

**NEW HAVEN UNIFIED
SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2013**

NEW HAVEN UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2013

FINANCIAL SECTION

Independent Auditors' Report	2
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Governmental Funds - Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	21
Proprietary Funds - Statement of Net Position	22
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Fund Net Position	23
Proprietary Funds - Statement of Cash Flows	24
Fiduciary Funds - Statement of Net Position	25
Fiduciary Funds - Statement of Changes in Net Position	26
Notes to Financial Statements	27

REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Budgetary Comparison Schedule	55
Schedules of Other Postemployment Benefits (OPEB) Funding Progress	56

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards	58
Local Educational Agency Organization Structure	60
Schedule of Average Daily Attendance	61
Schedule of Instructional Time	62
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	63
Schedule of Financial Trends and Analysis	64
Combining Statements - Non-Major Governmental Funds	
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	67
Combining Statements – Fiduciary Trust Funds	
Welfare Benefit Plan – Statement of Plan Net Position	69
Welfare Benefit Plan – Statement of Changes in Plan Net Position	70
Notes to Supplementary Information	71

SUPPLEMENTARY INFORMATION – UNAUDITED

Assessed Valuation of Taxable Properties and Secured Tax Charges and Delinquencies within the New Haven Unified School District Boundaries	74
Note to Unaudited Supplementary Information	75

INDEPENDENT AUDITORS' REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77
Report on Compliance for Each major Program and Report on Internal Control Over Compliance Required by the OMB Circular A-133	79
Report on State Compliance	81

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results	84
Financial Statement Findings	85
Federal Awards Findings and Questioned Costs	86
State Awards Findings and Questioned Costs	87
Summary Schedule of Prior Audit Findings	88

FINANCIAL SECTION



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Governing Board
New Haven Unified School District
Union City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Haven Unified School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-2013*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Haven Unified 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, other postemployment benefits, and budgetary comparison information* as listed in the table of contents 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the New Haven Unified School District's basic financial statements. The *accompanying supplementary information such as the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *accompanying supplementary information* 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 our opinion, the *accompanying supplementary information* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The *accompanying other information such as the Assessed Valuation of Taxable Properties and Secured Tax Charges and Delinquencies and accompanying notes* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2013, on our consideration of the New Haven Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Haven Unified School District's internal control over financial reporting and compliance.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 11, 2013



NEW HAVEN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

This section of New Haven Unified School District's 2012-2013 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the New Haven Unified School District (the District) using the integrated approach as prescribed by GASB Statement Number 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, business-type, and fiduciary.

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

The *Business-Type Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

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

The primary unit of the government is the New Haven Unified School District.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows or resources and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

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

In the *Statement of Net Position* and the *Statement of Activities*, we separate the District activities as follows:

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

Business-type activities - The District charges fees to help it cover the costs of certain services it provides. The District's Kids First program is accounted for in the business-type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary funds - When the District charges users for the services it provides to outside customers, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Fund Net Position*. The District operates one proprietary fund, Kids First, that is reported in the government-wide statements as business-type activities and provides more detail and additional information, such as cash flows.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

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

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$7.7 million and \$13.7 million for the fiscal years ended 2013, and 2012, respectively. Of this amount, \$1.2 million and \$2.0 million were unrestricted for each respective year. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use those net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Table 1

(Amounts in millions)	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 54.8	\$ 50.3	\$ 0.2	\$ 0.2	\$ 55.0	\$ 50.5
Capital assets	227.5	233.6	-	-	227.5	233.6
Total Assets	282.3	283.9	0.2	0.2	282.5	284.1
Liabilities						
Current liabilities	33.4	28.6	-	-	33.4	28.6
Long-term obligations	241.2	241.6	-	-	241.2	241.6
Total Liabilities	274.6	270.2	-	-	274.6	270.2
Net Assets						
Invested in capital assets, net of related debt	(8.0)	(5.2)	-	-	(8.0)	(5.2)
Restricted	14.5	16.9	-	-	14.5	16.9
Unrestricted	1.2	2.0	0.2	0.2	1.4	2.2
Total Net Assets	\$ 7.7	\$ 13.7	\$ 0.2	\$ 0.2	\$ 7.9	\$ 13.9

In 2013, the \$1.2 million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased by \$40 percent (\$1.2 million compared to \$2.0 million).

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities*. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues and expenses for the year.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Table 2

(Amounts in millions)	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>School District Activities</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program revenues:						
Charges for services	\$ 2.5	\$ 2.1	\$ 1.4	\$ 1.5	\$ 3.9	\$ 3.6
Operating grants and contributions	19.8	19.5	-	-	19.8	19.5
Capital grants and contributions	-	5.5	-	-	-	5.5
General revenues:						
Federal and State aid not restricted	56.8	59.9	-	-	56.8	59.9
Property taxes	35.2	31.0	-	-	35.2	31.0
Other general revenues	1.3	5.6	-	-	1.3	5.6
Total Revenues	115.6	123.6	1.4	1.5	117.0	125.1
Expenses						
Instruction-related	73.2	77.1	-	-	73.2	77.1
Student support services	16.8	20.6	-	-	16.8	20.6
Administration	4.9	5.7	-	-	4.9	5.7
Maintenance and operations	10.3	9.7	-	-	10.3	9.7
Other	16.3	6.1	1.4	1.5	17.7	7.6
Total Expenses	121.5	119.2	1.4	1.5	122.9	120.7
Change in Net Position	\$ (5.9)	\$ 4.4	\$ -	\$ -	\$ (5.9)	\$ 4.4

Governmental Activities

As reported in the *Statement of Activities*, the cost of all of our governmental activities this year was \$121.6 million. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$35.2 million because the cost was paid by those who benefited from the programs (\$2.5 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$19.8 million). We paid for the remaining “public benefit” portion of our governmental activities with \$56.8 Federal and State funds and with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District’s largest functions: regular program instruction, special instruction programs, other instructional programs, plant services, student transportation services, and school food services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Table 3

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Instruction - related	\$ 73.2	\$ 77.1	\$ 60.7	\$ 68.3
Student support services	16.8	20.6	9.9	4.7
Administration	4.9	5.7	4.2	4.9
Maintenance and operations	10.3	9.7	10.1	9.5
Other	16.3	6.1	14.4	4.7
Total	\$ 121.5	\$ 119.2	\$ 99.3	\$ 92.1

THE DISTRICT’S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$26.8 million, which is an increase of \$1.4 million from last year. This increase is derived mostly from year-end savings and restricted carryovers.

General Fund Budgetary Highlights

As in past years, the District bases its adopted budget on the Governor’s May Revise, which for 2012-13, assumed passage of Proposition 30. Over the course of the year, budget revisions are put in place in order to manage unexpected changes in revenues and expenditures that are either caused by actions at the state level and/or based on District budget needs and re-prioritizations.

Proposition 30 passed in the November 2012 election. This was extremely good news for the District as it avoided an additional \$5.4 million in revenue loss, which would’ve worsened the Districts operating deficit.

Despite passage of Proposition 30, fiscal year 2012-13 was another challenging year for Education. The District adopted its 2012-13 budget with 3.24 % COLA, but with a 2.51% increase in the deficit factor, from 19.754% to 22.272%, which effectively negates a good portion of the COLA.

Due to revenue reductions, health and welfare cost increases, and other inflationary cost increases, in order to meet the required reserve, Board-approved expenditure reductions of approximately \$7.7 million were implemented. These reductions include nine (9) “budget cut” or furlough days, 1% salary cut, and freeze of step and column for all employees; additional layoffs due to class size increase in grades Kindergarten through 2 to 30:1, elimination of Community Day, and other cuts in administrative and operating expenses

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the District had \$227.5 million in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease of \$6.1 million. There are no capital assets recorded in the business-type activities.

Table 4

(Amounts in millions)	Governmental Activities	
	2013	2012
Land and construction in progress	\$ 21.3	\$ 21.0
Buildings and improvements	205.5	211.9
Equipment	0.7	0.7
Total	\$ 227.5	\$ 233.6

Expenditures were funded from proceeds from debt issued in the prior years, state capital projects funds, and grants. We present more detailed information about our capital assets in Note 4 to the financial statements.

