

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**OF ALAMEDA COUNTY**

**UNION CITY, CALIFORNIA**

**JUNE 30, 2008**

---

**GOVERNING BOARD**

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Kevin Harper	President	2008
Gertrude Gregorio	Clerk	2010
Jonas Dino	Member	2008
Gwen Estes	Member	2010
Jenn Stringer	Member	2008

**ADMINISTRATION**

Dr. Patricia Jaurequi	Superintendent
David Pava	Deputy Superintendent
Carol Gregorich	Chief Business Officer

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## TABLE OF CONTENTS JUNE 30, 2008

---

### **FINANCIAL SECTION**

Independent Auditors' Report	2
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds - Balance Sheet	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	19
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the District-Wide Statement of Activities	22
Proprietary Funds - Statement of Net Assets	23
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Fund Net Assets	24
Proprietary Funds - Statement of Cash Flows	25
Fiduciary Funds - Statement of Net Assets	26
Fiduciary Funds - Statement of Changes in Net Assets	27
Welfare Benefit Plans – Statement of Plan Net Assets	28
Welfare Benefit Plans – Statement of Changes in Plan Net Assets	29
Notes to Financial Statements	30

### **REQUIRED SUPPLEMENTARY INFORMATION**

General Fund - Budgetary Comparison Schedule	56
Schedules of Other Postemployment Benefits (OPEB) Funding Progress and Employer Contribution	57

### **SUPPLEMENTARY INFORMATION**

Schedule of Expenditures of Federal Awards	59
Local Educational Agency Organization Structure	61
Schedule of Average Daily Attendance	62
Schedule of Instructional Time	63
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	64
Schedule of Financial Trends and Analysis	65
Excess Sick Leave	66
Note to Supplementary Information	67

### **SUPPLEMENTARY INFORMATION - UNAUDITED**

Combining Statements - Non-Major Governmental Funds	
Combining Balance Sheet - Unaudited	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Unaudited	71
Assessed Valuation of Taxable Properties and Secured Tax Charges and Delinquencies within the New Haven	
Unified School District Boundaries - Unaudited	73
Note to Unaudited Supplementary Information - Unaudited	74

### **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>	76
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	78
Report on State Compliance	80

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

Summary of Auditors' Results	83
Financial Statement Findings	84
Federal Award Findings and Questioned Costs	85
State Award Findings and Questioned Costs	86
Summary Schedule of Prior Audit Findings	87

---

---

***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

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, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2007-08* issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Haven Unified School District, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the Notes to the basic financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of GASB Statement No. 45 and 43 for the year ended June 30, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information, such as management's discussion and analysis, budgetary comparison information, and schedule of OPEB funding progress, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The unaudited supplementary information listed in the table of contents, including the Combining Statements - Non-Major Governmental Funds and Assessed Valuation are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vavinek, Trine, Day & Co LLP

Pleasanton, California  
January 12, 2009



## NEW HAVEN UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

---

This section of New Haven Unified School District's 2007-2008 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2008. 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 agency funds, which only report a balance sheet and do not have a measurement focus.

The *Fiduciary Activities* include agency funds. Agency funds only report a balance sheet which is prepared on 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, 2008

---

### *FINANCIAL HIGHLIGHTS OF THE PAST YEAR*

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

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

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

These two statements report the District's net assets and changes in them. Net assets are the difference between assets and liabilities, one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. 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 Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Assets* and the *Statement of Activities*, we 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.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

---

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

**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 Assets* and the *Statement of Revenues, Expenses and Changes in Fund Net Assets*. 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, the New Haven Foundation Trust Fund and the Retiree Benefits Funds. The District's fiduciary activities are reported in a separate *Statements of Fiduciary Net Assets*. 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 Assets

The District's net assets were \$42.4 and \$51.6 million for the fiscal years ended 2008, and 2007, respectively. Of this amount, \$3.4 and \$6.0 million were unrestricted for each respective year. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the District's governmental activities.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

