye Union School District (the "District") Measure K General Obligation Bond funds for the year ended June 30, 2018.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 4 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure K General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIIIA of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for Buckeye Union School District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of Buckeye Union School District to determine the audit procedures that are appropriate for the purpose of providing a conclusion on the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIIIA of the California Constitution, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal control.

The results of our procedures indicated that, in all significant respects, Buckeye Union School District expended Measure K General Obligation Bond funds for the year ended June 30, 2018 only for the specific projects developed by the Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIIIA of the California Constitution.

Crowe LLP

Crowe LLP

Sacramento, California
December 13, 2018

## LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, "for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

## BUCKEYE UNION SCHOOL DISTRICT GENERAL OBLIGATION BONDS, MEASURE K

On November 7, 2006, the electorate of Buckeye Union School District approved the $28,300,000 Measure K General Obligation Bonds, with greater than 55% of the votes in favor. The text of the ballot language was as follows:

> *"To Improve education quality and student safety at every school, modernize, update and construct classrooms and school facilities at existing schools and become eligible for millions in additional State money, shall the Buckeye Union School District issue $28,300,000 in bonds at interest rates within the statutory limit? The Board will appoint a citizens' oversight committee, conduct annual independent audits, and spend funds only on school and classroom improvements, with NO money used for administrative salaries."*

The District's Board of Trustees developed Bond Projects listed below to be undertaken at the following schools for Measure K:

Buckeye Elementary School
Blue Oak Elementary School
William Brooks Elementary School
Silva Valley Elementary School
Oak Meadow School
Camerado Springs Middle School
Rolling Hills Middle School

(Continued)

**BUCKEYE UNION SCHOOL DISTRICT GENERAL OBLIGATION BONDS, MEASURE K** (Continued)

Renovation, Repair and Upgrade Projects

- Replace/repair roof and roof drainage systems. Replace dry rot and other damaged areas.
- Replace/repair outdated and/or damaged water and sewer systems.
- Install/replace heating, air conditioning and ventilation systems with new energy efficient systems.
- Replace/repair plumbing systems, including repair/removal of damaged and outdated systems.
- Install Energy Management Systems to promote energy efficiency and cost reductions.
- Upgrade electrical systems to current standards.
- Provide upgrades to interior and exterior lighting systems and controls to promote efficiency, public safety, and access.
- Replace, repair, and update technology systems necessary for student learning, efficient operations, security, increased capacity and/or processing speed including but not limited to: wiring, LAN/WAN (network) equipment; computers; printers; projectors; assisted listening systems; software and other related equipment.
- Replace, repair, and update Public Address, Intercom, Clock, Bell, Telephone and/or Voice-Over-Internet-Protocol (VOIP) systems.
- Install/update/replace/repair Fire and Life Safety and Security/Surveillance systems where needed for safety and security, or required by current codes and/or regulations, including those of the Division of the State Architect. These systems may include, but not be limited to: fire and intrusion alarm systems; video surveillance; appropriate door hardware; fire suppression systems; water service; upgrade existing spaces for fire safety; kitchen and kitchen equipment upgrades, and other necessary repairs, replacements, and upgrades.
- Install, update, replace and/or repair facility systems as required by Americans With Disabilities Act and other current codes and regulations related to safety and/or accessibility, including those of the Division of the State Architect. These systems may include, but not be limited to: handicap accessible ramps and walkways to permanent and portable school buildings; curb ramps; install accessible doors and hardware; install/repair accessible restrooms for both students and staff; install/repair accessible drinking fountains; install/repair site asphalt and/or concrete for safe path of travel, parking, and accessibility.
- Provide new permanent and portable classroom buildings for current and future growth at existing campuses.
- Remove unusable portable classrooms and restore grounds.
- Provide necessary storage facilities at school sites.
- Replace/repair window systems for safety and energy efficiency.
- Replace/repair asphalt paving, including correction of drainage problems. Provide asphalt systems where necessary.
- Replace/provide covered outdoor eating structures to promote a sanitary, healthy, comfortable student experience.
- Remove hazardous building material, including asbestos and lead as required by health and safety standards.
- Replace/repair flooring systems.
- Replace/repair physical education equipment in multi-purpose rooms including basketball hoops; bleacher systems; lockers; and room dividers for safety and to enhance the student experience.

(Continued)

**BUCKEYE UNION SCHOOL DISTRICT GENERAL OBLIGATION BONDS, MEASURE K** (Continued)

On July 12, 2007, the District issued General Obligation Bonds in the amount of $16,400,000 to fund the modernization of existing schools and construct new schools and classrooms. Repayment of the bonds is made from the ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Bonds mature serially in varying amounts during the succeeding years through 2032, with interest rates varying from 4.00% to 5.00%.

On July 17, 2008, the District issued General Obligation Bonds in the amount of $8,120,000 to fund the modernization of existing schools and construct new schools and classrooms. Repayment of the bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Bonds mature serially in carrying amounts during the succeeding years through 2033, with interest rates varying from 4.50% to 5.00%.

On September 25, 2014, the District received funds for issuance of General Obligation Refunding Bonds in the aggregate principal amount of $25,735,000. The Refunding Bonds are being issued for the purpose of refund General Obligation Bonds, Election 2006 and 2008. The Refunding Bonds will bear an interest rate ranging from 4.00% to 5.00% and mature through 2034.

The financial activity related to the Measure K General Obligation Bonds is recorded within the District's Financial Activity Report for Fund 21 (Building Fund) in the District's audited financial statements for the year ended June 30, 2018.

## OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure K General Obligation Bond funds for the year ended June 30, 2018 only for the purposes approved by the voters and only on the specific projects developed by the Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

## SCOPE

The District provided to us a list of all Measure K General Obligation Bond project expenditures for the year ended June 30, 2018 (the "List"). A total of $406,371in expenditures from July 1, 2017 through June 30, 2018 were identified.

## METHODOLOGY

We performed the following procedures to the List of Measure K General Obligation Bond project expenditures for the year ended June 30, 2018:

- Verified the mathematical accuracy of the List.
- Reconciled the list to total bond expenditures as reported by the District in the District's audited financial statements for the year ended June 30, 2018, presented as the Building Fund.
- Selected a sample of four expenditures totaling $396,318. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. The sample represented 98% of the total expenditure value.
- Verified that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects. Verified that no funds were used to pay the salaries of district employees.

## CONCLUSION

The results of our procedures indicated that, in all significant respects, Buckeye Union School District expended Measure K General Obligation Bond funds for the year ended June 30, 2018 only for the specific projects developed by the Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIIIA of the California Constitution.