Long-Term Obligations

At the end of this year, the District's long-term obligations increased by \$1.9 million or 0.8% from \$245.6 million to \$247.5 million. Long-term obligations are only recorded in the governmental activities in the government-wide Statement of Net Position. The Principal outstanding after refunding of the district bonds and inclusion of interest accretion is as follows:

Table 5

(Amounts in millions)	Governmental Activities	
	2013	2012
General obligation bonds (financed with property taxes)	\$ 246.0	\$ 243.8
Accumulated vacation	0.7	0.7
OPEB	0.7	1.1
Other	0.1	-
Total	\$ 247.5	\$ 245.6

The district's most recent Standard & Poor's general obligation bond rating was "A+". The State limits the amount of general obligation debt that Unified School Districts can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries. Based on 2013 assessed value (AV), our bonding capacity is \$231 million. The District's outstanding general obligation debt as of June 30, 2013 is \$191.8 million (excluding the accretions to date of \$36.8 million and bond premiums of \$17.4 million).

In addition, the rise in home sales and home values this past year will further improve our debt ratio, providing a promising outlook in terms of the District's credit status.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2012-13 ARE NOTED BELOW:

In the past three years District staff continues to work more for less and endure increased reductions year after year. To say that the last few years in school finance have been extremely difficult is an understatement, but despite the challenges, our District has been able to maintain a positive certification from the Alameda County Office of Education.

Despite the economic recession that has plagued California and the sluggish economic recovery, the District has made tremendous efforts in improving its fiscal status from years of structural budget problems. Without a doubt, our District would not have endured if not for the resilience of our employees and the strong support from our employee bargaining groups.

In 2012-13, District management staff evaluated various options for revenue enhancements. Based on review of District's enrollment and future projection, combined with facilities' capacity and utilization analysis, staff recommended to the Board disposition of District real property.

After Board approval, a "7/11 Committee" made up of Community representatives was formed as required by law. After a series of meetings and thorough review of the District's finances and facility needs, the Committee recommended to the Board the sale of the Cabello property. The Board approved the recommendation.

The sale of Cabello property would generate approximately \$14 million. A major portion of the sale proceeds would be utilized for one-time general purpose, as approved by the State Allocation Board. This would establish the District's fiscal stabilization fund and ultimately strengthen the District's fiscal status.

FISCAL PRESSURES AND BUDGET OUTLOOK FOR 2013-14

The 2013-14 District Budget was formulated based on the Local Control Funding Formula (LCFF). Governor Brown's theme of reinvesting in education, the LCFF reflects California's most stable fiscal footing in well over a decade. It provides \$1.2 billion in one-time funds to support Common Core State Standards implementation and \$2.1 billion to implement year one of the new funding structure.

Overall it provides \$3.4 million in revenue increase from prior year, which allows the District to partially restore prior year cuts.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Official, Business Services, at New Haven Unified School District, 34200 Alvarado Niles Road, Union City, California, 94587.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2013**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Deposits and investments	\$ 33,782,046	\$ 194,618	\$ 33,976,664
Receivables	17,783,867	11,124	17,794,991
Prepaid expenses	146,638	-	146,638
Stores inventories	136,871	-	136,871
Deferred charges	2,950,531	-	2,950,531
Capital assets not depreciated	21,332,232	-	21,332,232
Capital assets, net of accumulated depreciation	206,224,945	-	206,224,945
Total Assets	282,357,130	205,742	282,562,872
LIABILITIES			
Accounts payable	6,155,701	7,769	6,163,470
Interest payable	2,818,213	-	2,818,213
Deferred revenue	207,925	-	207,925
Current loans	17,932,523	-	17,932,523
Current portion of long-term obligations	6,307,449	-	6,307,449
Unamortized bond premiums	17,362,343	-	17,362,343
Noncurrent portion of long-term obligations	223,828,977	-	223,828,977
Total Liabilities	274,613,131	7,769	274,620,900
NET POSITION			
Invested in capital assets, net of related debt	(8,037,706)	-	(8,037,706)
Restricted for:			
Debt service	9,347,668	-	9,347,668
Capital projects	1,164,521	-	1,164,521
Educational programs	2,770,756	-	2,770,756
Other activities	1,286,710	-	1,286,710
Unrestricted	1,212,050	197,973	1,410,023
Total Net Position	\$ 7,743,999	\$ 197,973	\$ 7,941,972

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 73,232,565	\$ 119,097	\$ 12,405,641
Instruction-related activities:			
Supervision of instruction	538,229	12,554	2,116,335
Instructional library, media, and technology	502,836	8,468	202,110
School site administration	6,251,932	14,241	37,917
Pupil services:			
Home-to-school transportation	1,890,186	-	351,870
Food services	3,479,277	1,010,524	2,300,963
All other pupil services	4,160,313	20,962	822,905
General administration:			
Data processing	1,367,199	1,877	966
All other general administration	3,559,436	47,087	721,096
Plant services	10,302,372	91,309	124,329
Ancillary services	1,103,415	65,258	33,577
Community services	88,700	-	6,448
Enterprise services	181,347	-	-
Interest on long-term debt	13,563,426	-	-
Other outgo	1,372,269	1,087,237	712,292
Total Governmental-Type Activities	121,593,502	2,478,614	19,836,449
Business-Type Activities			
Enterprise services	1,351,072	1,395,072	-
Total School District	\$ 122,944,574	\$ 3,873,686	\$ 19,836,449
General revenues and subventions:			
Property taxes, levied for general purposes			
Property taxes, levied for debt service			
Taxes levied for other specific purposes			
Federal and State aid not restricted to specific purposes			
Interest and investment earnings			
Miscellaneous			
Subtotal, General Revenues			
Change in Net Position			
Net Position - Beginning			
Net Position - Ending			

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

**Net (Expenses) Revenues and
Changes in Net Position**

Governmental Activities	Business- Type Activities	Total
\$ (60,707,827)	\$ -	\$ (60,707,827)
1,590,660	-	1,590,660
(292,258)	-	(292,258)
(6,199,774)	-	(6,199,774)
(1,538,316)	-	(1,538,316)
(167,790)	-	(167,790)
(3,316,446)	-	(3,316,446)
(1,364,356)	-	(1,364,356)
(2,791,253)	-	(2,791,253)
(10,086,734)	-	(10,086,734)
(1,004,580)	-	(1,004,580)
(82,252)	-	(82,252)
(181,347)	-	(181,347)
(13,563,426)	-	(13,563,426)
427,260	-	427,260
<u>(99,278,439)</u>	<u>-</u>	<u>(99,278,439)</u>
-	44,000	44,000
<u>(99,278,439)</u>	<u>44,000</u>	<u>44,000</u>
22,369,325	-	22,369,325
12,413,182	-	12,413,182
422,876	-	422,876
56,816,218	-	56,816,218
28,906	347	29,253
1,295,436	-	1,295,436
<u>93,345,943</u>	<u>347</u>	<u>93,346,290</u>
(5,932,496)	44,347	(5,888,149)
13,676,495	153,626	13,830,121
<u>\$ 7,743,999</u>	<u>\$ 197,973</u>	<u>\$ 7,941,972</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013**

	General Fund	Building Fund	Bond Interest and Redemption Fund
ASSETS			
Deposits and investments	\$ 14,382,268	\$ 7,431,280	\$ 9,344,986
Receivables	17,113,642	2,391	2,682
Due from other funds	421,385	10	-
Prepaid expenses	146,638	-	-
Stores inventories	-	-	-
Total Assets	\$ 32,063,933	\$ 7,433,681	\$ 9,347,668
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 5,447,638	\$ 227,607	\$ -
Due to other funds	708,233	205,719	-
Current loan	17,932,523	-	-
Deferred revenue	207,925	-	-
Total Liabilities	24,296,319	433,326	-
Fund Balances:			
Nonspendable	194,638	-	-
Restricted	2,770,756	7,000,355	9,347,668
Assigned	829,422	-	-
Unassigned	3,972,798	-	-
Total Fund Balance	7,767,614	7,000,355	9,347,668
Total Liabilities and Fund Balances	\$ 32,063,933	\$ 7,433,681	\$ 9,347,668

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

Non Major Governmental Funds	Total Governmental Funds
\$ 2,623,512	\$ 33,782,046
665,152	17,783,867
48,914	470,309
-	146,638
136,871	136,871
<u>\$ 3,474,449</u>	<u>\$ 52,319,731</u>

\$ 480,456	\$ 6,155,701
306,475	1,220,427
-	17,932,523
-	207,925
<u>786,931</u>	<u>25,516,576</u>

139,371	334,009
2,548,147	21,666,926
-	829,422
-	3,972,798
<u>2,687,518</u>	<u>26,803,155</u>

<u>\$ 3,474,449</u>	<u>\$ 52,319,731</u>
---------------------	----------------------