**Table 1**

	<b>2008</b>		
	Governmental Activities	Business-Type Activities	School District Activities
Current and other assets	\$ 72,890,547	\$ 323,996	\$ 73,214,543
Capital assets	203,903,547	-	203,903,547
<b>Total Assets</b>	<b>276,794,094</b>	<b>323,996</b>	<b>277,118,090</b>
Current liabilities	14,283,123	37,448	14,320,571
Long-term obligations	220,358,223	-	220,358,223
<b>Total Liabilities</b>	<b>234,641,346</b>	<b>37,448</b>	<b>234,678,794</b>
Net assets			
Invested in capital assets, net of related debt	22,807,763	-	22,807,763
Restricted	16,259,463	-	16,259,463
Unrestricted	3,085,522	286,548	3,372,070
<b>Total Net Assets</b>	<b>\$ 42,152,748</b>	<b>\$ 286,548</b>	<b>\$ 42,439,296</b>

  

	<b>2007</b>		
	Governmental Activities	Business-Type Activities	School District Activities
Current and other assets	\$ 61,349,086	\$ 141,329	\$ 61,490,415
Capital assets	189,121,863	-	189,121,863
<b>Total Assets</b>	<b>250,470,949</b>	<b>141,329</b>	<b>250,612,278</b>
Current liabilities	12,783,253	7,597	12,790,850
Long-term obligations	186,256,314	-	186,256,314
<b>Total Liabilities</b>	<b>199,039,567</b>	<b>7,597</b>	<b>199,047,164</b>
Net assets			
Invested in capital assets, net of related debt	26,261,553	-	26,261,553
Restricted	19,332,695	-	19,332,695
Unrestricted	5,837,134	133,732	5,970,866
<b>Total Net Assets</b>	<b>\$ 51,431,382</b>	<b>\$ 133,732</b>	<b>\$ 51,565,114</b>

In 2008, the \$3.1 million in unrestricted net assets of governmental activities represents the accumulated results of all past years’ operations. It means that if we had to pay off all of our bills as of June 30, 2008, including all of our non-capital liabilities (compensated absences as an example), we would have \$3.1 million left. The unrestricted net assets decreased from \$5,837,134 in 2007 to \$3,085,522 in 2008.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

Changes in Net Assets

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, and rearranges them slightly so you can see our total revenues and expenses for the year.

**Table 2**

	<b>2008</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>School District Activities</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,880,088	\$ 1,610,604	\$ 4,490,692
Operating grants and contributions	28,355,929	-	28,355,929
General revenues:			
Federal and state aid not restricted	61,612,261	-	61,612,261
Property taxes	28,242,561	-	28,242,561
Other general revenues	9,575,810	10,021	9,585,831
<b>Total Revenues</b>	<b>130,666,649</b>	<b>1,620,625</b>	<b>132,287,274</b>
<b>Expenses</b>			
Instruction	86,764,522	-	86,764,522
Instruction related activities	12,061,143	-	12,061,143
Pupil Services	9,896,448	-	9,896,448
General Administration	5,887,991	-	5,887,991
Plant Services	11,025,650	-	11,025,650
Ancillary & Community Services	887,523	-	887,523
Debt Service	11,484,222	-	11,484,222
Other	1,937,784	1,467,808	3,405,592
<b>Total Expenses</b>	<b>139,945,283</b>	<b>1,467,808</b>	<b>141,413,091</b>
<b>Change in Net Assets</b>	<b>\$ (9,278,634)</b>	<b>\$ 152,817</b>	<b>\$ (9,125,817)</b>

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

**Table 2 (Continued)**

	<b>2007</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>School District Activities</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 6,129,868	\$ 1,546,833	\$ 7,676,701
Operating grants and contributions	30,482,397	-	30,482,397
General revenues:			
State revenue limit sources	62,725,199	-	62,725,199
Property taxes	26,489,439	-	26,489,439
Other general revenues	4,372,055	7,527	4,379,582
<b>Total Revenues</b>	<b>130,198,958</b>	<b>1,554,360</b>	<b>131,753,318</b>
<b>Expenses</b>			
Instruction	86,709,238	-	86,709,238
Instruction related activities	12,305,430	-	12,305,430
Pupil Services	9,181,703	-	9,181,703
General Administration	5,006,467	-	5,006,467
Plant Services	10,748,967	-	10,748,967
Ancillary & Community Services	743,419	-	743,419
Debt Service	8,756,167	-	8,756,167
Other	2,474,434	1,524,436	3,998,870
<b>Total Expenses</b>	<b>135,925,825</b>	<b>1,524,436</b>	<b>137,450,261</b>
	<b>\$ (5,726,867)</b>	<b>\$ 29,924</b>	<b>\$ (5,696,943)</b>

