



**WHEATLAND
ELEMENTARY
SCHOOL DISTRICT
ANNUAL FINANCIAL
REPORT**

JUNE 30, 2013

**WHEATLAND ELEMENTARY SCHOOL DISTRICT
OF YUBA COUNTY**

WHEATLAND, CALIFORNIA

JUNE 30, 2013

GOVERNING BOARD

| MEMBER | OFFICE | TERM EXPIRES |
|-------------------|--------------------------------|---------------------|
| Denis O'Connor | President | December 2014 |
| Barbara Warren | Clerk | December 2014 |
| Nicole Crabb | Member | December 2016 |
| Oscar Magana | Member | December 2014 |
| Wayne Bishop | Member | December 2016 |
| Colonel Jay Green | Beale AFB Liaison (non-voting) | N/A |

ADMINISTRATION

| | |
|----------------|------------------------|
| Craig Guensler | Superintendent |
| Tamara Johnson | Chief Business Officer |

ORGANIZATION

The Wheatland Elementary School District was established in 1871 and is located in Yuba County. The District was established when the former Bear River School District was divided into Virginia and Wheatland School Districts. The District operates two elementary schools, one 4-8 school, and one charter school, Wheatland Charter Academy.

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Wheatland Elementary School District
Wheatland, California

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wheatland Elementary School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Wheatland Elementary School District 's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Wheatland Elementary School District 's 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

My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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, and *Standards and Procedures for Audits of California K - 12 Local Educational Agencies 2012-13*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that I 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, I 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.

TEL. 909.689.8219
12223 Highland Avenue, Suite #106-625
Rancho Cucamonga, CA 91739

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Wheatland Elementary School District, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, and OPEB funding progress, on pages 5 – 13 and 51 – 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wheatland Elementary School District's basic financial statements. The accompanying supplementary information consisting of the Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the Local Education Agency Organization Structure, the Schedule of Average Daily Attendance, the Schedule of Instructional Time, the Schedule of Financial Trends and Analysis, the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements, the Schedule of Charter Schools, and the Note to Supplementary Information, as required by the *Standards and Procedures for Audits of California Local Educational Agencies 2012-13*, issued by the Education Audit Appeals Panel as regulations; and the Combining Statements of Non-Major Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information consisting of the Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Local Education Agency Organization Structure, Schedule of Average Daily Attendance, Schedule of Instructional Time, the Schedule of Financial Trends and Analysis, the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements, Schedule of Charter Schools, and Note to Supplementary Information, as required by the Education Audit Appeals Panel, issued as regulations, the *Standards and Procedures for Audits of California Local Educational Agencies 2012-13*, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 my opinion, the Schedule of Expenditures of Federal Awards, Local Education Agency Organization Structure, Schedule of Average Daily Attendance, Schedule of Instructional Time, Reconciliation of Annual Financial and Budget Report with Audited Financial Statements, Schedule of Charter Schools, and Note to Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Combining Statements of Non-Major Governmental Funds have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 21, 2013 on my consideration of Wheatland Elementary School District 's internal control over financial reporting and on my 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 my 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 Wheatland Elementary School District 's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Robert J. Dennis, C.P.A." with a large, stylized flourish underneath.

October 21, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

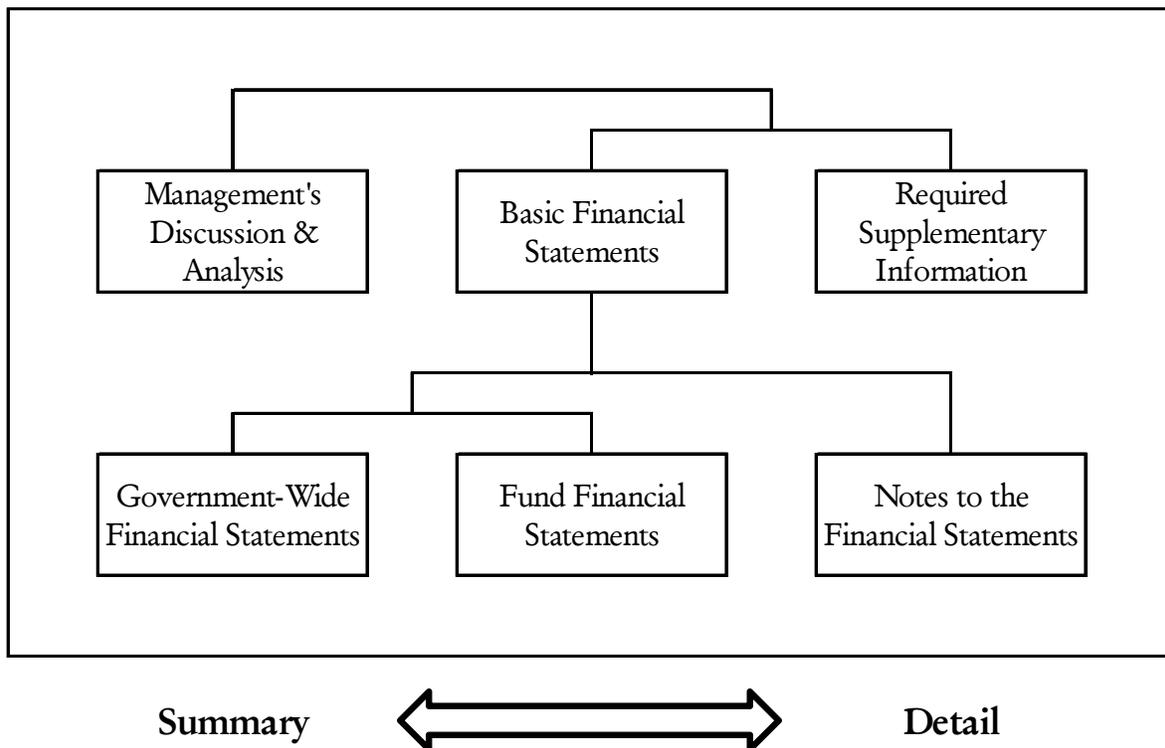
Our discussion and analysis of Wheatland Elementary School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ Total net position is \$44,238,779 at June 30, 2013. This is an increase of \$165,862 over the prior year.
- ▶ Overall revenues were \$15,837,638, which exceeded expenses of \$15,671,776.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section



WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

JUNE 30, 2013

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
 - ▶ **Fiduciary Funds** report balances for which the District is a custodian or *trustee* of the funds, such as Associated Student Bodies and pension funds.

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

Government-Wide Statements

The government-wide statements report 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 government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between assets and liabilities, are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively. The District experienced an increase in net position. To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities. The privatization of base housing on Beale Air Force Base has been completed. The building of new homes has commenced, however, the District has yet to see an increase in enrollment of military students.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Revenue limit funding and federal and state grants finance most of these activities.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2013

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position were \$44.2 million at June 30, 2013.

TABLE 1 - NET POSITION

| | Governmental Activities | | |
|--|-------------------------|------------------|---------------|
| | 2013 | 2012 | \$ Change |
| <i>(amounts in thousands)</i> | | | |
| ASSETS | | | |
| Current assets | \$ 20,009 | \$ 19,431 | \$ 578 |
| Non-current assets, net | 25,169 | 25,631 | (462) |
| Total Assets | 45,178 | 45,062 | 116 |
| LIABILITIES | | | |
| Current liabilities | 143 | 181 | (38) |
| Non-current liabilities | 797 | 809 | (12) |
| Total Liabilities | 940 | 990 | (50) |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | 25,169 | 25,632 | (463) |
| Restricted | 4,766 | 5,027 | (261) |
| Unrestricted | 14,303 | 13,413 | 890 |
| Total Net Position | \$ 44,238 | \$ 44,072 | \$ 166 |

Changes in Net Position

Overall changes in net position at June 30, 2013 is an increase of \$165,000.