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

Total Fund Balance - Governmental Funds	\$ 26,803,155
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	
The cost of capital assets is	\$ 338,712,040
Accumulated depreciation is	<u>(111,154,863)</u>
Net Capital Assets	227,557,177
Interfund balance between fiduciary fund not included in government-wide statements.	750,119
Expenditures relating to issuance of debt were recognized on modified accrual basis, but are recorded as deferred charges on the accrual basis and amortized over the life of the bonds.	2,950,531
In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term debt is recognized when it is incurred.	(2,818,213)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year end consist of:	
Bonds payable	(228,614,351)
Grant payments	(140,815)
Other postemployment benefits (OPEB)	(684,519)
Compensated absences (vacations)	(696,742)
Premiums, net of amortization	<u>(17,362,342)</u>
Total Long-Term Liabilities	<u>(247,498,769)</u>
Total Net Position - Governmental Activities	<u><u>\$ 7,744,000</u></u>

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

	General Fund	Building Fund	Bond Interest and Redemption Fund
REVENUES			
Revenue limit sources	\$ 66,674,285	\$ -	\$ -
Federal sources	6,119,850	-	-
Other state sources	15,727,196	-	114,556
Other local sources	8,779,145	16,185	12,309,755
Total Revenues	97,300,476	16,185	12,424,311
EXPENDITURES			
Current			
Instruction	66,854,280	-	-
Instruction-related activities:			
Supervision of instruction	285,748	-	-
Instructional library, media and technology	467,813	-	-
School site administration	5,816,484	-	-
Pupil services:			
Home-to-school transportation	1,758,534	-	-
Food services	-	-	-
All other pupil services	3,870,546	-	-
General administration:			
Data processing	1,271,973	-	-
All other general administration	3,565,080	-	-
Plant services	8,423,861	1,059,020	-
Facility acquisition and construction	17,735	1,425,043	-
Ancillary services	1,026,562	-	-
Community services	82,522	-	-
Other outgo	1,372,269	-	-
Debt service			
Principal	-	-	4,175,000
Interest and other	80,000	-	7,092,139
Total Expenditures	94,893,407	2,484,063	11,267,139
Excess (Deficiency) of Revenues Over Expenditures	2,407,069	(2,467,878)	1,157,172
Other Financing Sources (Uses):			
Transfers in	141,859	-	-
Transfers out	(750,117)	-	-
Net Financing Sources (Uses)	(608,258)	-	-
NET CHANGE IN FUND BALANCES	1,798,811	(2,467,878)	1,157,172
Fund Balance - Beginning	5,968,803	9,468,233	8,190,496
Fund Balance - Ending	\$ 7,767,614	\$ 7,000,355	\$ 9,347,668

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 66,674,285
2,337,534	8,457,384
1,816,365	17,658,117
1,906,949	23,012,034
<u>6,060,848</u>	<u>115,801,820</u>
1,492,727	68,347,007
-	285,748
-	467,813
-	5,816,484
-	1,758,534
3,235,016	3,235,016
-	3,870,546
-	1,271,973
132,433	3,697,513
117,431	9,600,312
75,334	1,518,112
-	1,026,562
-	82,522
-	1,372,269
-	4,175,000
-	7,172,139
<u>5,052,941</u>	<u>113,697,550</u>
<u>1,007,907</u>	<u>2,104,270</u>
-	141,859
<u>(141,859)</u>	<u>(891,976)</u>
<u>(141,859)</u>	<u>(750,117)</u>
866,048	1,354,153
1,821,470	25,449,002
<u>\$ 2,687,518</u>	<u>\$ 26,803,155</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

Total Net Change in Fund Balances - Governmental Funds		\$ 1,354,153
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statements of Activities.		
This is the amount by which capital outlays exceeds depreciation in the period.		
Depreciation expense	\$ (7,594,065)	
Capital outlays, net of adjustment	<u>1,518,112</u>	
Net Expense Adjustment		(6,075,953)
Interfund transfers between fiduciary fund not included in government-wide statements.		750,119
Repayment of grant revenue that was included in the entity-wide statements.		(140,816)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(19,429)
Payment of principal on long-term liabilities, such as for bonds (including amortization of premiums) and capital leases, is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		4,175,000
The liability for postemployment benefits (OPEB) is not recorded in the governmental funds, but is an expense on the Statement of Activities.		415,717
Interest on long-term obligations is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		160,875
Interest on long-term debt differs between the governmental funds and the Statement of Activities due to the following:		
Change in accrued interest		
Addition of accreted interest	(7,358,376)	
Amortization of bond premium	987,449	
Amortization of cost of issuance	<u>(181,235)</u>	
		(6,552,162)
Change in Net Position of Governmental Activities		<u><u>\$ (5,932,496)</u></u>

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2013**

	Business-Type Activities Enterprise Funds
	Kids
	First
ASSETS	
Current Assets	
Deposits and investments	\$ 194,618
Receivables	11,124
Total Current Assets	<u>205,742</u>
LIABILITIES	
Current Liabilities	
Accounts payable	7,769
Total Current Liabilities	<u>7,769</u>
NET POSITION	
Unrestricted	197,973
Total Net Position	<u>\$ 197,973</u>

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

	Business-Type Activities Enterprise Funds Kids First
OPERATING REVENUES	
Local and intermediate sources	\$ 1,395,072
Total Operating Revenues	<u>1,395,072</u>
OPERATING EXPENSES	
Payroll costs	1,195,306
Supplies and materials	28,629
Facility rental	108
Other operating cost	127,029
Total Operating Expenses	<u>1,351,072</u>
Operating Income	<u>44,000</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	347
Total Nonoperating Revenues (Expenses)	<u>347</u>
Change in Net Position	44,347
Total Net Position - Beginning	<u>153,626</u>
Total Net Position - Ending	<u>\$ 197,973</u>

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

	Business-Type Activities Enterprise Funds
	Kids First
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from user charges	\$ 1,385,458
Cash payments to employees for services	(1,195,306)
Cash payments to suppliers for goods and services	(150,413)
Net Cash Used for	
Operating Activities	39,739
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	347
Net Cash Provided from	
Investing Activities	347
Net Change in Cash and Cash Equivalents	40,086
Cash and Cash Equivalents - Beginning	154,532
Cash and Cash Equivalents - Ending	\$ 194,618
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating loss	\$ 44,000
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Receivables	(9,614)
Accrued liabilities	5,353
NET CASH USED FOR OPERATING ACTIVITIES	\$ 39,739

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2013**

	Retiree Benefits Trusts	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Deposits and investments	\$ -	\$ 292,065
Receivables	455,718	-
Due from others	750,117	-
Total Assets	<u> 1,205,835</u>	<u> \$ 292,065</u>
LIABILITIES		
Overdrafts	\$ 618,534	-
Accounts payable	20,353	-
Due to student groups	-	292,065
Total Liabilities	<u> 638,887</u>	<u> \$ 292,065</u>
NET POSITION		
Held in trust	566,948	
Total Net Position	<u> \$ 566,948</u>	

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	Retiree Benefits Trusts
ADDITIONS	
District contributions	\$ 1,148,281
Interest and investment earnings, net	456,127
Total Additions	<u>1,604,408</u>
DEDUCTIONS	
Other expenditures	1,071,260
Total Deductions	<u>1,071,260</u>
Change in Net Position	533,148
Net Position - Beginning	33,800
Net Position - Ending	<u>\$ 566,948</u>

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The New Haven Unified School District was unified in 1965 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K – 12 as mandated by the State and/or Federal agencies. The District operates eight elementary, three middle schools, one comprehensive high school, one continuation school, one opportunity school, an adult school and a regional occupational program.

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

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may 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. The District has no component units.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all Districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

One fund currently defined as special revenue funds in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects is not substantially composed of restricted or committed revenue source. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as extensions of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

In addition, under the flexibility provisions of current statute that allow certain formerly restricted revenues to be used for any educational purpose, Fund 11, Adult Education Fund does not currently meet the definition of a special revenue fund as this fund is no longer primarily composed of restricted or committed revenue sources.

As the District has not taken formal action to commit the flexed revenues formerly restricted to these programs to the continued operation of the original programs, the revenues within these funds would be considered to be available for general educational purposes, resulting in Fund 11, Adult Education Fund/Fund 17, Special Reserve Non Capital Fund being combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in assets, fund balance, revenues and expenditures of \$429,528, \$429,422, \$240,193, and \$239,821, respectively.

Building Fund The Building Fund exists primarily to account separately for proceeds from sale of bonds (*Education Code* Sections 15146) and may not be used for any purposes other than those for which the bonds were issued.

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a district (*Education Code* Sections 15125-15262).