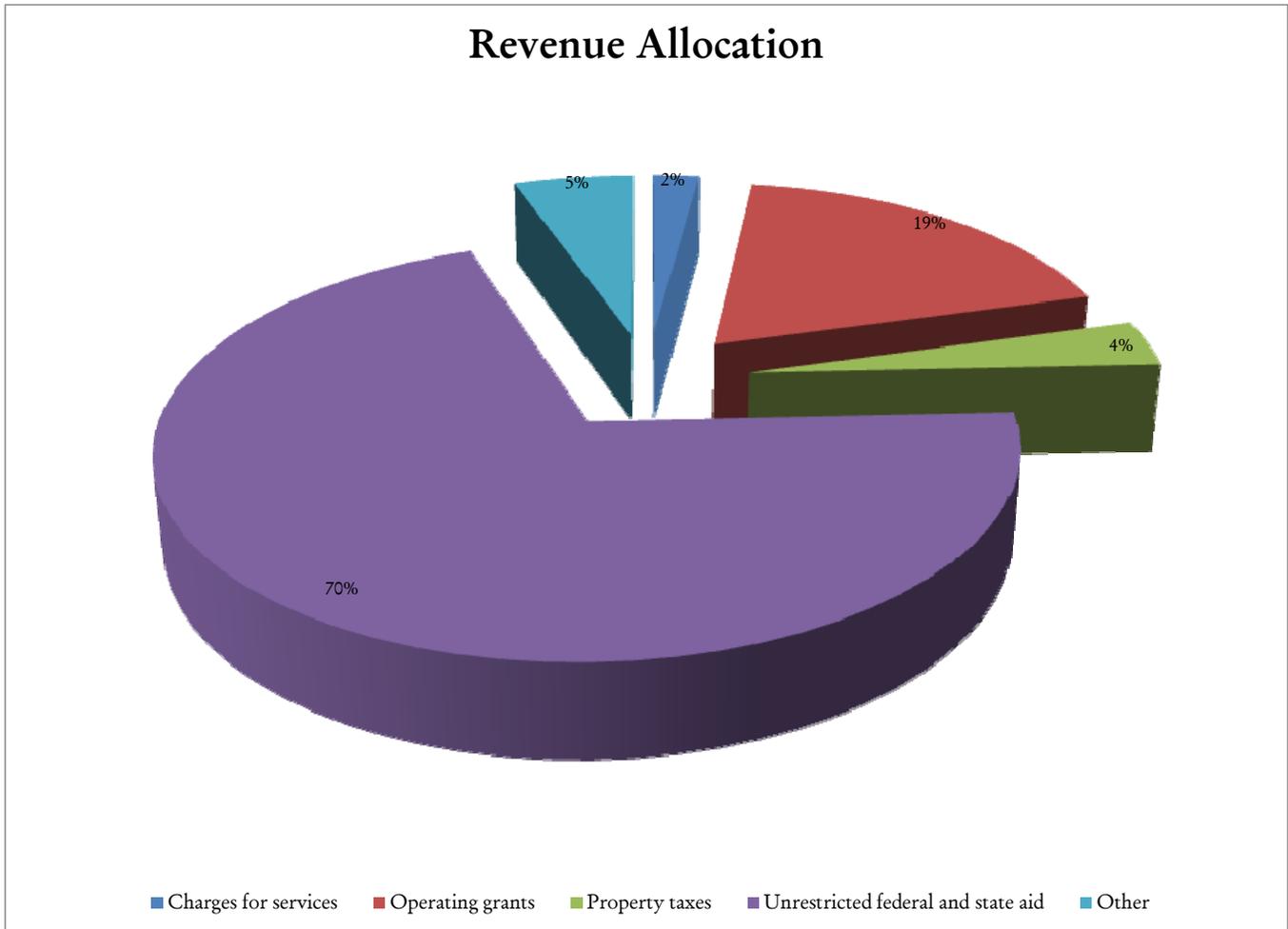
TABLE 2 - CHANGES IN NET POSITION

| | Governmental Activities | | |
|---------------------------------------|-------------------------|------------------|---------------|
| | 2013 | 2012 | \$ Change |
| <i>(amounts in thousands)</i> | | | |
| REVENUES | | | |
| Program revenues | | | |
| Charges for services | \$ 329 | \$ 282 | \$ 47 |
| Operating grants | 2,940 | 3,694 | (754) |
| General revenues | | | |
| Property taxes | 581 | 612 | (31) |
| Unrestricted federal and state aid | 11,136 | 9,293 | 1,843 |
| Other | 852 | 1,152 | (300) |
| Total Revenues | 15,838 | 15,033 | 805 |
| EXPENSES | | | |
| Instructional and instruction related | 9,949 | 9,294 | 655 |
| Pupil services | 1,882 | 1,974 | (92) |
| General administration | 1,051 | 1,087 | (36) |
| Plant services | 1,668 | 1,423 | 245 |
| Transfers to other agencies | 258 | 283 | (25) |
| Depreciation | 865 | 836 | 29 |
| Total Expenses | 15,673 | 14,897 | 776 |
| Excess (deficiency) | 165 | 136 | 29 |
| Net Position - Beginning | 44,073 | 43,936 | 137 |
| Net Position - Ending | \$ 44,238 | \$ 44,072 | \$ 166 |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2013

The District's total revenues were \$15.8 million. The majority of the revenue comes from Revenue Limit and property taxes (42%). Impact Aid accounted for 15% of revenues. Other federal and state aid for specific programs accounted for another 32% of total revenues. Miscellaneous local sources accounted for the remaining 11%.



WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2013

The total cost of all programs and services was \$15.7 million. The District’s expenses are predominately related to educating students (63%). Pupil Services (including transportation and food) account for 12% of expenses. Administrative activities accounted for just 7% of total costs. Plant services, which represent the facilities maintenance and operations costs, account for 11% of all costs. The remaining expenses were for depreciation and other outgo (7%).

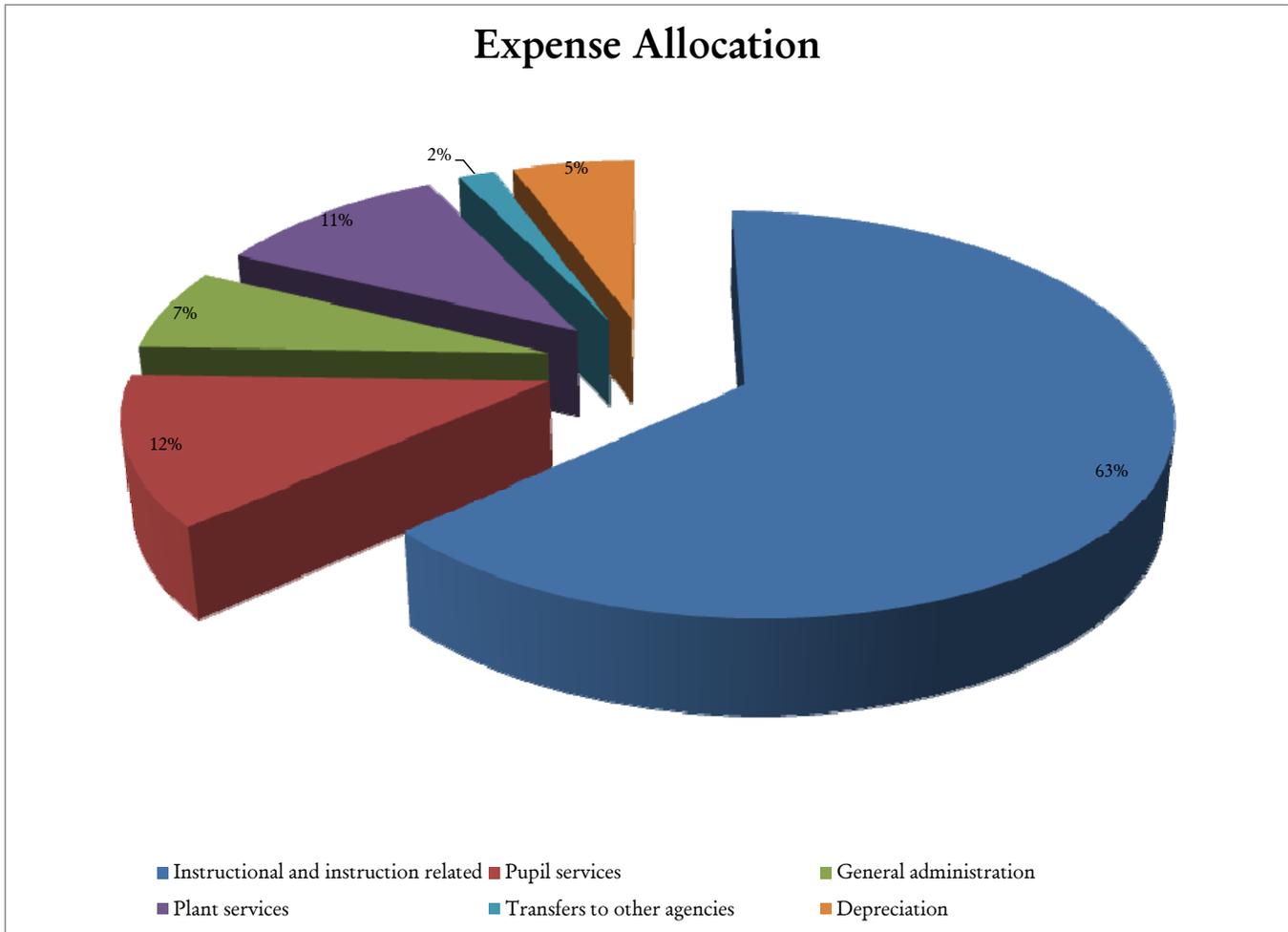


TABLE 3 - NET COST OF GOVERNMENTAL ACTIVITIES

| | Total Cost of Services | | | Net Cost of Services | | |
|---------------------------------------|------------------------|------------------|-----------|----------------------|------------------|------------|
| | 2013 | 2012 | % Change | 2013 | 2012 | % Change |
| Student related | \$ 11,831 | \$ 11,268 | 5% | \$ 8,758 | \$ 7,473 | 17% |
| Administrative and facilities related | 2,719 | 2,510 | 8% | 2,629 | 2,331 | 13% |
| Other | 1,123 | 1,119 | 0% | 1,015 | 1,115 | -9% |
| Total | \$ 15,673 | \$ 14,897 | 5% | \$ 12,402 | \$ 10,919 | 14% |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Fund Financial Statement

The fund financial statements provide more detailed information about the District’s governmental funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The governing board establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has one type of fund:

Governmental funds – All of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements that explains the relationship (or differences) between them.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$607 thousand above last year’s ending fund balance of \$17.7 million.

TABLE 4 - TOTAL GOVERNMENTAL FUNDS' PERFORMANCE

| | Governmental Funds' Activities | | | Governmental Funds' Budgets | | | |
|-------------------------------------|--------------------------------|---------------|-------------------|-----------------------------|-------------------|-------------------|--------------|
| | (amounts in thousands) | 2013 | 2012 | % Change | Original Budgets | Final Budgets | % Change |
| REVENUES | | | | | | | |
| Revenue limit | \$ | 6,724 | \$ 5,378 | 25% | \$ 5,759 | \$ 6,289 | -8% |
| Categorical | | 7,530 | 7,708 | -2% | 5,953 | 6,427 | -7% |
| Local | | 1,562 | 1,815 | -14% | 1,323 | 1,466 | -10% |
| Total Revenues | | 15,816 | 14,901 | 6% | 13,035 | 14,182 | -8% |
| EXPENSES | | | | | | | |
| Certificated | | 5,983 | 5,563 | 8% | 5,710 | 6,002 | -5% |
| Classified | | 3,414 | 3,315 | 3% | 3,334 | 3,419 | -2% |
| Benefits | | 2,811 | 2,733 | 3% | 2,641 | 2,644 | 0% |
| Supplies and services | | 2,341 | 2,352 | 0% | 2,653 | 3,406 | -22% |
| Other | | 660 | 909 | -27% | 428 | 951 | -55% |
| Total Expenditures | | 15,209 | 14,872 | 2% | 14,766 | 16,422 | -10% |
| Net Financing Activities | | - | (1,681) | -100% | - | (40) | -100% |
| NET CHANGES IN FUND BALANCES | \$ | 607 | \$ (1,652) | -137% | \$ (1,731) | \$ (2,280) | -24% |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the District had invested \$25.2 million net of accumulated depreciation in a broad range of capital assets, including land, construction in progress, buildings and improvements, equipment and vehicles.

TABLE 5 - CAPITAL ASSETS

| | <i>(amounts in thousands)</i> | | |
|-----------------------------|-------------------------------|------------------|-----------------|
| | Governmental Activities | | |
| | 2013 | 2012 | \$ Change |
| CAPITAL ASSETS | | | |
| Land | \$ 362 | \$ 474 | \$ (112) |
| Buildings and equipment | 33,903 | 33,389 | 514 |
| Accumulated depreciation | (9,096) | (8,232) | (864) |
| Total Capital Assets | \$ 25,169 | \$ 25,631 | \$ (462) |

Long-Term Liabilities

At year end, the District had \$797 thousand in long-term debt, consisting mainly of other postemployment benefits.

TABLE 6 - LONG-TERM DEBT

| | <i>(amounts in thousands)</i> | | |
|------------------------------------|-------------------------------|---------------|----------------|
| | Governmental Activities | | |
| | 2013 | 2012 | \$ Change |
| LONG-TERM LIABILITIES | | | |
| Net OPEB | \$ 730 | \$ 742 | \$ (12) |
| Compensated absences | 67 | 67 | 0 |
| Total Long-term Liabilities | \$ 797 | \$ 809 | \$ (12) |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2013

CURRENT YEAR BUDGET 2012-13

The District revises its annual budget over the course of the year. This is done to reflect any changes in expected revenues and expenditures. The final amendment to the budget was approved on June 20, 2013. A schedule of the District’s General Fund original and final budget amounts compared with actual revenues and expenditures is provided with the basic financial statements in the audited financial report.

TABLE 7 - GENERAL FUND PERFORMANCE

| | General Fund Activity | | | General Fund Budget | | | | | | |
|-----------------------------------|------------------------|---------------|------|---------------------|-----------------|--------------|----------------|----|----------------|------------|
| | (amounts in thousands) | 2013 | 2012 | % Change | Original Budget | Final Budget | % Change | | | |
| REVENUES | | | | | | | | | | |
| Revenue limit | \$ | 6,279 | \$ | 4,849 | 29% | \$ | 5,298 | \$ | 5,803 | -9% |
| Categorical | | 6,450 | | 6,402 | 1% | | 4,779 | | 5,286 | -10% |
| Local | | 1,212 | | 1,365 | -11% | | 964 | | 1,071 | -10% |
| Total Revenues | | 13,941 | | 12,616 | 11% | | 11,041 | | 12,160 | -9% |
| EXPENSES | | | | | | | | | | |
| Certificated | | 5,485 | | 5,049 | 9% | | 5,195 | | 5,507 | -6% |
| Classified | | 2,765 | | 2,655 | 4% | | 2,693 | | 2,779 | -3% |
| Benefits | | 2,426 | | 2,328 | 4% | | 2,280 | | 2,288 | 0% |
| Supplies and services | | 1,790 | | 1,844 | -3% | | 2,036 | | 2,718 | -25% |
| Other | | 388 | | 778 | -50% | | 290 | | 445 | -35% |
| Total Expenditures | | 12,854 | | 12,654 | 2% | | 12,494 | | 13,737 | -9% |
| Net financing activities | | (90) | | (1,681) | 0% | | (134) | | (130) | 0% |
| NET CHANGE IN FUND BALANCE | \$ | 997 | \$ | (1,719) | -158% | \$ | (1,587) | \$ | (1,707) | -7% |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

- The State's economic/budget crisis has caused major concerns to the District. Uncertainty over the new Local Control Funding Formula and the inability of the State to certify the new funding model until July 2014 is forcing the District to take a very conservative approach on expenditures. An additional concern is the reduction in K-3 Class Size Reduction funds from \$1071 to \$723 and the possibility that the funds will be phased in over eight years.
- The Federal economic/budget crisis has also caused major concerns to the District. With the Federal closure underway, and no federal budget or continuing resolution, the District is facing Impact Aid reductions and cash flow delays.
- The District successfully passed Measure R General Obligation Bond in November 2008. No bonds have been issued on this \$5.7 Million measure.
- The uncertainty of federal and state funding can have a profound impact on the financial health of the District. The federal government is currently shut down which affects the District's Impact Aid funding, Federal Child Development funds, and potential the National School Lunch Program reimbursements.
- The budget assumptions used to prepare the budget for 2013-14 include a 2% on-schedule increase to all classified, secretarial, confidential, administrative, and management employees. Estimated step and column increases were budgeted for all employees.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for money it receives. If you have any questions about this report, or need additional financial information, contact Chief Business Official at 111 Main Street, Wheatland, CA 95692 (530) 633-3130.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Deposits and investments | \$ 18,211,633 |
| Accrued receivables | 1,788,057 |
| Inventory | 9,738 |
| Capital assets, non-depreciable | 362,000 |
| Capital assets, depreciable, net | 24,807,167 |
| TOTAL ASSETS | \$ 45,178,595 |
| LIABILITIES | |
| Accrued liabilities | \$ 143,222 |
| Long-term liabilities | 796,594 |
| Total Liabilities | 939,816 |
| NET POSITION | |
| Invested in capital assets, net of related debt | 25,169,167 |
| Expendable, Restricted for | |
| Capital projects | 3,408,611 |
| Educational programs | 1,357,204 |
| Unrestricted | 14,303,797 |
| Total Net Position | 44,238,779 |
| TOTAL LIABILITIES & NET POSITION | \$ 45,178,595 |

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

| Function/Programs | Expenses | Program Revenues | | Net (Expenses) |
|---|----------------------|----------------------|------------------------------------|------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Revenues and Changes in Net Assets |
| | | | | Governmental Activities |
| GOVERNMENTAL ACTIVITIES | | | | |
| Instruction | \$ 8,403,264 | \$ 11,301 | \$ 1,362,870 | \$ (7,029,093) |
| Instruction-related services | | | | |
| Instructional supervision and administration | 120,962 | - | 36,921 | (84,041) |
| Instructional library, media, and technology | 393,007 | - | - | (393,007) |
| School site administration | 1,031,116 | 533 | 13,850 | (1,016,733) |
| Pupil services | | | | |
| Home-to-school transportation | 375,644 | 103,165 | 366,598 | 94,119 |
| Food services | 518,502 | 175,627 | 356,893 | 14,018 |
| All other pupil services | 988,115 | 24,677 | 620,315 | (343,123) |
| General administration | | | | |
| All other general administration | 1,050,872 | 338 | 43,010 | (1,007,524) |
| Plant services | 1,667,722 | 9,498 | 36,637 | (1,621,587) |
| Transfer to other agencies | 257,898 | 3,973 | 103,286 | (150,639) |
| Depreciation (unallocated) | 864,674 | - | - | (864,674) |
| Total Governmental Activities | \$ 15,671,776 | \$ 329,112 | \$ 2,940,380 | (12,402,284) |
| General revenues | | | | |
| Taxes and subventions | | | | |
| Property taxes, levied for general purposes 580,767 | | | | |
| Federal and state aid not restricted for specific purposes 11,136,337 | | | | |
| Interest and investment earnings 203,635 | | | | |
| Interagency revenues 336,181 | | | | |
| Miscellaneous 311,226 | | | | |
| Subtotal, General Revenue 12,568,146 | | | | |
| CHANGE IN NET POSITION 165,862 | | | | |
| Net Position - Beginning 44,072,917 | | | | |
| Net Position - Ending \$ 44,238,779 | | | | |

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013

| | General Fund | Charter School Fund | Capital Facilities Fund |
|--|----------------------|------------------------|----------------------------|
| ASSETS | | | |
| Deposits and investments | \$ 10,850,893 | \$ 458,422 | \$ 3,274,319 |
| Accrued receivables | 1,501,078 | 161,874 | 7,296 |
| Due from other funds | 98,308 | 32,686 | 501 |
| Stores inventory | - | - | - |
| Total Assets | \$ 12,450,279 | \$ 652,982 | \$ 3,282,116 |
| LIABILITIES | | | |
| Accrued liabilities | \$ 112,205 | \$ 22,068 | \$ - |
| Due to other funds | 34,411 | 82,735 | - |
| Total Liabilities | 146,616 | 104,803 | - |
| FUND BALANCES | | | |
| Non-spendable | 6,460 | - | - |
| Spendable | | | |
| Restricted | 707,844 | 1,527 | 3,282,116 |
| Assigned | 2,377,177 | 546,652 | - |
| Unassigned | 9,212,182 | - | - |
| Total Fund Balances | 12,303,663 | 548,179 | 3,282,116 |
| Total Liabilities and Fund Balances | \$ 12,450,279 | \$ 652,982 | \$ 3,282,116 |

The accompanying notes are an integral part of these financial statements

| Non-Major Governmental Funds | Total Governmental Funds |
|------------------------------------|--------------------------------|
| \$ 2,104,004 | \$ 16,687,638 |
| 114,512 | 1,784,760 |
| 1,224 | 132,719 |
| 9,738 | 9,738 |
| <u>\$ 2,229,478</u> | <u>\$ 18,614,855</u> |
| | |
| \$ 308 | \$ 134,581 |
| 10,640 | 127,786 |
| <u>10,948</u> | <u>262,367</u> |
| | |
| 9,738 | 16,198 |
| | |
| 774,328 | 4,765,815 |
| 1,434,464 | 4,358,293 |
| - | 9,212,182 |
| <u>2,218,530</u> | <u>18,352,488</u> |
| | |
| <u>\$ 2,229,478</u> | <u>\$ 18,614,855</u> |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2013

Total Fund Balance - Governmental Funds \$ 18,352,488

Amounts reported for assets and liabilities for governmental activities in the statement of net assets are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net assets, all assets are reported, including capital assets and accumulated depreciation:

| | | |
|--------------------------|-------------|------------|
| Capital assets | 34,264,811 | |
| Accumulated depreciation | (9,095,644) | 25,169,167 |

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

| | |
|----------------------|----------|
| Compensated absences | (66,760) |
|----------------------|----------|

Internal service funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for the internal service fund is:

783,884

| | |
|---|----------------------|
| Total Net Position - Governmental Activities | \$ 44,238,779 |
|---|----------------------|

The accompanying notes are an integral part of these financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

WHEATLAND ELEMENTARY SCHOOL DISTRICT

GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2013

| | General Fund | Charter School Fund | Capital Facilities Fund |
|--|----------------------|------------------------|----------------------------|
| REVENUES | | | |
| Revenue limit sources | | | |
| State aid | \$ 5,719,482 | \$ 400,208 | \$ - |
| Local sources | 580,767 | - | - |
| Transfers | (21,032) | 44,264 | - |
| Federal sources | 3,166,790 | - | - |
| Other State sources | 3,282,903 | 158,957 | - |
| Other local sources | 1,212,114 | 7,615 | 56,541 |
| Total Revenues | 13,941,024 | 611,044 | 56,541 |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 7,521,131 | 561,584 | - |
| Instruction-related services | | | |
| Instructional supervision and administration | 65,922 | - | - |
| Instructional library, media, and technology | 393,007 | - | - |
| School site administration | 884,588 | 146,527 | - |
| Pupil services | | | |
| Home-to-school transportation | 510,637 | 20,000 | - |
| Food services | - | - | - |
| All other pupil services | 988,115 | - | - |
| General administration | | | |
| All other general administration | 1,043,570 | - | - |
| Plant services | 1,206,597 | 84,103 | 324,366 |
| Transfers to other agencies | 240,492 | 17,406 | - |
| Capital Outlay | | | |
| Facilities acquisition and construction | - | - | 247,246 |
| Total Expenditures | 12,854,059 | 829,620 | 571,612 |
| Excess (Deficiency) of Revenues | | | |
| Over Expenditures | 1,086,965 | (218,576) | (515,071) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers Out | (90,170) | - | - |
| Net Financing Sources (Uses) | (90,170) | - | - |
| NET CHANGE IN FUND BALANCE | 996,795 | (218,576) | (515,071) |
| Fund Balance - Beginning | 11,306,868 | 766,755 | 3,797,187 |
| Fund Balance - Ending | \$ 12,303,663 | \$ 548,179 | \$ 3,282,116 |