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to expenditures for specified purposes 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 The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

Cafeteria Fund The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

Capital Project Funds The Capital Project funds are used to account for financial resources that are restricted, committed, or assigned to the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* Sections 17620-17626). Expenditures are restricted to the purposes specified in (*Government Code* Sections 65970-65981) or to the items specified in agreements with the developer (*Government Code* Section 66006).

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Proprietary Funds 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 education agency, normally on a full recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary funds:

Enterprise Fund Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the District accounts for the financial transactions related to the child care services of the District operated under the name of Kids First.

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. 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.

Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the District's own programs. The District's trust funds are the three Retiree Benefit Trusts.

The three retiree benefits trusts are as follows:

- New Haven Retired Employee Health and Welfare Benefit Trust for Certificated and Management Employees
- New Haven Retired Employee Health and Welfare Benefit Trust for Classified Employees
- New Haven Retired Employee Health and Welfare Benefit Trust for Board and Superintendent

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

The trustees of the New Haven Retired Employee Health and Welfare Benefit Trust for Certificated and Management Employees and the New Haven Retired Employee Health and Welfare Benefit Trust for Classified Employees are comprised of separate boards not controlled by the District Board of Education. Although these two trusts are not controlled by the District, the District does act as the administrator for processing transactions for these two trusts under an administrative agreement with the trusts' boards. As administrator for these two trusts the district reports only the activity of the funds it manages, and does not include the funds held by the investment custodian.

The trustee for the New Haven Retired Employee Health and Welfare Benefit Trust for the Board and Superintendent is the District. Therefore, this trust is both controlled by, and administered by, the District.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the District and for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

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

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

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

Proprietary Funds Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

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

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 45 or 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

Investments held at June 30, 2013, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Stores Inventories

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

Prepaid Expenditures

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

Capital Assets and Depreciation

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

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

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 30 to 50 years; improvements/infrastructure, 10 to 40 years; equipment, 5 to 15 years.

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund 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 governmental funds.

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Deferred Issuance Costs, Premiums and Discounts

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

Current Loans

Current loans consist of amounts outstanding at June 30, 2013, for Tax Revenue and Anticipation Notes. The notes were issued as short-term obligations to provide cash flow needs. This liability is offset with cash deposits in the County Treasury Pool, which have been set aside to repay the notes.

Fund Balances – Governmental Funds

As of June 30, 2013, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of the other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolution or other action as approved by the governing board. The District currently does not have any committed funds.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

Sending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then, assigned funds, and finally, unassigned funds, as needed unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls, or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General fund expenditures and other financing uses.

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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. Net position is 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 are available. The government-wide financial statements report \$15,569,655 of restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are fees collected from the child care centers. Operating expenses are necessary costs incurred to provide the child care services, which is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Transfers between governmental and business-type activities in the government-wide financial statements are reported in the same manner as general revenues.

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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental and business-type activities columns of the statement of activities, except for the net residual amounts transferred between governmental and business-type activities.

Estimates

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

Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1st 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.

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

Property Tax

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

Changes in Accounting Principles

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 assets by the government that is applicable to a future reporting period, and an acquisition of net assets 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.

Concepts Statement No. 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 assets.

The District has implemented the provisions of this Statement for the year ended June 30, 2013.

New Accounting Pronouncements

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Early implementation is encouraged.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer’s share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a non-employer entity has a legal requirement to make contributions directly to a pension plan.

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged.

**NEW HAVEN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013**

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2013, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 33,782,046
Business-type activities	194,618
Fiduciary funds	292,065
Total Deposits and Investments	<u><u>\$ 34,268,729</u></u>

Deposits and investments as of June 30, 2013, consist of the following:

Cash on hand and in banks	\$ 293,545
Cash in revolving	50,500
Investments	33,924,684
Total Deposits and Investments	<u><u>\$ 34,268,729</u></u>

Policies and Practices

The District is authorized under the District's investment policy 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; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

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

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool. The fair value of the County Cash Pool was \$33,856,835 and the weighted average maturity was 525 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool are not required to be rated, nor have they been rated as of June 30, 2013.

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2013, approximately \$214,500 of the District's bank balances were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 3 - 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	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total	Proprietary Funds	Fiduciary Funds
Federal Government							
Categorical aid	\$ 2,253,896	\$ -	\$ -	\$ 414,114	\$ 2,668,010	\$ -	\$ -
State Government							
Apportionment	8,202,033	-	-	-	8,202,033	-	-
Categorical aid	2,408,861	-	-	245,405	2,654,266	-	-
Lottery	1,061,135	-	-	-	1,061,135	-	-
Other State	2,436,170	-	-	-	2,436,170	-	-
Local Government							
Other Local Sources	751,547	2,391	2,682	5,633	762,253	11,124	455,718
Total	<u>\$ 17,113,642</u>	<u>\$ 2,391</u>	<u>\$ 2,682</u>	<u>\$ 665,152</u>	<u>\$ 17,783,867</u>	<u>\$ 11,124</u>	<u>\$ 455,718</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 20,530,673	\$ -	\$ -	\$ 20,530,673
Construction in Progress	429,094	801,559	429,094	801,559
Total Capital Assets Not Being Depreciated	20,959,767	801,559	429,094	21,332,232
Capital Assets Being Depreciated:				
Land Improvements	26,391,386	-	-	26,391,386
Buildings and Improvements	284,022,725	1,108,000	-	285,130,725
Furniture and Equipment	5,820,050	66,343	28,696	5,857,697
Total Capital Assets Being Depreciated	316,234,161	1,174,343	28,696	317,379,808
Total Capital Assets	337,193,928	1,975,902	457,790	338,712,040
Less Accumulated Depreciation:				
Land Improvements	20,813,261	1,053,817	-	21,867,078
Buildings and Improvements	77,684,027	6,407,203	-	84,091,230
Furniture and Equipment	5,063,510	161,741	28,696	5,196,555
Total Accumulated Depreciation	103,560,798	7,622,761	28,696	111,154,863
Governmental Activities Capital Assets, Net	<u>\$ 233,633,130</u>	<u>\$ (5,646,859)</u>	<u>\$ 429,094</u>	<u>\$ 227,557,177</u>

Depreciation expense was charged as a direct expense to governmental functions as follow:

Governmental Activities	
Instruction	\$ 4,885,558
Supervision of Instruction	252,481
Instructional Library Media and Technology	35,023
School Administration	435,448
Pupil Transportation	131,652
Food Services	244,261
Other Pupil Services	289,767
Ancillary Services	76,853
Community Services	6,178
Enterprise	181,347
Other General Administration	277,640
Data Processing Services	95,226
Plant Maintenance and Operations	711,327
Total Depreciation Expenses Governmental Activities	<u>\$ 7,622,761</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 5 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2013, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

Due To	Due From					Total
	General Fund	Building Fund	Non-Major Governmental Funds	Sub-total	Fiduciary Funds	
General Fund	\$ 106	\$ 10	\$ 48,914	\$ 49,030	\$ 750,117	\$ 799,147
Building Fund	205,719	-	-	205,719	-	205,719
Non-Major Governmental Funds	215,560	-	-	215,560	-	215,560
Total	<u>\$ 421,385</u>	<u>\$ 10</u>	<u>\$ 48,914</u>	<u>\$ 470,309</u>	<u>\$ 750,117</u>	<u>\$ 1,220,426</u>

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

Operating Transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following:

Transfer To	Transfer From		
	General Fund	Retiree Benefit Trust	Total
General Fund	\$ -	\$ 750,117	\$ 750,117
Non-Major Governmental Funds	141,859	-	141,859
Total	<u>\$ 141,859</u>	<u>\$ 750,117</u>	<u>\$ 891,976</u>

The Child Development Fund transferred to the General Fund for program oversight cost.	\$ 141,859
The General Fund transferred to the Retiree Benefits Fund for District contribution.	750,117
Total	<u>\$ 891,976</u>

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2013, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total	Proprietary Funds	Fiduciary Funds
Vendor payables	\$ 1,802,109	\$ 227,607	\$ 479,083	\$ 2,508,799	\$ 5,207	\$ -
Salaries and benefits	3,645,529	-	1,373	3,646,902	2,562	20,353
Total	<u>\$ 5,447,638</u>	<u>\$ 227,607</u>	<u>\$ 480,456</u>	<u>\$ 6,155,701</u>	<u>\$ 7,769</u>	<u>\$ 20,353</u>

NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2013, consists Federal financial assistance of \$207,925.