The accompanying notes are an integral part of these financial statements

| Non-Major Governmental Funds | Total Governmental Funds |
|------------------------------------|--------------------------------|
| \$ - | \$ 6,119,690 |
| - | 580,767 |
| - | 23,232 |
| 454,031 | 3,620,821 |
| 466,899 | 3,908,759 |
| 285,906 | 1,562,176 |
| <u>1,206,836</u> | <u>15,815,445</u> |
| 320,549 | 8,403,264 |
| 55,040 | 120,962 |
| - | 393,007 |
| 1 | 1,031,116 |
| - | 530,637 |
| 518,502 | 518,502 |
| - | 988,115 |
| 7,302 | 1,050,872 |
| 52,320 | 1,667,386 |
| - | 257,898 |
| - | 247,246 |
| <u>953,714</u> | <u>15,209,005</u> |
| <u>253,122</u> | <u>606,440</u> |
| 90,170 | 90,170 |
| - | (90,170) |
| <u>90,170</u> | - |
| 343,292 | 606,440 |
| 1,875,238 | 17,746,048 |
| <u>\$ 2,218,530</u> | <u>\$ 18,352,488</u> |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net Change in Fund Balances - Governmental Funds \$ 606,440

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

| | | |
|----------------------------------|-----------|-----------|
| | 402,239 | |
| Expenditures for capital outlay: | | |
| Depreciation expense: | (864,674) | (462,435) |

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(336)

Internal Service Funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:

22,193

| | | |
|--|-----------|----------------|
| Change in net position of Governmental Activities | \$ | 165,862 |
|--|-----------|----------------|

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2013

| | Governmental Activities |
|---|----------------------------|
| | Internal Service Funds |
| | Self-Insurance |
| ASSETS | |
| Current assets | |
| Deposits and investments | \$ 1,523,995 |
| Accrued receivables | 3,297 |
| Total Assets | \$ 1,527,292 |
| LIABILITIES | |
| Current liabilities | |
| Accrued liabilities | \$ 8,641 |
| Due to other funds | 4,933 |
| Total current liabilities | 13,574 |
| Non-current liabilities | 729,834 |
| Total Liabilities | 743,408 |
| NET POSITION | |
| Unrestricted | 783,884 |
| Total Liabilities and Net Position | \$ 1,527,292 |

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Governmental Activities Internal Service Funds</u> |
|--|---|
| | <u>Self-Insurance</u> |
| OPERATING REVENUE | |
| Charges to other funds | \$ 39,890 |
| OPERATING EXPENSE | |
| Professional services | 39,890 |
| OPERATING GAIN/(LOSS) | - |
| NON-OPERATING REVENUES/(EXPENSES) | |
| Interest income | 22,193 |
| CHANGE IN NET POSITION | 22,193 |
| Net Position - Beginning | 761,691 |
| Net Position - Ending | \$ 783,884 |

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2013

| | Governmental Activities |
|--|----------------------------|
| | Internal Service Funds |
| | Self-Insurance |
| Cash flows from operating activities | |
| Cash receipts from interfund services provided | \$ 39,890 |
| Cash payments for insurance claims | (43,736) |
| Net cash used by operating activities | (3,846) |
| Cash flows from non-capital financing activities | |
| Interfund transfers in | 1,508,945 |
| Cash flows from investing activities | |
| Interest received | 18,896 |
| NET INCREASE IN CASH | 1,523,995 |
| CASH | |
| Beginning of year | - |
| End of year | \$ 1,523,995 |
| Reconciliation of operating loss to cash used in operating activities | |
| Operating income | \$ - |
| Increase in accounts payable | 8,641 |
| Decrease in OPEB | (12,487) |
| Net cash used by operating activities | \$ (3,846) |

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

FIDUCIARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2013

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--------------------------|--------------------------|-------------------|-------------------|-----------------------|
| ASSETS | | | | |
| Deposits and investments | \$ 123,403 | \$ 194,617 | \$ 201,841 | \$ 116,179 |
| LIABILITIES | | | | |
| Due to student groups: | | | | |
| Bear River | \$ 57,801 | \$ 83,008 | \$ 84,351 | \$ 56,458 |
| Wheatland | 33,393 | 21,245 | 18,231 | 36,407 |
| Lone Tree | 28,649 | 80,974 | 89,745 | 19,878 |
| Wheatland Charter | 1,785 | 4,044 | 4,268 | 1,561 |
| Pre-school | 1,775 | 5,346 | 5,246 | 1,875 |
| Total Liabilities | \$ 123,403 | \$ 194,617 | \$ 201,841 | \$ 116,179 |

The accompanying notes are an integral part of these financial statements

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Wheatland Elementary School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five member Board of Trustees (Board) elected by registered voters of the District, which comprises an area in Yuba County. The District was established in 1871, when the former Bear River School District was divided into Virginia and Wheatland School Districts, and serves students in grades K-8.

The Wheatland Charter Academy (the "Charter") was approved on March 7, 2001 and began operations in August of 2001. The Charter is not a separate legal entity; however, it does have a governance council consisting of the District Superintendent, a Charter teacher, a Charter parent, a local community representative, a Beale Air Force Base representative and a member of the District. The activity for the Charter is in the Charter School Fund.

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

B. Component Unit

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The District has no component units.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2013

C. Other Related Entities

Joint Powers Authority (JPA). The District is associated with four joint powers agencies'. These organizations do not meet the criteria for inclusion as component units of the District. Summarized financial statements are presented in Note 13 to the financial statements. These organizations are:

- North Valley Schools Insurance Group
- Tri-County Schools Insurance Group
- Central Valley Trust
- School Project for Utility Rate Reduction

D. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the Local Educational Agency ("LEA"), normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Fiduciary funds are used to account for assets held by the LEA in a trustee or agency capacity for others that cannot be used to support the LEA's own programs.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2013

Major Governmental Funds

General Fund. The general fund is the main operating fund of the LEA. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of an LEA's activities are reported in the general fund unless there is a compelling reason to account for an activity in another fund. An LEA may have only one general fund.

Charter Schools Special Revenue Fund. This fund may be used by authorizing LEAs to account separately for the activities of LEA-operated charter schools that would otherwise be reported in the authorizing LEA's general fund. If an LEA uses this fund for any of a charter school's operating activities, it should use this fund for all of the charter school's operating activities.

Capital Facilities Fund. This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (Education Code sections 17620-17626). The authority for these levies may be county/city ordinances (Government Code sections 65970-65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (Government Code Section 66006).

Non-Major Governmental Funds

Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund:

Child Development Fund. This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by an LEA for, or from the operation of, child development services covered under the Child Care and Development Services Act (Education Code Section 8200 et seq.) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (Education Code Section 8328).

Cafeteria Special Revenue Fund. This fund is used to account separately for federal, state, and local resources to operate the food service program (Education Code sections 38090-38093). The Cafeteria Special Revenue Fund (Fund 13) shall be used only for those expenditures authorized by the governing board as necessary for the operation of the LEA's food service program (Education Code sections 38091 and 38100).

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2013

Deferred Maintenance Fund. This fund is used to account separately for state apportionments and the LEA's contributions for deferred maintenance purposes (Education Code sections 17582–17587). In addition, whenever the state funds provided pursuant to Education Code sections 17584 and 17585 (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the district (Education Code sections 17582 and 17583).

Capital Project Funds. Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

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

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

Proprietary Funds

Internal Service Funds. Internal service funds are created principally to render services to other organizational units of the LEA on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

Self-Insurance Fund. Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of an LEA. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code* Section 17566).

Fiduciary Funds

Trust and Agency Funds. Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the LEA's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Student Body Fund. The Student Body Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (Education Code sections 48930–48938).

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2013

Government-Wide, Proprietary, and Fiduciary Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

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

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. All other revenue items are considered to be measurable and available only when the District receives cash. Revenue limits, property taxes, and grant awards are recorded the same as what is described for Government-Wide Statements. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues – Exchange and Non-Exchange Transactions

Revenue limits and other state apportionments are government mandated non-exchange transactions and are recognized when all eligibility requirements have been met. When the annual calculation of the revenue limit (Form K-12 Annual) is made, and the District's actual tax receipts as reported by the county auditor is subtracted, the result determines the annual state aid to which the LEA is entitled. If the difference between the calculated annual state aid and the state aid received on the second principal apportionment is positive a receivable is recorded, and if it is negative a payable is recorded.

The District recognizes property tax revenues actually received as reported on California Department of Education's ("CDE") Principal Apportionment Tax Software, used by county offices of education and county auditors to report school district and county taxes. The District makes no accrual for property taxes receivable as of June 30.

The District receives grant awards that are "reimbursement type" or "expenditure driven." The eligibility requirements of these awards have not been met until the LEA has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received but unspent at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2013

The District also receives funds for which they have fulfilled specific eligibility requirements or have provided a particular service. Once the LEAs have provided these services, they have earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period that the service is provided, and any carryover becomes a part of the LEA's ending fund balance.

Expenses/Expenditures

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

E. Assets, Liabilities, and Net Position

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the county treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2013, based on market process. The individual funds' portions of the pool's fair value are presented as "Cash in County." Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund. The District considers these balances to be cash on hand and demand deposits. In addition, because the Cash in County is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Inventories

Inventories are valued at cost using the average method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The District maintains a capitalization threshold of \$20,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise fund is also capitalized. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

| <u>Asset Class</u> | <u>Estimated Useful Life</u> |
|----------------------------|------------------------------|
| Buildings and improvements | 50 |
| Site improvements | 20 |
| Equipment | 25 |
| Vehicles | 8 |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2013

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. These amounts are recorded in the non-current portion of the liability.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. Only four of the classifications are used by the Districts and are listed as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - 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, proprietary fund, and fiduciary trust fund statements.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2013

Unassigned - 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. 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.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The District has no related debt outstanding as of June 30, 2013. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The district-wide financial statements report \$4,765,815 of restricted net position.

Operating Revenues and Expenses

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund's principal services.

Interfund Activity

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

Estimates

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

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2013

Budgetary Data

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

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have been included as revenue and expenditures as required under generally accepted accounting principles.

F. New Accounting Pronouncements

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

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

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

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2013

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements." This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2013

Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net position.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Summary of Deposits and Investments

| | Governmental Activities | Fiduciary Funds | Total |
|------------------------------------|----------------------------|--------------------|----------------------|
| Cash on hand | \$ 1,000 | \$ - | \$ 1,000 |
| Deposits in financial institutions | 5,460 | 116,179 | 121,639 |
| Cash in County | 18,205,173 | - | 18,205,173 |
| Total | \$ 18,211,633 | \$ 116,179 | \$ 18,327,812 |

B. Policies and Practices

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

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

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2013

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies examples of the investment types permitted in the investment policy:

| Investment Type | Maximum Maturity | Maximum Specified % of Portfolio | Minimum Quality Requirements |
|--|------------------|------------------------------------|---|
| Local Agency Bonds | 5 years | None | None |
| U. S. Treasury Obligations | 5 years | None | None |
| State Obligations – CA and Others | 5 years | None | None |
| CA Local Agency Obligations | 5 years | None | None |
| U. S. Agency Obligations | 5 years | None | None |
| Bankers’ Acceptances | 180 days | 40% | None |
| Commercial Paper – Select Agencies | 270 days | 25% | “A-1” if the issuer has issued long- term debt it must be rated “A” without regard to modifiers |
| Commercial Paper – Other Agencies | 270 days | 25% | “A-1” if the issuer has issued long- term debt it must be rated “A” without regard to modifiers |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| CD Placement Service | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | 20% of base value of the portfolio | None |
| Medium-Term Notes | 5 years | 30% | “A” Rating |
| Mutual Funds and Money Market Mutual Funds | N/A | 20% | Multiple |
| Collateralized Bank Deposits | 5 years | None | None |
| Mortgage Pass-Through Securities | 5 years | 20% | “AA” Rating |
| Bank/Time Deposits | 5 years | None | None |
| County Pooled Investment Funds | N/A | None | None |
| Joint Powers Authority Pools | N/A | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Voluntary Investment Program Fund | N/A | None | None |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2013

D. 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. See "Specific Identification" for various maturities of the District's investments.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The underlying investments owned by the district are listed in "Specific Identification."

F. Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investments by maturity:

| <u>Investment Type:</u> | <u>S & P Rating</u> | <u>Average Maturity (Days)</u> | <u>Reported Value</u> | <u>Fair Market Value</u> |
|-------------------------|-------------------------|------------------------------------|-----------------------|--------------------------|
| Cash in county | A - AAA | 693 | \$ 18,205,173 | \$ 18,166,487 |

F. Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2013, the District's bank balance of \$141,044 was insured.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2013

NOTE 3 – ACCRUED RECEIVABLES

Receivables at June 30, 2013, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

| | General Fund | Charter School Fund | Capital Facilities Fund | Non-Major Governmental Funds | Self-Insurance | Total Governmental Activities |
|-------------------------------|---------------------|---------------------|-------------------------|------------------------------|-----------------|-------------------------------|
| Federal Government | | | | | | |
| Impact Aid | \$ 395,184 | \$ - | \$ - | \$ - | \$ - | 395,184 |
| Categorical aid | 268,667 | - | - | 75,658 | - | 344,325 |
| State Government | 443,362 | 125,524 | - | 29,692 | - | 598,578 |
| Local Government | | | | | | |
| Interest | 26,461 | 1,161 | 7,296 | 4,567 | 3,297 | 42,782 |
| California Montessori Project | 320,822 | - | - | - | - | 320,822 |
| Other Local Sources | 46,582 | 35,189 | - | 4,595 | - | 86,366 |
| Total | \$ 1,501,078 | \$ 161,874 | \$ 7,296 | \$ 114,512 | \$ 3,297 | \$ 1,788,057 |

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

| | Balance July 01, 2012 | Additions | Deductions | Balance June 30, 2013 |
|--|--------------------------|---------------------|-------------------|--------------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 362,000 | \$ - | \$ - | 362,000 |
| Construction in progress | 111,915 | 247,246 | 359,161 | - |
| Total Capital Assets not Being Depreciated | \$ 473,915 | \$ 247,246 | \$ 359,161 | \$ 362,000 |
| Capital assets being depreciated | | | | |
| Buildings & improvements | \$ 31,775,489 | \$ 359,161 | \$ - | 32,134,650 |
| Furniture & equipment | 1,613,168 | 154,993 | - | 1,768,161 |
| Total Capital Assets Being Depreciated | 33,388,657 | 514,154 | - | 33,902,811 |
| Less Accumulated Depreciation | | | | |
| Buildings & improvements | 7,664,564 | 745,106 | | 8,409,670 |
| Furniture & equipment | 566,406 | 119,568 | | 685,974 |
| Total Accumulated Depreciation | 8,230,970 | 864,674 | - | 9,095,644 |
| Total Capital Assets Being Depreciated | \$ 25,157,687 | \$ (350,520) | \$ - | \$ 24,807,167 |
| Capital Assets, net | \$ 25,631,602 | \$ (103,274) | \$ 359,161 | \$ 25,169,167 |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2013

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

| Due To Other Funds | Due From Other Funds | | | | Total |
|--------------------------------------|----------------------|---------------------|-------------------------|------------------------------|-------------------|
| | General Fund | Charter School Fund | Capital Facilities Fund | Non-Major Governmental Funds | |
| General Fund | \$ - | \$ 32,686 | \$ 501 | \$ 1,224 | \$ 34,411 |
| Charter Schools Special Revenue Fund | 82,735 | - | - | - | 82,735 |
| Non-Major Funds | 10,640 | - | - | - | 10,640 |
| Self-Insurance Fund | 4,933 | - | - | - | 4,933 |
| Total Due From Other Funds | \$ 98,308 | \$ 32,686 | \$ 501 | \$ 1,224 | \$ 132,719 |

| | |
|--|-------------------|
| Charter School fund owes General Fund for operation costs in the amounts of | \$ 82,735 |
| Child Development Fund owes General Fund for indirect and operational costs in the amount of | 10,640 |
| Self-Insurance Fund owes General Fund for the payment of retiree premiums out of the General Fund | 4,933 |
| General Fund owes Charter School Fund for state revenue received in General Fund on behalf of the Charter School | 31,594 |
| General Fund owes Charter School Fund for workers' comp overages in the amount of | 1,092 |
| General Fund owes Child Development Fund for workers' comp overages in the amount of | 695 |
| General Fund owes Cafeteria Fund for workers' comp overages in the amount of | 529 |
| General Fund owes Capital Facilities Fund for workers' comp overages in the amount of | 501 |
| Total | \$ 132,719 |

B. Operating Transfers

| Interfund Transfers Out | Interfund Transfers In |
|--|------------------------------|
| | Non-Major Governmental Funds |
| General Fund | \$ 90,170 |
| General Fund transferred to Child Development Fund for support in the amount of | \$ 25,000 |
| General Fund transferred maintenance money to Deferred Maintenance Fund in the amount of | 65,170 |
| Total | \$ 90,170 |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2013

NOTE 6 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2013, consisted of the following:

| | General Fund | Charter School Fund | Non-Major Governmental Funds | Self-Insurance | Total Governmental Activities |
|--------------------------------|-------------------|---------------------|------------------------------|-----------------|-------------------------------|
| Special education excess costs | \$ 58,715 | \$ 17,406 | \$ - | \$ - | \$ 76,121 |
| Payroll | 1,663 | - | - | - | 1,663 |
| Vendors payable | 51,827 | 4,662 | 308 | 8,641 | 65,438 |
| Total | \$ 112,205 | \$ 22,068 | \$ 308 | \$ 8,641 | \$ 143,222 |

NOTE 7 - LONG-TERM DEBT

A. Long-Term Debt Summary

| | Balance July 01, 2012 | Additions | Deductions | Balance June 30, 2013 |
|--------------------------------|-----------------------|---------------|------------------|-----------------------|
| Governmental Activities | | | | |
| Compensated absences | \$ 66,424 | \$ 336 | \$ - | \$ 66,760 |
| Net OPEB obligations | 742,321 | - | 12,487 | 729,834 |
| Total | \$ 808,745 | \$ 336 | \$ 12,487 | \$ 796,594 |

B. Compensated Absences

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2013, amounted to \$66,760.

C. Other Post Employment Benefits

The District's annual required contribution for the year ended June 30, 2013, was \$39,890. Contributions made by the District during the year were \$52,377, which resulted in a net OPEB obligation of \$729,834. See Note 10 for additional information regarding the OPEB Obligation and the postemployment benefit plan.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2013

NOTE 8 – FUND BALANCES

Fund balances are composed of the following elements:

| | General Fund | Charter School Fund | Capital Facilities Fund | Non-Major Governmental Funds | Total Governmental Funds |
|------------------------------------|----------------------|---------------------|-------------------------|------------------------------|--------------------------|
| Non-spendable | | | | | |
| Reserve for revolving cash | \$ 6,460 | \$ - | \$ - | \$ - | \$ 6,460 |
| Reserve for stores inventory | - | - | - | 9,738 | 9,738 |
| Total Nonspendable | 6,460 | - | - | 9,738 | 16,198 |
| Spendable | | | | | |
| Restricted | | | | | |
| Educational programs | | | | | |
| Federal | - | - | - | 122,898 | 122,898 |
| State | 127,491 | 1,527 | - | 524,935 | 653,953 |
| Local | 580,353 | - | - | - | 580,353 |
| Capital restrictions | - | - | 3,282,116 | 126,495 | 3,408,611 |
| Total Restricted | 707,844 | 1,527 | 3,282,116 | 774,328 | 4,765,815 |
| Assigned | | | | | |
| School carryovers | 549,884 | - | - | - | 549,884 |
| Textbook adoption | 960,896 | - | - | - | 960,896 |
| Salaries and benefits | 866,397 | - | - | - | 866,397 |
| Charter school | - | 546,652 | - | - | 546,652 |
| Child development | - | - | - | 76,697 | 76,697 |
| Cafeteria | - | - | - | 64,118 | 64,118 |
| Deferred maintenance | - | - | - | 253,134 | 253,134 |
| County school facilities | - | - | - | 658,280 | 658,280 |
| Capital outlay funds | - | - | - | 382,235 | 382,235 |
| Total Assigned | 2,377,177 | 546,652 | - | 1,434,464 | 4,358,293 |
| Unassigned | | | | | |
| Reserve for economic uncertainties | 635,272 | - | - | - | 635,272 |
| Unassigned | 8,576,910 | - | - | - | 8,576,910 |
| Total Unassigned | 9,212,182 | - | - | - | 9,212,182 |
| Total | \$ 12,303,663 | \$ 548,179 | \$ 3,282,116 | \$ 2,218,530 | \$ 18,352,488 |

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than the CDE required minimum fund balance requirement.