NOTE 8 - TAX AND REVENUE ANTICIPATION NOTES (TRANS)

On March 22, 2012, the District had outstanding Tax and Revenue Anticipation Notes in the amount of \$12,350,000 which matured on September 27, 2012. On April 24, 2013, the District issued \$18,000,000 Tax and Revenue Anticipation Notes bearing interest at 0.16%. The notes were issued to supplement cash flows. Interest and principal are due and payable on October 1, 2013. The District has recorded the cash available to make the principal and interest payments as investment and with the corresponding liability as a current loan.

Changes in the outstanding liabilities for the Tax and Revenue Anticipation Notes are as follows:

Issue Date	Rate	Maturity Date	Outstanding July 1, 2012	Additions	Payments	Outstanding June 30, 2013
March 22, 2012	0.30%	September 27, 2012	\$ 16,400,000	\$ -	\$ 16,400,000	\$ -
April 30, 2013	0.16%	October 1, 2013	-	18,000,000	67,477	17,932,523
			<u>\$ 16,400,000</u>	<u>\$ 18,000,000</u>	<u>\$ 16,467,477</u>	<u>\$ 17,932,523</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - LONG-TERM OBLIGATIONS

Summary

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

	Balance July 1, 2012	Addition	Accretion	Deductions	Balance June 30, 2013	Due in One Year
General obligation bonds	\$225,430,975	\$ -	\$ 7,358,376	\$ 4,175,000	\$228,614,351	\$ 5,270,000
Add: Premium	18,349,792	-	-	987,450	17,362,342	987,449
Subtotal general obligation bonds	243,780,767	-	7,358,376	5,162,450	245,976,693	6,257,449
Repayment of grant revenue	-	140,815	-	-	140,815	50,000
Accumulated vacation - net	677,313	19,429	-	-	696,742	-
OPEB Liability	1,100,236	334,400	-	750,117	684,519	-
	<u>\$245,558,316</u>	<u>\$ 494,644</u>	<u>\$ 7,358,376</u>	<u>\$ 5,912,567</u>	<u>\$247,498,769</u>	<u>\$ 6,307,449</u>

Payments on the general obligation bonds are made by the bond interest and redemption fund with local revenues. The accrued vacation will be paid by the fund for which the employee worked. OPEB liability will be paid by the Retiree Benefits Trust.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2012	Interest Accretion	Redeemed	Bonds Outstanding June 30, 2013
2002	2020	3.0-12.0%	53,785,000	\$ 26,455,000	\$ -	\$ 2,840,000	\$ 23,615,000
2003	2030	4.0-8.0%	29,999,985	44,662,165	2,311,679	550,000	46,423,844
2006	2030	4.6-6.0%	16,745,000	16,745,000	-	180,000	16,565,000
2006	2033	3.9-8.0%	29,999,346	35,113,188	1,113,493	300,000	35,926,681
2008	2031	3.9-8.0%	29,999,522	32,535,369	709,183	-	33,244,552
2009	2034	5.91-7.18%	25,000,928	30,870,508	2,347,769	-	33,218,277
2009	2021	3.0-5.0%	17,290,000	17,290,000	-	-	17,290,000
2012	2030	3.0-5.0%	21,688,104	21,759,745	876,252	305,000	22,330,997
				<u>\$ 225,430,975</u>	<u>\$ 7,358,376</u>	<u>\$ 4,175,000</u>	<u>\$ 228,614,351</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Debt Service Requirements to Maturity

The bonds mature through 2037 as follows:

Fiscal Year	Principal	Interest to Maturity	Accreted Interest	Total
2014	\$ 5,035,948	\$ 7,708,095	\$ 234,052	\$ 12,978,095
2015	6,205,479	7,142,471	334,521	13,682,471
2016	6,893,025	6,518,122	1,036,975	14,448,122
2017	7,791,838	5,849,449	1,573,162	15,214,449
2018	9,201,795	5,123,075	1,683,205	16,008,075
2019-2023	54,667,788	14,361,222	19,647,211	88,676,221
2024-2028	34,062,453	7,668,547	67,517,547	109,248,547
2029-2033	56,934,601	4,008,505	72,240,401	133,183,507
2034-2038	11,034,561		50,740,440	61,775,001
Total	191,827,488	\$ 58,379,486	\$ 215,007,514	\$ 465,214,488
Accreted Interest	36,786,863			
	\$ 228,614,351			

Repayment of grant revenue

The District is required to repay grant funds in the amount of \$140,815 in total for Title I, EIA-LEP and Title III LEP as result of a recent review performed by CDE. The amount will be paid in the next three years.

Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2013, amounted to \$696,742.

Other Postemployment Benefit (OPEB) Obligation

The District's annual required contribution for the year ended June 30, 2013, was \$334,400 and contributions made by the District during the year were \$750,117 which resulted in an decrease to the net OPEB obligation of \$417,717. See Note 10 for additional information regarding the OPEB obligation and the postemployment benefits plan.

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

Plan Description

The New Haven Retired Employee Health and Welfare Benefits Plan and Trust for Board and Superintendent (the "Plan") is a single-employer defined benefit healthcare plan administered by the New Haven Unified School District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of eight retirees and beneficiaries currently receiving benefits and five active plan members. The Plan is presented in these financial statements as the New Haven Retired Employee Health and Welfare Benefit Plan Trust for Board and Superintendent Fund. Separate financial statements are not prepared for the Trust.

Contribution Information

The contribution requirements of the District are established and may be amended by the District and the eligible plan members. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. For fiscal year 2012-13, the District contributed \$750,117 to the plan, the majority of which was used for current premiums.

Annual OPEB Cost and Net OPEB Obligation

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

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	\$ 334,400
Contributions made	<u>(750,117)</u>
Decrease in net OPEB obligation	(415,717)
Net OPEB obligation, beginning of year	1,100,236
Net OPEB obligation, end of year	<u><u>\$ 684,519</u></u>

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Trend Information

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

Year Ended June 30	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2013	\$ 334,400	\$ 750,007	224%	\$ 684,519
2012	334,400	230,227	69%	1,100,236
2011	297,200	179,837	61%	878,700

Funded Status and Funding Progress

A schedule of funding progress as of the most recent actuarial valuations is as follow:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Percent of Payroll (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2010	\$ 401,300	\$ 4,676,500	\$ 4,275,200	9%	\$ 255,800	1671%

Actuarial Methods and Assumptions

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

In the June 30, 2010, actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 3.25 percent investment rate of return (net of administrative expenses). Healthcare cost trend rates ranged from an initial 7.5 percent to an ultimate rate of 5 percent. The cost trend rate used for the Dental program was 1.5 percent for the initial year increasing to a rate of 5 percent each year. The UAAL is being amortized at a level dollar method over a static 20 years, beginning July 1, 2007.

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 - FUND BALANCES

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

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	\$ 48,000	\$ -	\$ -	\$ 2,500	\$ 50,500
Stores inventories	-	-	-	136,871	136,871
Prepaid expenditures	146,638	-	-	-	146,638
Total Nonspendable	<u>194,638</u>	<u>-</u>	<u>-</u>	<u>139,371</u>	<u>334,009</u>
Restricted					
Legally restricted programs	2,770,756	-	-	944,380	3,715,136
Special Revenue	-	-	-	-	-
Capital projects	-	7,000,355	-	1,595,446	8,595,801
Debt services	-	-	9,347,668	-	9,347,668
Total Restricted	<u>2,770,756</u>	<u>7,000,355</u>	<u>9,347,668</u>	<u>2,539,826</u>	<u>21,658,605</u>
Assigned					
Other	829,422	-	-	8,321	837,743
Total Assigned	<u>829,422</u>	<u>-</u>	<u>-</u>	<u>8,321</u>	<u>837,743</u>
Unassigned					
Reserve for economic uncertainties	3,972,798	-	-	-	3,972,798
Total Unassigned	<u>3,972,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,972,798</u>
Total	<u>\$ 7,767,614</u>	<u>\$ 7,000,355</u>	<u>\$ 9,347,668</u>	<u>\$ 2,687,518</u>	<u>\$ 26,803,155</u>

NOTE 12 - RISK MANAGEMENT

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2013, the District purchased commercial insurance for property and liability and general liability insurance coverage. Settled claims have not exceeded coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Workers' Compensation

For fiscal year 2013, the District participated in the Alameda County Schools Insurance Group (ACSIG), an insurance purchasing pool. The intent of the ACSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the ACSIG. The workers' compensation experience of the participating Districts is calculated as one experience and a common premium rate is applied to all Districts in the ACSIG. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participated school districts. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ACSIG. Participation in the ACSIG is limited to Districts that can meet the ACSIG selection criteria.