NOTE 9 – EXPENDITURES (BUDGET VERSUS ACTUAL)

| | Expenditures and Other Uses | | |
|---|-----------------------------|-------------------|--------------------|
| | Budget | Actual | Excess |
| Charter Schools Special Revenue Fund | \$ 808,405 | \$ 829,620 | \$ (21,215) |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
 JUNE 30, 2013

NOTE 10 - POST EMPLOYMENT HEALTH CARE PLAN AND OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The Postemployment Benefit Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by the Wheatland Elementary School District. The Plan offers the following benefits by bargaining unit:

| | <u>Certificated</u> | <u>Classified</u> | <u>WESS</u> |
|-------------------------|-----------------------------------|---|---|
| Benefit types provided | Medical, only | Medical, only | Medical, only |
| Duration of Benefits | Five years, but not beyond age 65 | Five years, but not beyond Medicare age | Five years, but not beyond Medicare age |
| Required Service | 15 years | 15 years | 15 years |
| Minimum Age | 55 | 55 | 55 |
| Dependent Coverage | Yes | Yes | Yes |
| District Contribution % | 100% | 100% | 100% |
| District Cap * | \$400 per month | \$600 per month | \$833.33 per month |

* - As of June 30, 2013 the district cap is now \$400 for all bargaining units. However, as of the most recent actuary report is based on the previous cap.

B. Funding Policy

The contribution requirements of Plan members and the District are established and may be amended by the District and District’s bargaining units. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2013, the District contributed \$52,377 to the Plan, all of which was used for current premiums.

C. Annual OPEB Cost and Net OPEB Obligation

The District’s annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation to the Plan:

| | | |
|--|----|----------|
| Annual required contribution | \$ | 39,890 |
| Contributions made | | (52,377) |
| Decrease in net OPEB obligation | | (12,487) |
| Net OPEB obligation, beginning of the year | | 742,321 |
| Net OPEB obligation, end of the year | \$ | 729,834 |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2013

D. Trend Information

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

| <u>Fiscal Year</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> | <u>Net OPEB Obligation</u> |
|--------------------|---|-----------------------------------|--------------------------------|
| 2008-09 | \$ 106,913 | 65% | \$ 1,092,695 |
| 2009-10 | 106,871 | 390% | 977,158 |
| 2010-11 | 106,871 | 85% | 991,403 |
| 2011-12 | 39,890 | 100% | 742,321 |
| 2012-13 | 39,890 | 100% | 729,834 |

E. Funded Status and Funding Progress

As of September 10, 2011, the most recent actuarial valuation date, the plan was not funded. This resulted in an unfunded actuarial accrued liability (UAAL) of \$798,781. The covered payroll (annual payroll of active employees covered by the plan) was \$8,458,445, and the ratio of UAAL to the covered payroll was nine percent.

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

E. Actuarial Methods and Assumptions

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

In the September 10, 2011, actuarial valuation, the “entry age normal” actuarial cost method was used. The actuarial assumptions included an inflation rate of 3 percent per year; a 5 percent investment return on plan assets. For medical costs a 4 percent trend rate was used based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Finally, payroll is assumed to increase 3 percent per year. A level percentage of payroll method was used to allocate amortization cost by year. We used a 30 year amortization period. However, the District elected to accrue the entire liability in the Self-Insurance Fund.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2013

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS

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

A. CalSTRS

Plan Description

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

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2013 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalSTRS for the fiscal years ending June 30, 2013, 2012, and 2011, were \$472,479, \$433,906, and \$453,847, respectively, and equal 100 percent of the required contributions for each year.

B. CalPERS

Plan Description

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

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2013

Funding Policy

Active plan members are required to contribute 7.0% of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013 was 11.417% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2013, 2012, and 2011, were \$338,423, \$315,670, and \$264,513, respectively, and equal 100 percent of the required contributions for each year.

C. Social Security

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

D. On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. The standard state contribution to the Defined Benefit (DB) Program in 2012-13 is 2.017 percent of creditable compensation earned for 2010-11, paid in four quarterly payments. There is, however, an additional contribution required under current law if certain criteria in the funding of the DB Program are met. Since these criteria were met, the total state contribution rate for 2012-13 is 3.041 percent, beginning in October 2012. These payments consist of State General Fund contributions to CalSTRS of approximately \$291,066. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures; however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the Annual Financial and Budget Report. These amounts have been recorded in these financial statements.

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

NOTE 12 - COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2013.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued
JUNE 30, 2013

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2013.

NOTE 13 - PARTICIPATION IN JOINT POWERS AUTHORITIES

The District is a member of four joint powers authorities (JPAs). The first is the NVSIG to provide workers' compensation insurance, another is the TCSIG to provide liability and property insurance, the third is CVT for health, dental, vision and life insurance and the fourth is SPURR to help with rate stabilization for natural gas. The relationship is such that the JPAs are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2013, the District made the following payments to each JPA:

| <u>Joint Powers Authority</u> | <u>2013 Payments</u> |
|-------------------------------|----------------------|
| NVSIG | \$ 145,020 |
| TCSIG | 102,888 |
| CVT | 1,769,278 |
| SPURR | 23,044 |

NOTE 14 - SUBSEQUENT EVENTS

Solar Project

The District entered into an energy services agreement with SH2 Solar LLC, where SH2 Solar LLC will operate an array of solar panels at Bear River and Wheatland Elementary to produce approximately 361 kWh per year of electricity. This agreement requires the District to make a payment of pre-paid savings in the amount of \$273,691 in August 2013. After the system starts generating electricity, the District will pay \$0.12 per kWh of electricity produced, which has been estimated not to exceed an average of \$64,586 per year for twenty years. The District is given the option of purchasing the system in six years at fair market value, which is estimated at \$273,691.

REQUIRED SUPPLEMENTARY INFORMATION

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | | Variances - Positive / (Negative) Final to Actual |
|---|---------------------|---------------------|----------------------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Revenue limit sources | | | | |
| State aid | \$ 4,697,088 | \$ 5,215,850 | \$ 5,719,482 | \$ 503,632 |
| Local sources | 628,381 | 616,503 | 580,767 | (35,736) |
| Transfers | (27,258) | (29,070) | (21,032) | 8,038 |
| Federal sources | 2,286,599 | 2,662,647 | 3,166,790 | 504,143 |
| Other State sources | 2,492,008 | 2,623,181 | 3,282,903 | 659,722 |
| Other local sources | 1,022,765 | 1,104,181 | 1,212,114 | 107,933 |
| Total Revenues | 11,099,583 | 12,193,292 | 13,941,024 | 1,747,732 |
| EXPENDITURES | | | | |
| Certificated salaries | 5,194,623 | 5,506,823 | 5,484,710 | 22,113 |
| Classified salaries | 2,693,485 | 2,778,795 | 2,765,092 | 13,703 |
| Employee benefits | 2,279,719 | 2,288,099 | 2,425,628 | (137,529) |
| Books and supplies | 858,172 | 1,440,256 | 861,393 | 578,863 |
| Services and other operating expenditures | 1,178,125 | 1,277,681 | 929,053 | 348,628 |
| Capital outlay | - | 154,993 | 154,993 | - |
| Other outgo | | | | |
| Excluding transfers of indirect costs | 303,000 | 303,000 | 240,492 | 62,508 |
| Transfers of indirect costs | (13,096) | (13,096) | (7,302) | (5,794) |
| Total Expenditures | 12,494,028 | 13,736,551 | 12,854,059 | 882,492 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (1,394,445) | (1,543,259) | 1,086,965 | 2,630,224 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 139,435 | - | - | - |
| Transfers Out | (229,605) | (130,040) | (90,170) | 39,870 |
| NET CHANGE IN FUND BALANCE | (1,484,615) | (1,673,299) | 996,795 | 2,670,094 |
| Fund Balance - Beginning | 11,306,868 | 11,306,868 | 11,306,868 | |
| Fund Balance - Ending | \$ 9,822,253 | \$ 9,633,569 | \$ 12,303,663 | \$ 2,670,094 |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

CHARTER SCHOOL SPECIAL REVENUE FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>Budgeted Amounts</u> | | | Variances - Positive / (Negative) Final to Actual |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Revenue limit sources | | | | |
| State aid | \$ 410,081 | \$ 435,790 | \$ 400,208 | \$ (35,582) |
| Transfers | 51,069 | 49,650 | 44,264 | (5,386) |
| Other State sources | 129,049 | 137,566 | 158,957 | 21,391 |
| Other local sources | 11,864 | 8,864 | 7,615 | (1,249) |
| Total Revenues | 602,063 | 631,870 | 611,044 | (20,826) |
| EXPENDITURES | | | | |
| Certificated salaries | 314,924 | 314,226 | 321,092 | (6,866) |
| Classified salaries | 100,742 | 115,965 | 123,251 | (7,286) |
| Employee benefits | 154,787 | 147,203 | 162,497 | (15,294) |
| Books and supplies | 83,935 | 106,716 | 71,207 | 35,509 |
| Services and other operating expenditures | 118,900 | 118,900 | 134,167 | (15,267) |
| Other outgo | | | | |
| Excluding transfers of indirect costs | 5,395 | 5,395 | 17,406 | (12,011) |
| Total Expenditures | 778,683 | 808,405 | 829,620 | (21,215) |
| NET CHANGE IN FUND BALANCE | (176,620) | (176,535) | (218,576) | (42,041) |
| Fund Balance - Beginning | 766,755 | 766,755 | 766,755 | |
| Fund Balance - Ending | \$ 590,135 | \$ 590,220 | \$ 548,179 | \$ (42,041) |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT (OPEB) FUNDING PROGRESS AND
 EMPLOYER CONTRIBUTION
 FOR THE YEAR ENDED JUNE 30, 2013

| Actuarial Valuation Date | Actuarial Valuation of Assets (a) | Actuarial Liability (AAL) - Entry Age Normal (b) | Unfunded AAL (UAAL) (b - a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b - a) / c) |
|--------------------------------|---|--|--------------------------------------|-------------------------|------------------------|--|
| 09/01/09 | \$ - | \$ 1,025,688 | \$ 1,025,688 | 0.0% | \$ 9,789,038 | 10.5% |
| 05/10/10 | - | 977,158 | 977,158 | 0.0% | 8,279,689 | 11.8% |
| 09/10/11 | - | 798,781 | 798,781 | 0.0% | 8,458,445 | 9.4% |