Employee Medical Benefits

The District has contracted with the CalPERS to provide employee health benefits. CalPERS is a shared risk pool comprised of nearly 1.3 million members. It offers members and contracting employers three health maintenance organization (HMO) plans, three preferred provider organization (PPO) plans, and three special PPOs for members who belong to specific employee associations. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

CalSTRS

Plan Description

The District contributes to 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, annual cost-of-living adjustments and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 100 Waterfront Place, West Sacramento, CA 95605.

**NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Funding Policy

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-2013 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ending June 30, 2013, 2012, and 2011, were \$4,361,504 \$4,656,524, and \$4,790,972, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under the 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 survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95811.

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-2013 was 11.417 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2013, 2012, and 2011, were \$1,690,545, \$1,727,975, and \$1,185,726, respectively, and equal 100 percent of the required contributions for each year.

Tax Deferred Annuity/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 TDA as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 3.75 percent of an employee's gross earnings. An employee is required to contribute 3.75 percent of his or her gross earnings to the pension plan.

The District also allows employees to participate in the New Haven Unified School District 403(b) Tax Deferred Annuity Plan (TDA), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

**NEW HAVEN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013**

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$3,088,339 (5.176 percent of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budget amounts reported in the General Fund Budgetary Comparison Schedule.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

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

Litigation

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

Construction Commitments

As of June 30, 2013, the District had the following commitments with respect to the unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Restroom Addition at Alvarado & Eastin Elementary	\$ 338,000	Aug-13

NOTE 15 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWER AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The District is a member of the Northern California ReLiEF, the Alameda County School s Insurance Group (ACSIG) public entity risk pools, the Mission Valley Regional Occupational Program (MVRP), the Mission Valley SELPA, and the Student Transportation of America (STA) joint powers authorities (JPA's). The District pays an annual premium to the applicable entity for its workers' compensation, and property liability coverage to Northern California ReLiEF and ACSIG. Payments for transportation services are paid to the STA. Regional Occupational apportionments are passed through to MVRP. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

NEW HAVEN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 statements. Audited financial statements are generally available from the respective entities.

The District has appointed one board member to the Governing Board of ACSIG and two board members to the Governing Board of MVROP.

During the year ended June 30, 2013, the District made payments of \$2,794,168, and \$572,858 to ACSIG and Northern California ReLiEF respectively for risk management, workers compensation, and transportation.

REQUIRED SUPPLEMENTARY INFORMATION

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

	Budgeted Amounts			Variances -
	Original	Final	Actual	Positive
				(Negative)
				Final
				to Actual
REVENUES				
Revenue limit sources	\$ 66,726,607	\$ 66,698,295	\$ 66,674,285	\$ (24,010)
Federal sources	5,597,855	19,265,152	5,880,029	(13,385,123)
Other state sources	14,620,154	15,538,276	15,727,196	188,920
Other local sources	8,145,947	9,321,403	8,778,773	(542,630)
Total Revenues¹	95,090,563	110,823,126	97,060,283	(13,762,843)
EXPENDITURES				
Current				
Certificated salaries	55,801,295	61,913,429	54,654,890	7,258,539
Classified salaries	12,005,969	13,233,175	12,249,666	983,509
Employee benefits	16,702,330	17,913,898	16,423,172	1,490,726
Books and supplies	2,328,419	7,030,913	1,533,888	5,497,025
Services and operating expenditures	7,712,890	10,559,668	8,454,399	2,105,269
Other outgo	1,104,842	1,251,868	1,239,836	12,032
Capital outlay	20,000	100,000	17,735	82,265
Debt service				
Principal	-	-	-	-
Interest and other	-	-	80,000	(80,000)
Total Expenditures¹	95,675,745	112,002,951	94,653,586	17,349,365
Excess (Deficiency) of Revenues				
Over Expenditures	(585,182)	(1,179,825)	2,406,697	3,586,522
Other Financing Sources (Uses):				
Transfers in	172,008	203,796	141,859	(61,937)
Transfers out	(186,088)	201,088	(750,117)	(951,205)
Net Financing Sources (Uses)	(14,080)	404,884	(608,258)	(1,013,142)
NET CHANGE IN FUND BALANCES	(599,262)	(774,941)	1,798,439	2,573,380
Fund Balance - Beginning	5,539,753	5,539,753	5,539,753	-
Fund Balance - Ending	\$ 4,940,491	\$ 4,764,812	\$ 7,338,192	\$ 2,573,380

¹ On behalf payments of \$3,088,339 are included in the actual revenues and expenditures, but have not been included in the budget amounts. In addition, due to the consolidation of Fund 11, Adult Education Fund and Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other fund are not included in the revenues and expenditures.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING
PROGRESS
FOR THE YEAR ENDED JUNE 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Percent of Payroll (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
July 1, 2007	\$ 419,200	\$ 7,734,600	\$ 7,315,400	5%	\$ 423,500	1727%
June 30, 2010	\$ 401,300	\$ 4,676,500	\$ 4,275,200	9%	\$ 255,800	1671%

SUPPLEMENTARY INFORMATION

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2013 Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through California Department of Education (CDE):			
Adult Education - State Grant Programs			
Adult Basic Education and ESL	84.002A	14508	112,973
Adult Secondary Education	84.002	13978	29,212
English Literacy and Civics Education	84.002A	14109	97,636
No Child Left Behind			
Title I, Part A, Basic Grants-Low Income	84.010	14981	1,384,883
Title I, Part A, Program Improvement LEA Corrective Action, Extensive Performance Problems	84.010	14955	59,983
Title I, Part C, Migrant Education, Regular	84.011	14326	163,797
Title I, Migrant Education Summer Program	84.011	10005	38,632
Title II, Part D, Enhancing Education Through Technology	84.318	14334	1,854
Title II, Part A, Improving Teacher Quality Local Grants	84.367	14341	286,598
Title III - Limited English Proficiency (LEP)	84.365	10084	274,224
Title IV, Part B, 21st Century Community Learning Centers	84.287	14349	451,522
Special Education IDEA (PL 94-142)			
Basic Local Assistance Entitlement	84.027	13379	1,943,959
Local Assistance, Part B, Section 611, Private school	84.027	10115	21,996
Mental Health Allocation Plan, Part B, Section 611	84.027	14468	160,240
Preschool Grants, Part B, Section 619	84.173	13430	75,125
Preschool Local Entitlement, Part B, Section 611	84.027A	13682	128,233
Preschool Staff Development, Part B, Section 619	84.173A	13431	554
Vocational Educational (Carl Perkins Act)			
Technology Secondary IIC, Section 131	84.048	13924	63,751
Race to the Top - District	84.416	1	544,013
Total U.S. Department of Education			<u>5,839,185</u>

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Education (CDE):			
Medical Assistance Program - Administrative Activities (MAA)	93.778	10060	210,775
Medical Assistance Program - Medi-Cal Billing Option	93.778	10013	<u>67,776</u>
Total U.S. Department of Health and Human Services			<u>278,551</u>
DEPARTMENT OF COMMERCE			
Passed through California Department of Education (CDE):			
Educational Partnership Program - NOAA B-WET	11.429	¹	<u>2,113</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education (CDE):			
Child Nutrition			
National School Lunch Program	10.555	13524	1,994,048
Meal Supplements	10.555	13396	22,920
Especially Needy Breakfast	10.553	13526	275,041
Child Nutrition - Centers And Family Day Care	10.558	13393	45,525
Fair Market Value of Commodities ²	10.565	13396	<u>213,127</u>
Total U.S. Department of Agriculture			<u>2,550,661</u>
Total Expenditures of Federal Awards			<u>8,670,510</u>

¹ Pass-Through Entity Identifying Number not available
² Amount not included in the financial statements

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2013

ORGANIZATION

The New Haven Unified School District was established in 1965 and encompasses approximately 18 square miles within Union City and 7.5 square miles within the City of Hayward for a total of 25.5 square miles. The District operates eight elementary schools, three middle schools, one comprehensive high school, one continuation school, one opportunity school, an adult school and a regional occupational program. There were no District boundary changes during the year.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Linda Canlas	President	2014
Jonas Dino	Clerk	2016
Michael Ritchie	Member	2016
Michelle Matthews	Member	2016
Sarabjit Cheema	Member	2014

ADMINISTRATION

<u>NAME</u>	<u>TITLE</u>
Kari McVeigh	Superintendent
Akur Varadarajan	Chief Business Officer

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Report	
	Second Period Report	Annual Report
ELEMENTARY		
Kindergarten	866	869
First through third	2,664	2,666
Fourth through sixth	2,594	2,593
Seventh and eighth	1,829	1,832
Opportunity schools	-	-
Home and hospital	1	1
Special education	317	324
Total Elementary	<u>8,270</u>	<u>8,284</u>
SECONDARY		
Regular classes	3,700	3,685
Continuation education	187	190
Opportunity schools	-	-
Home and hospital	1	1
Special education	170	169
Total Secondary	<u>4,059</u>	<u>4,045</u>
Total K-12	<u><u>12,329</u></u>	<u><u>12,329</u></u>

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

Grade Level	1982-83	Reduced 1982-83	1986-87	Reduced 1986-87	2012-13	Number of Days		Status	
	Actual Minutes	Actual Minutes	Minutes Requirement	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar		
Kindergarten	32,415	31,515	36,000	35,000	35,000	175	N/A	Complied	
Grades 1 - 3	46,004	44,726	50,400	49,000					
Grade 1					50,995	175	N/A	Complied	
Grade 2					50,995	175	N/A	Complied	
Grade 3					50,995	175	N/A	Complied	
Grades 4 - 6	46,004	44,726	54,000	52,500					
Grade 4					50,995	1	175	N/A	Complied
Grade 5					50,995	1	175	N/A	Complied
Grade 6					54,592		175	N/A	Complied
Grades 7 - 8	55,580	54,036	54,000	52,500					
Grade 7					54,592		175	N/A	Complied
Grade 8					54,592		175	N/A	Complied
Grades 9 - 12	57,930	56,321	64,800	63,000					
Grade 9					64,022		175	N/A	Complied
Grade 10					64,022		175	N/A	Complied
Grade 11					64,022		175	N/A	Complied
Grade 12					64,022		175	N/A	Complied

¹ Complied using the weighted average method, see below:

Weighted average calculation for Elementary Grade 4 & Grade 5:

Minimum Instructional Minutes required

Grade 1 - 3	3x49,000 min.	=	147,000
Grade 4 - 5	2x52,500 min.	=	105,000
Total 1-5		=	252,000
Avg. Instructional Min.required		=	50,400

Actual Instructional Minutes from the sites

Grade 1 - 3	3x 50,995 min.	=	152,985
Grade 4 - 5	2x 50,995 minu	=	101,990
Total		=	254,975
Actual Avg. of Instructional Min.			50,995

Weighted average of instructional minutes are used for Alvarado, Eastin, Emanuele, Hillview Crest, Kitayama, Pioneer, and Searles Elementary Schools.

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

Summarized below are the reconciliations between the Unaudited Actuals and the audited financial statements:

FORM ASSET	Form Asset
Total Capital Assets, June 30, 2013, Unaudited Actuals	\$ 226,120,769
Increase in:	
Land	-
Work in process	801,559
Land improvement	-
Buildings	690,288
Equipment	(62,477)
Accumulated depreciation	7,038
Total Capital Assets, June 30, 2013, Audited Financial Statement	<u>\$ 227,557,177</u>
FORM DEBT	Form Debt
Total Liabilities, June 30, 2013, Unaudited Actuals	\$ 234,451,421
Decrease in:	
General obligation bonds	3,899,277
Postemployment benefit liability (OPEB)	415,717
Other General Long-Term Debt	-
Increase in:	
Bond premium, net of amortization	17,362,342
Total Liabilities, June 30, 2013, Audited Financial Statement	<u>\$ 247,498,769</u>

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

	(Budget) 2014 ¹	2013	2012	2011
GENERAL FUND ⁴				
Revenues	\$ 112,821,040	\$ 97,060,283	\$ 100,434,086	\$ 103,899,859
Other sources	39,500	141,859	2,590,380	1,960,950
Total Revenues and Other Sources	112,860,540	97,202,142	103,024,466	105,860,809
Expenditures	113,276,842	93,281,317	102,430,519	106,467,004
Other uses and transfers out	281,088	2,122,386	200,000	30,000
Total Expenditures and Other Uses	113,557,930	95,403,703	102,630,519	106,497,004
INCREASE (DECREASE) IN FUND BALANCE	\$ (697,390)	\$ 1,798,439	\$ 393,947	\$ (636,195)
ENDING FUND BALANCE	\$ 6,640,802	\$ 7,338,192	\$ 5,539,753	\$ 5,145,806
AVAILABLE RESERVES ²	\$ 4,052,645	\$ 3,972,798	\$ 3,063,647	\$ 3,160,013
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO ³	3.57%	4.30%	3.07%	3.04%
LONG-TERM OBLIGATIONS	\$ 241,191,320	\$ 247,498,469	\$ 245,558,316	\$ 253,496,874
K-12 AVERAGE DAILY ATTENDANCE AT P-2	12,309	12,330	12,410	12,435

The General Fund balance has increased by \$2,192,386 over the past two years. The fiscal year 2013-2014 budget projects a decrease of \$697,390 (9.5 percent). For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating surplus in two of the past three years and anticipates incurring an operating deficit during the 2013-2014 fiscal year. Total long-term debt has decreased by \$5,998,405 over the past two years.

Average daily attendance has decreased by 105 over the past two years. A decrease of 21 ADA is anticipated during fiscal year 2013-2014.

¹ Budget 2014 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the General Fund and the Special Reserve Fund for Other Capital Outlay Projects.

³ On-behalf payments have been excluded from the calculation of available reserves.

⁴ General Fund amounts do not include activities related to the consolidation of the Fund 11, Adult Education and the Fund 17, Special Reserve Non-Capital Fund as required by GASB Statement No. 54.

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013**

	Child Development Fund	Cafeteria Fund	Capital Facilities Fund
ASSETS			
Deposits and investments	\$ 366,383	\$ 712,613	\$ 645,003
Receivables	245,405	414,114	135
Due from other funds	2,381	1,076	-
Stores inventories	-	136,871	-
Total Assets	\$ 614,169	\$ 1,264,674	\$ 645,138
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 471,322	\$ 8,974	\$ 160
Due to other funds	142,847	163,628	-
Total Liabilities	614,169	172,602	160
Fund Balances:			
Nonspendable	-	139,371	-
Restricted	-	952,701	644,978
Total Fund Balance	-	1,092,072	644,978
Total Liabilities and Fund Balances	\$ 614,169	\$ 1,264,674	\$ 645,138

See accompanying note to supplementary information.

Special Reserve Capital Outlay Fund	Non Major Governmental Funds	Total Governmental Funds
\$ 899,513	\$ 2,623,512	\$ 33,782,046
5,498	665,152	17,783,867
45,457	48,914	470,309
-	136,871	136,871
<u>\$ 950,468</u>	<u>\$ 3,474,449</u>	<u>\$ 52,319,731</u>

\$ -	\$ 480,456	\$ 6,155,701
-	306,475	1,220,427
-	786,931	25,516,576
-	139,371	16,682,032
950,468	2,548,147	5,318,903
<u>950,468</u>	<u>2,687,518</u>	<u>26,803,155</u>
<u>\$ 950,468</u>	<u>\$ 3,474,449</u>	<u>\$ 52,319,731</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

	Child Development Fund	Cafeteria Fund	Capital Facilities Fund
REVENUES			
Federal sources	\$ -	\$ 2,337,534	\$ -
Other state sources	1,633,782	182,583	-
Other local sources	804	1,124,088	210,213
Total Revenues	1,634,586	3,644,205	210,213
EXPENDITURES			
Current			
Instruction	1,492,727	-	-
Pupil services:			
Food services	-	3,235,016	-
All other general administration	-	132,433	-
Plant services	-	114,976	2,455
Facility acquisition and construction	-	27,691	-
Total Expenditures	1,492,727	3,510,116	2,455
Excess (Deficiency) of Revenues Over Expenditures	141,859	134,089	207,758
Other Financing Sources (Uses):			
Transfers out	(141,859)	-	-
Net Financing Sources (Uses)	(141,859)	-	-
NET CHANGE IN FUND BALANCES	-	134,089	207,758
Fund Balance - Beginning	-	957,983	437,220
Fund Balance - Ending	\$ -	\$ 1,092,072	\$ 644,978

See accompanying note to supplemental information.