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SUPPLEMENTARY INFORMATION

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| Federal Grantor/Pass-Through Grantor/Program or Cluster | CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|-------------|--|-------------------------|
| U. S. DEPARTMENT OF EDUCATION: | | | |
| Federal Impact Aid [1] | 84.041 | * | \$ 2,207,979 |
| Passed through California Department of Education (CDE): | | | |
| No Child Left Behind (NCLB): | | | |
| Title I, Basic School Support | 84.010 | 14981 | 214,595 |
| Title II, Part A, Teacher Quality | 84.367 | 14341 | 97,447 |
| Title III, Limited English Proficient (LEP) Student Program | 84.365 | 14346 | 8,565 |
| Special Ed Cluster: IDEA | | | |
| Basic Local Assistance Entitlement, Part B, Sec 611 | 84.027 | 13379 | 106,665 |
| Mental Health Allocation Plan, Part B, Sec 611 | 84.027 | 14468 | 31,115 |
| Total Special Ed: IDEA | | | 137,780 |
| Total U. S. Department of Education | | | 2,666,366 |
| U. S. DEPARTMENT OF AGRICULTURE: | | | |
| Passed through CDE: | | | |
| Child Nutrition Cluster: | | | |
| National School Lunch [1] | 10.555 | 13524 | 237,047 |
| Especially Needy Breakfast [1] | 10.553 | 13526 | 40,073 |
| Meal Supplements [1] | 10.555 | 13524 | 30,398 |
| Food Distribution Program | 10.558 | * | 24,580 |
| Total U. S. Department of Agriculture | | | 332,098 |
| U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: | | | |
| Passed through CDE: | | | |
| Child Dev: Federal General (CCTR) and State Preschool (CSPP); Rs | 93.596 | 13609 | 121,933 |
| Medi-Cal Billing Option | 93.778 | 10013 | 38,644 |
| Good Behaviour Grant (GBG) | 93.243 | * | 90,116 |
| Total U. S. Department of Health & Human Services | | | 250,693 |
| U. S. DEPARTMENT OF DEFENSE: | | | |
| Federal Impact Aid [1] | 12.558 | * | 180,568 |
| GREAT Grant | 12.556 | * | 191,096 |
| Total U. S. Department of Defense | | | 371,664 |
| Total Federal Expenditures | | | \$ 3,620,821 |

[1] - Major Program

* - Direct funded

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2013

Wheatland Elementary School District:

| | Second Period Report | Annual Report |
|------------------------|----------------------------|------------------|
| ELEMENTARY | | |
| Kindergarten | 151 | 151 |
| First through third | 359 | 356 |
| Fourth through sixth | 355 | 352 |
| Seventh through eighth | 213 | 213 |
| Home and hospital | - | 0 |
| Special day class | 11 | 12 |
| Total Elementary | 1,089 | 1,084 |

Wheatland Charter Academy:

| | Second Period Report | Annual Report |
|---|----------------------------|------------------|
| ELEMENTARY | | |
| Total kindergarten | 21 | 20 |
| Total first through third | 52 | 51 |
| Total fourth through sixth | 19 | 19 |
| Total Elementary School | 92 | 90 |
| Classroom-based kindergarten | 21 | 20 |
| Classroom-based first through third | 52 | 51 |
| Classroom-based fourth through sixth | 19 | 19 |
| Total Classroom-Based Elementary School | 92 | 90 |

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2013

| <u>Grade Level</u> | <u>1982 - 83 Actual Minutes</u> | <u>1982 - 83 Actual Minutes Reduced</u> | <u>1986 - 87 Minutes Requirement</u> | <u>1986 - 87 Minutes Requirement Reduced</u> | <u>2012- 13 Actual Minutes</u> | <u>Number of Days</u> | <u>Status</u> |
|--|---|---|--|--|--|---------------------------|---------------|
| <u>Wheatland Elementary:</u> | | | | | | | |
| Kindergarten | 31,938 | 31,051 | 36,000 | 35,000 | 53,880 | 180 | Complied |
| Grade 1 | 45,063 | 43,811 | 50,400 | 49,000 | 51,180 | 180 | Complied |
| Grade 2 | 45,063 | 43,811 | 50,400 | 49,000 | 51,180 | 180 | Complied |
| Grade 3 | 45,063 | 43,811 | 50,400 | 49,000 | 51,180 | 180 | Complied |
| Grade 4 | 52,500 | 51,042 | 54,000 | 52,500 | 54,780 | 180 | Complied |
| Grade 5 | 52,500 | 51,042 | 54,000 | 52,500 | 54,780 | 180 | Complied |
| Grade 6 | 52,500 | 51,042 | 54,000 | 52,500 | 63,252 | 180 | Complied |
| Grade 7 | 52,500 | 51,042 | 54,000 | 52,500 | 63,252 | 180 | Complied |
| Grade 8 | 54,000 | 52,500 | 54,000 | 52,500 | 63,252 | 180 | Complied |
| <u>Wheatland Charter Academy:</u> | | | | | | | |
| Kindergarten | * | * | 36,000 | 34,971 | 53,880 | 180 | Complied |
| Grade 1 | * | * | 50,400 | 48,960 | 51,180 | 180 | Complied |
| Grade 2 | * | * | 50,400 | 48,960 | 51,180 | 180 | Complied |
| Grade 3 | * | * | 50,400 | 48,960 | 51,180 | 180 | Complied |
| Grade 4 | * | * | 54,000 | 52,457 | 54,780 | 180 | Complied |
| Grade 5 | * | * | 54,000 | 52,457 | 54,780 | 180 | Complied |

* -Charter did not exist in 1982/83

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

| | 2014 (Budget) | 2013 | 2012 | 2011 |
|--|----------------|---------------|----------------|---------------|
| GENERAL FUND: | | | | |
| Revenues | \$ 11,453,576 | 13,941,024 | 12,616,283 | 13,294,103 |
| Transfers in | - | - | - | 17,837 |
| Total | 11,453,576 | 13,941,024 | 12,616,283 | 13,311,940 |
| Expenditures | 12,610,244 | 12,854,059 | 12,653,970 | 11,757,903 |
| Other uses and transfers out | 130,060 | 90,170 | 1,681,342 | 139,722 |
| Total | 12,740,304 | 12,944,229 | 14,335,312 | 11,897,625 |
| INCREASE/(DECREASE) | | | | |
| IN FUND BALANCE | \$ (1,286,728) | \$ 996,795 | \$ (1,719,029) | \$ 1,414,315 |
| ENDING FUND BALANCE ¹ | | | | |
| | \$ 11,016,935 | \$ 12,303,663 | \$ 11,306,868 | \$ 13,025,897 |
| AVAILABLE RESERVES ² | | | | |
| | \$ 3,273,745 | \$ 9,212,182 | \$ 598,726 | \$ 586,068 |
| AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO | | | | |
| | 26% | 71% | 4% | 5% |
| LONG-TERM DEBT | | | | |
| | N/A | 796,594 | 808,745 | 958,997 |
| AVERAGE DAILY ATTENDANCE AT P-2 | | | | |
| | 1,070 | 1,089 | 1,117 | 1,106 |

The General Fund balance has decreased by \$722,234 over the past two years. The fiscal year 2013-2014 budget projects a further decrease of \$1,286,728 (ten percent). For a district this size, the State recommends available reserves of at least five percent of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2013-2014 fiscal year. Total long term obligations have decreased by \$162,403 over the past two years.

Average daily attendance has decreased by seventeen ADA over the past two years. A further decrease of ADA is anticipated during fiscal year 2013-2014.

¹ Since the 2011 fiscal year, the General Fund Ending Fund Balance is comprised of the Special Reserve for Other than Capital Outlay Fund and Special Reserve for Post-Employment Benefits Fund.

² Available reserves consist of Economic Uncertainties component of the General Fund Balance.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

| | General Fund | Special Reserve Other Than Capital Outlay Fund | Self-Insurance Fund |
|--|----------------------|---|------------------------|
| FUND BALANCE | | | |
| Balance June 30, 2012, Unaudited Actuals | \$ 9,697,275 | \$ 2,606,388 | \$ 714,937 |
| Increase in: | | | |
| Cash in county | 2,600,691 | - | - |
| Accounts receivable | 5,697 | - | - |
| Decrease in: | | | |
| Cash in county | - | (2,600,691) | - |
| Accounts receivable | - | (5,697) | - |
| OPEB liability | - | - | 68,947 |
| Audited financial statement | \$ 12,303,663 | \$ - | \$ 783,884 |

See accompanying note to supplementary information

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2013

| <u>Charter School</u> | <u>Status</u> | <u>Included in Audit Report</u> |
|---------------------------|---------------|-------------------------------------|
| Wheatland Charter Academy | Active | Yes |

See accompanying note to supplementary information

COMBINING FINANCIAL STATEMENTS

WHEATLAND ELEMENTARY SCHOOL DISTRICT

COMBINING BALANCE SHEET
 JUNE 30, 2013

| | Child Development Fund | Cafeteria Fund | Deferred Maintenance Fund |
|--|------------------------------|-------------------|---------------------------------|
| ASSETS | | | |
| Deposits and investments | \$ 61,452 | \$ 101,475 | \$ 776,617 |
| Accrued receivables | 25,305 | 85,205 | 1,452 |
| Due from other funds | 695 | 529 | - |
| Stores inventory | - | 9,738 | - |
| Total Assets | \$ 87,452 | \$ 196,947 | \$ 778,069 |
| LIABILITIES | | | |
| Accrued liabilities | \$ 115 | \$ 193 | \$ - |
| Due to other funds | 10,640 | - | - |
| Total Liabilities | 10,755 | 193 | - |
| FUND BALANCES | | | |
| Non-spendable | - | 9,738 | - |
| Spendable | | | |
| Restricted | - | 122,898 | 524,935 |
| Assigned | 76,697 | 64,118 | 253,134 |
| Total Fund Balances | 76,697 | 196,754 | 778,069 |
| Total Liabilities and Fund Balances | \$ 87,452 | \$ 196,947 | \$ 778,069 |