Special Reserve Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,337,534	8,457,384
-	1,816,365	17,658,117
571,844	1,906,949	23,012,034
571,844	6,060,848	115,801,820
-	1,492,727	68,347,007
-	3,235,016	3,235,016
-	132,433	3,697,513
-	117,431	9,600,312
47,643	75,334	1,518,112
47,643	5,052,941	113,697,550
524,201	1,007,907	2,104,270
-	(141,859)	(891,976)
-	(141,859)	(750,117)
524,201	866,048	1,354,153
426,267	1,821,470	25,449,002
\$ 950,468	\$ 2,687,518	\$ 26,803,155

NEW HAVEN UNIFIED SCHOOL DISTRICT

**WELFARE BENEFIT PLANS
STATEMENTS OF PLAN NET POSITION
JUNE 30, 2013 AND 2012**

	New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Certificated and Management Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Classified Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Board and Superintendent		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
ASSETS								
Cash in County Treasury		\$ 6,829		\$ 21,731		\$ -	\$ -	\$ 28,560
Plan sponsor receivable	433,988	440,613	21,730	45	-	4	455,718	440,662
Due from other funds	-	4,077	-	110	750,117	114,339	750,117	118,526
Total Assets	433,988	451,519	21,730	21,886	750,117	114,343	1,205,835	587,748
LIABILITIES								
Overdrafts	418,188	-	18,870	-	181,476	8,449	618,534	8,449
Accounts payable	15,800	451,519	2,860	11,806	1,693	72,094	20,353	535,419
Due to other funds	-	-	-	10,080	-	-	-	10,080
Total Liabilities	433,988	451,519	21,730	21,886	183,169	80,543	638,887	553,948
Net position held in trust for OPEB	\$ -	\$ -	\$ -	\$ -	\$ 566,948	\$ 33,800	\$ 566,948	\$ 33,800

See accompanying note to supplemental information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**WELFARE BENEFIT PLANS
STATEMENTS OF CHANGES IN PLAN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Certificated and Management Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Classified Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Board and Superintendent		Total	
ADDITIONS TO NET POSITION								
Employer contributions	\$ 255,418	\$ 268,320	\$ 142,746	\$ 154,583	\$ 750,117	\$ 231,631	\$ 1,148,281	\$ 654,534
Transfers from investments	433,988	440,612	21,730	-	-	-	455,718	440,612
Investment income (loss)	429	(1,862)	111	169	(131)	(237)	409	(1,930)
Total Additions	689,834	707,070	164,587	154,752	749,987	231,394	1,604,408	1,093,216
DEDUCTIONS FROM NET POSITION								
Benefits paid to participants	664,794	637,470	153,787	138,552	209,916	192,753	1,028,498	968,775
Transfer to investments	-	-	-	123,845	-	-	-	123,845
Administrative costs	25,040	69,600	10,800	27,200	6,922	4,841	42,762	101,641
Total Deductions	689,834	707,070	164,587	289,597	216,838	197,594	1,071,260	1,194,261
Net Increase	-	-	-	(134,845)	533,148	33,800	533,148	(101,045)
NET POSITION HELD IN TRUST FOR OPEB								
Beginning of Year	-	-	-	134,845	33,800	-	33,800	134,845
End of Year	\$ -	\$ -	\$ -	\$ -	\$ 566,948	\$ 33,800	\$ 566,948	\$ 33,800

See accompanying note to supplemental information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2013

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

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

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciliation amounts represent expenditures reported on the Schedule of Expenditure of Federal Awards.

Description	<u>CFDA Number</u>	<u>Amount</u>
Total Federal Revenues From the Statement of Revenues, Expenditures and Changes in Fund Balances:		
Commodities Received	10.555	\$ 8,457,383
Total Schedule of Expenditures of Federal Awards		<u>\$ 8,670,509</u>

Local Education Agency Organization Structure

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirement, whichever is greater, as required by Section 46201.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION (CONTINUED) JUNE 30, 2013

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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

Combining Statements – Fiduciary Trust Funds – Plan Net Position and Changes in Plan Net Position

The Welfare Benefits Plans Statements of Plan Net Position and Statement of Changes in Plan Net Position is included to provide information regarding the individual Trust that have been included in the Welfare Benefits Plans columns on the Net Position and Changes in Plan Net Position Statements.

SUPPLEMENTARY INFORMATION
UNAUDITED

NEW HAVEN UNIFIED SCHOOL DISTRICT

ASSESSED VALUATION OF TAXABLE PROPERTIES AND SECURED TAX CHARGES AND DELINQUENCIES WITHIN THE NEW HAVEN UNIFIED SCHOOL DISTRICT BOUNDARIES - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2013

The total assessed valuation of taxable properties with the New Haven Unified School District boundaries are:

Secured	\$	8,737,550,177
Unsecured		500,123,524
State Utility		2,414,628
Total 2012-13 Assessed Valuation	\$	<u>9,240,088,329</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

**NOTE TO SUPPLEMENTARY INFORMATION - UNAUDITED
JUNE 30, 2013**

NOTE 1 - PURPOSE OF SCHEDULES - UNAUDITED

Assessed Valuation of Taxable Properties and Secured Tax Charges and Delinquencies Within the New Haven Unified School District Boundaries

As part of the District's continuing disclosure certification for reporting to official depositories, the assessed valuation of taxable properties and secured tax charges and delinquencies within the New Haven Unified School District boundaries have been presented. This information was prepared by the Auditor/Controller's Office of Alameda County. We have not audited, and therefore do not express an opinion on this information.

INDEPENDENT AUDITORS' REPORTS



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

Governing Board
New Haven Unified School District
Union City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Haven Unified School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise New Haven Unified School District's basic financial statements, and have issued our report thereon dated December 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Haven Unified School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Haven Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of New Haven Unified 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Haven Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of New Haven Unified School District in a separate letter dated December 11, 2013.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 11, 2013



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Governing Board
New Haven Unified School District
Union City, California

Report on Compliance for Each Major Federal Program

We have audited New Haven Unified School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of New Haven Unified School District's (the District) major Federal programs for the year ended June 30, 2013. New Haven Unified School District's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New Haven Unified School District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about New Haven Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of New Haven Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, New Haven Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of New Haven Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered New Haven Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of New Haven Unified School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 11, 2013



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board
New Haven Unified School District
Union City, California

Report on State Compliance

We have audited New Haven Unified School District's compliance with the types of compliance requirements as identified in the *Standards and Procedures for Audit of California K-12 Local Educational Agencies 2012-2013* that could have a direct and material effect on each of the New Haven Unified School District's State government programs as noted below for the year ended June 30, 2013.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State's programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the New Haven Unified School District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-2013*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about New Haven Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of New Haven Unified School District's compliance with those requirements.

Unmodified Opinion

In our opinion, New Haven Unified 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.

In connection with the audit referred to above, we selected and tested transactions and records to determine the New Haven Unified School District's compliance with the State laws and regulations applicable to the following items:

	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance Accounting:		
Attendance Reporting	6	Yes
Teacher Certification and Misassignments	3	Yes
Kindergarten Continuance	3	Yes
Independent Study	23	Yes
Continuation Education	10	Yes
Instructional Time:		
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 Program (including in charter schools):		
General Requirements	7	Yes
Option One Classes	3	Yes
Option Two Classes	4	Not Applicable
Districts or Charter Schools With Only One School Serving K-3	4	Not Applicable
After School Education and Safety Program:		
General Requirements	4	Not Applicable
After School	5	Not Applicable
Before School	6	Not Applicable
Charter Schools:		
Contemporaneous Records of Attendance	1	Not Applicable
Mode of Instruction	1	Not Applicable
Non Classroom-Based Instruction/Independent Study	15	Not Applicable
Determination of Funding for Non Classroom-Based Instruction	3	Not Applicable
Annual Instruction Minutes Classroom-Based	4	Not Applicable

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 11, 2013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.416</u>	<u>Race to the Top District</u>
<u>84.027, 84.027A, 84.173, 84.173A</u>	<u>Special Education Cluster</u>
<u>84.287</u>	<u>21st Century Learning Centers</u>

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

STATE AWARDS

Type of auditors' report issued on compliance for programs:	<u>Unmodified</u>
---	-------------------

NEW HAVEN UNIFIED SCHOOL DISTRICT

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

None reported.

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

None reported.

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

None reported.

NEW HAVEN UNIFIED SCHOOL DISTRICT

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

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

Financial Statement Findings

2012-1 Attendance (10000)

Criteria or Specific Requirements

Education Code Sections 14502, 14503, and 41020 require accurate reporting of Average Daily Attendance (ADA).

Condition

During our review of attendance records at Conley Carabello School, we noted that the students in one class received apportionment for two days (1/16/12 and 1/23/12) when the school was closed. After further investigation, it appears that the error was due to the school calendar for those days were incorrectly entered in the attendance software as attendance days.

Questioned Costs

.54 ADA - \$2,802

Effect

ADA is overstated by the two days claimed for the independent study students in the class.

Cause

Bell schedules were not properly entered in the attendance software.

Recommendation

The District should implement procedures to include monitor and review the attendance calendar to ensure that school days are entered correctly in the attendance system prior to school starts to ensure proper attendance reporting.

Current Status

Implemented