See accompanying note to supplementary information

| County School Facilities Fund | Special Reserve for Capital Outlay Fund | Non-Major Governmental Funds |
|----------------------------------|---|------------------------------------|
| \$ 783,060 | \$ 381,400 | \$ 2,104,004 |
| 1,715 | 835 | 114,512 |
| - | - | 1,224 |
| - | - | 9,738 |
| <u>\$ 784,775</u> | <u>\$ 382,235</u> | <u>\$ 2,229,478</u> |
| \$ - | \$ - | \$ 308 |
| - | - | 10,640 |
| - | - | 10,948 |
| - | - | 9,738 |
| 126,495 | - | 774,328 |
| 658,280 | 382,235 | 1,434,464 |
| 784,775 | 382,235 | 2,218,530 |
| <u>\$ 784,775</u> | <u>\$ 382,235</u> | <u>\$ 2,229,478</u> |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

| | Child Development Fund | Cafeteria Fund | Deferred Maintenance Fund |
|--|------------------------------|-------------------|---------------------------------|
| REVENUES | | | |
| Federal sources | \$ 121,933 | \$ 332,098 | \$ - |
| Other State sources | 207,028 | 21,782 | 238,089 |
| Other local sources | 87,375 | 180,118 | 5,662 |
| Total Revenues | 416,336 | 533,998 | 243,751 |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction | 320,549 | - | - |
| Instruction-related services | | | |
| Instructional supervision and administration | 55,040 | - | - |
| School site administration | 1 | - | - |
| Pupil services | | | |
| Food services | - | 518,502 | - |
| General administration | | | |
| All other general administration | 7,302 | - | - |
| Plant services | 38,416 | - | 13,500 |
| Total Expenditures | 421,308 | 518,502 | 13,500 |
| Excess (Deficiency) of Revenues Over Expenditures | (4,972) | 15,496 | 230,251 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 25,000 | - | 65,170 |
| Net Financing Sources (Uses) | 25,000 | - | 65,170 |
| NET CHANGE IN FUND BALANCE | 20,028 | 15,496 | 295,421 |
| Fund Balance - Beginning | 56,669 | 181,258 | 482,648 |
| Fund Balance - Ending | \$ 76,697 | \$ 196,754 | \$ 778,069 |

See accompanying note to supplementary information

| County School Facilities Fund | Special Reserve for Capital Outlay Fund | Non-Major Governmental Funds |
|----------------------------------|---|------------------------------------|
| \$ - | \$ - | \$ 454,031 |
| - | - | 466,899 |
| 8,574 | 4,177 | 285,906 |
| 8,574 | 4,177 | 1,206,836 |
| - | - | 320,549 |
| - | - | 55,040 |
| - | - | 1 |
| - | - | 518,502 |
| - | - | 7,302 |
| - | 404 | 52,320 |
| - | 404 | 953,714 |
| 8,574 | 3,773 | 253,122 |
| - | - | 90,170 |
| - | - | 90,170 |
| 8,574 | 3,773 | 343,292 |
| 776,201 | 378,462 | 1,875,238 |
| \$ 784,775 | \$ 382,235 | \$ 2,218,530 |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2013

NOTE 1 – PURPOSE OF SCHEDULES

A. Schedule of Expenditures of Federal Awards

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

B. Schedule of Average Daily Attendance (ADA)

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

C. Schedule of Instructional Time

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

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirements, whichever is greater, as required by Education Code § 46201. Education Code §s 46201.2(a) and 4201.3(a) allows for an equivalent five-day reduction to the required number of instructional minutes for the fiscal year 2012-13.

D. Schedule of Financial Trends and Analysis

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

E. Schedule of Annual Financial and Budget Report with Audited Financial Statements

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

F. Schedule of Charter Schools

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

G. Combining Statements – Non-Major Governmental Funds

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

H. Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration. (Located in the front of the report)

OTHER INDEPENDENT AUDITORS' REPORTS

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Robert T. Dennis, CPA

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
Wheatland Elementary School District
Wheatland, California

I 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 the governmental activities, each major fund, and the aggregate remaining fund information of Wheatland Elementary School District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Wheatland Elementary School District's basic financial statements, and have issued my report thereon dated October 21, 2013.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Wheatland Elementary 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wheatland Elementary School District's internal control. Accordingly, I do not express an opinion on the effectiveness of Wheatland Elementary 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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

TEL. 909.689.8219
12223 Highland Avenue, Suite #106-625
Rancho Cucamonga, CA 91739

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wheatland Elementary School District 's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control 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.

Robert J. Dennis, C.P.A.


October 21, 2013

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Robert T. Dennis, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Wheatland Elementary School District
Wheatland, California

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

I have audited Wheatland Elementary School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Wheatland Elementary School District's major federal programs for the year ended June 30, 2013. Wheatland Elementary 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

Wheatland Elementary School District's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Wheatland Elementary School District's major federal programs based on my audit of the types of compliance requirements referred to above.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I 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 Wheatland Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for our opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Wheatland Elementary School District's compliance.

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12223 Highland Avenue, Suite #106-625
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Opinion on Each Major Federal Program

In my opinion, Wheatland Elementary School District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

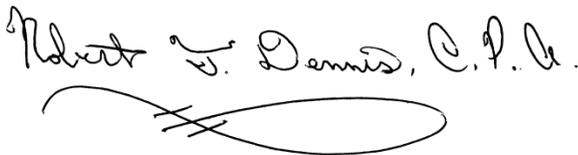
Management of Wheatland Elementary School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Wheatland Elementary School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Wheatland Elementary 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.

My 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. I 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.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Robert J. Dennis, C.P.A.

October 21, 2013

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Robert T. Dennis, CPA

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Wheatland Elementary School District
Wheatland, California

REPORT ON STATE COMPLIANCE

I have audited Wheatland Elementary School District's compliance with the requirements as identified in the *Standards and Procedures for Audit of California K-12 Local Educational Agencies 2012-13*, issued by the California Audit Appeals Panel as regulations, applicable to Wheatland Elementary School District's government programs as noted on the next page for the year ended June 30, 2013.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Wheatland Elementary School District's management.

Auditor's Responsibility

My responsibility is to express an opinion on Wheatland Elementary School District's compliance based on my audit.

I conducted my 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; and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-13*, issued by the Education Audit Appeals Panel as regulations. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Wheatland Elementary School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Wheatland Elementary School District's compliance with those requirements.

Opinion

In my opinion, Wheatland Elementary School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2013.

TEL. 909.689.8219
12223 Highland Avenue, Suite #106-625
Rancho Cucamonga, CA 91739

In connection with the audit referred to previously, I selected and tested transactions and records to determine the Wheatland Elementary School District's compliance with the State laws and regulations applicable to the following items:

| PROGRAM NAME | PROCEDURES IN AUDIT GUIDE | PROCEDURES PERFORMED |
|--|--------------------------------------|---------------------------------|
| Attendance Accounting: | | |
| Attendance Reporting | 6 | Yes |
| Teacher Certification and Misassignments | 3 | Yes |
| Kindergarten Continuance | 3 | Yes |
| Independent Study | 23 | Not Applicable |
| Continuation Education | 10 | Not Applicable |
| Instructional Time for: | | |
| School Districts | 6 | Yes |
| County offices of education | 3 | Not Applicable |
| Instructional Materials, general requirements | 8 | Yes |
| Ratios of Administrative Employees to Teachers | 1 | Yes |
| Classroom Teacher Salaries | 1 | Yes |
| Early Retirement Incentive | 4 | Not Applicable |
| Gann Limit Calculation | 1 | Yes |
| School Accountability Report Card | 3 | Yes |
| Juvenile Court Schools | 8 | Not Applicable |
| Class Size Reduction (including in charter schools): | | |
| General requirements | 7 | Yes |
| Option One | 3 | Yes |
| Option Two | 4 | Not Applicable |
| Districts or charter schools with only one school serving K - 3 | 4 | Not Applicable |

| <u>PROGRAM NAME</u> | <u>PROCEDURES IN AUDIT GUIDE</u> | <u>PROCEDURES PERFORMED</u> |
|--|--------------------------------------|---------------------------------|
| After School Education and Safety Program: | | |
| General requirements | 4 | Yes |
| After school | 5 | Yes |
| Before school | 6 | Not Applicable |
| Contemporaneous Records of Attendance; for charter schools | 1 | Yes |
| Mode of Instruction; for charter schools | 1 | Yes |
| Nonclassroom-Based Instruction/Independent Study; for charter schools | 15 | Not Applicable |
| Determination of Funding for Nonclassroom-Based Instruction; for charter schools | 3 | Not Applicable |
| Annual Instructional Minutes – Classroom Based; for charter schools | 4 | Yes |

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of and the results of that testing based on the requirements of *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-13*. Accordingly, this report is not suitable for any other purpose.

Robert J. Dennis, C.P.A.



October 21, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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WHEATLAND ELEMENTARY SCHOOL DISTRICT

SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2013

FINANCIAL STATEMENTS

| | |
|--|----------------------|
| Type of auditor's report issued: | <u>Unqualified</u> |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | <u>No</u> |
| Significant deficiency(ies) identified? | <u>None Reported</u> |
| Non-compliance material to financial statements noted? | <u>Yes</u> |

FEDERAL AWARDS

| | |
|---|----------------------|
| Internal control over major program: | |
| Material weakness(es) identified? | <u>No</u> |
| Significant deficiency(ies) identified? | <u>None Reported</u> |
| Type of auditor's report issued: | <u>Unqualified</u> |
| Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? | <u>No</u> |
| Identification of major programs: | |

| <u>CFDA Number(s)</u> | <u>Name of Federal Program of Cluster</u> |
|----------------------------|---|
| <u>84.041 & 12.558</u> | <u>Federal Impact Aid</u> |
| <u>10.555</u> | <u>National Lunch Cluster</u> |

| | |
|--|------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$ 300,000 |
| Auditee qualified as low-risk auditee? | <u>Yes</u> |

STATE AWARDS

| | |
|---|----------------------|
| Internal control over State programs: | |
| Material weaknesses identified? | <u>No</u> |
| Significant deficiency(ies) identified? | <u>None Reported</u> |
| Type of auditors' report issued on compliance for State programs: | <u>Unqualified</u> |

WHEATLAND ELEMENTARY SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

There were no Financial Statement Findings this year.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

There were no Federal Award Findings this year.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

There were no State Award Findings this year.

WHEATLAND ELEMENTARY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

There were no Prior Audit Findings.