Governmental Activities

As reported in the Statement of Activities, the cost of all of our governmental activities was \$139,945,283 and \$135,925,825 for 2008 and 2007, respectively. The amount that taxpayers financed for these activities through local taxes was \$28,242,561 and \$26,489,439 for 2008 and 2007 respectively, because the cost was paid by those who benefited from the programs (\$2,880,088 and \$6,129,868 for 2008 and 2007, respectively) or by other governments and organizations who subsidized certain programs with grants and contributions (\$28,355,929 and \$30,482,397 for 2008 and 2007, respectively). We paid for the remaining “public benefit” portion of our governmental activities with State funds and with other revenues, like interest and general entitlements.

In Table 3, we have presented the expenditures of each of the District’s eight largest functions – instruction, instruction related activities, pupil services, general administration, plant services, ancillary & community services, debt services, and other. This table reports each program’s *net* cost (total cost less revenues generated by the activities). These costs show 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 expenditure 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, 2008**

---

**Table 3**

	<b>2008 Net Cost of Services</b>	<b>2007 Net Cost of Services</b>
Instruction	\$ 69,326,666	\$ 65,391,869
Instruction related activities	8,532,756	9,182,237
Pupil Services	3,816,638	3,448,990
General administration	5,068,852	3,990,253
Plant services	10,121,564	7,262,279
Ancillary & community services	659,391	477,054
Debt Service	9,245,615	8,756,167
Other	1,937,784	804,711
<b>Totals</b>	<b>\$ 108,709,266</b>	<b>\$ 99,313,560</b>

***THE DISTRICT’S FUNDS***

As the District completed this year, our governmental funds reported a combined fund balance of \$62.1 million, which is an increase of \$8.6 million from last year.

The primary reason for this change is due to the increase of \$10.1 million in Building funds from the sale of new General Obligation bonds. The General Fund decreased by \$2.1 million. The Capital Facilities Fund increased \$1.9 million due to the collection of developer fees. The Bond Interest and Redemption Fund increased by \$0.6 million due to timing of bond payments in relation to collections of property taxes. The County School Facilities Fund decreased by \$2.1 million and all other funds remained relatively stable.

***General Fund Budgetary Highlights***

Over the course of the year, the District revises its budget as it attempts to deal with changes in revenues and expenditures. The final amendment to the budget was approved in June, 2008. (A schedule showing the District’s original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 56.

- Significant revenue revisions made to the 2007-08 Budget were due to additional revenue anticipated for federal and state categorical sources.
- Budgeted expenditures increased by an amount consistent with the increase in revenues for federal and state categorical sources.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

***CAPITAL ASSET & DEBT ADMINISTRATION***

*Capital Assets*

At June 30, 2008, the District had \$203,903,547 and \$189,121,863 in 2008 and 2007 respectively, in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase of \$14,781,684. There are no capital assets recorded in the business-type activities.

**Table 4**

	<b>2008</b>	<b>2007</b>
	<b>Governmental Activities</b>	<b>Governmental Activities</b>
Land & Land Improvements	\$ 46,694,713	\$ 45,983,954
Buildings & Improvements	205,365,648	199,012,219
Construction in Progress	34,528,749	24,547,002
Furniture & Equipment	14,484,845	8,506,516
Total Assets	301,073,955	278,049,691
Less Accumulated Depreciation	(97,170,408)	(88,927,828)
Total Assets after Depreciation	<u>\$ 203,903,547</u>	<u>\$ 189,121,863</u>

\$7.1 million of this year’s additions were funded from prior year’s construction in progress. 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 17% from \$190,289,857 to \$223,237,655 in large part due to the issuance of general obligation bonds in the amount of \$29,999,522. Long-term obligations are only recorded in the governmental activities in the government-wide Statement of Net Assets. The Principal outstanding after refunding of the district bonds and inclusion of interest accretion is as follows:

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding Principal End of Year</u>
1998	2023	4.4-6.0%	\$ 10,999,274	\$ 17,506,414
1998	2024	3.9-5.35%	\$ 10,000,766	\$ 11,805,957
2002	2020	3.0-12.0%	\$ 53,785,000	\$ 47,335,000
2003	2030	2.25%	\$ 5,000,000	\$ 4,600,000
2003	2030	4.0-8.0%	\$ 29,999,985	\$ 37,993,969
2006	2030	4.6-6.0%	\$ 16,745,000	\$ 16,745,000
2006	2033	3.9-8.0%	\$ 29,999,346	\$ 31,801,748
2008	2031	3.9-8.0%	\$ 29,999,522	\$ 30,021,932

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

---

**Table 5**

	<b>2008</b>	<b>2007</b>
	<b>Governmental Activities</b>	<b>Governmental Activities</b>
General obligation bonds - Principal	\$ 197,810,020	\$ 164,303,993
General obligation bonds - Premium	24,240,022	25,141,704
Capitalized lease obligations	184,849	271,495
OPEB liability	323,800	-
Accumulated vacation	678,964	572,665
<b>Totals</b>	<b>\$ 223,237,655</b>	<b>\$ 190,289,857</b>

The District's most recent Standard & Poor's general obligation bond rating was "AAA". The State limits the amount of general obligation debt that Districts can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of as of June 30, 2008 is below this \$234 million statutorily - imposed limit.

Other long term obligations include capital lease obligations and accumulated vacation. We present more detailed information regarding our long term liabilities in Note 8 of the financial statements.

### ***SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2007-08 ARE NOTED BELOW:***

1. Completion of the James Logan High School tennis courts, child care center, and fire alarm projects.
2. Completion of Eastin Elementary fire sprinkler systems project

### ***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:***

In considering the District Budget for the 2008/09 year, the District Board and management used the following criteria:

The key assumptions in our adopted budget forecast are:

1. Revenue limit income will increase by 3.7%.
2. Deficit funding will be projected for hourly supplemental programs.
3. No equalization aid will be projected and revenue limit deficit has been eliminated
4. Enrollment is expected to decline by about 200 ADA, so revenue will be based on prior year ADA.

The new items specifically addressed in the budget are:

1. At the time of adoption of the 08/09 budget, the union contracts for 08/09 and forward had not been settled, therefore, no COLA had been calculated on the salary schedules.
2. Budgets will reflect the contract provisions.
3. Salary adjustments for step and column salary increases are included.
4. Utilities were projected to remain flat and supply budgets were adjusted by 2.5% for inflation.
5. The annuity payment of the certificated golden handshake of \$731,355 is budgeted for the fifth of five years.

# **NEW HAVEN UNIFIED SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2008**

---

6. Redevelopment Agency fees will be used to support Restricted Maintenance.
7. Medi-Cal Administrative Activities will be included.
8. A middle school has been closed. The staffing ratios are in place and several positions have been removed.

### ***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 ASSETS  
JUNE 30, 2008**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Deposits and investments	\$ 59,239,029	\$ 302,044	\$ 59,541,073
Receivables	11,151,522	22,133	11,173,655
Internal balances (Due from other funds)	181	(181)	-
Prepaid expenses	8,418	-	8,418
Stores inventories	50,385	-	50,385
Deferred charges	2,441,012	-	2,441,012
Capital assets not depreciated	55,320,997	-	55,320,997
Capital assets, net of accumulated depreciation	148,582,550	-	148,582,550
<b>Total Assets</b>	<b>276,794,094</b>	<b>323,996</b>	<b>277,118,090</b>
<b>LIABILITIES</b>			
Accounts payable	7,888,955	37,448	7,926,403
Interest payable	3,188,754	-	3,188,754
Deferred revenue	325,982	-	325,982
Current portion of long-term obligations	2,879,432	-	2,879,432
Noncurrent portion of long-term obligations	220,358,223	-	220,358,223
<b>Total Liabilities</b>	<b>234,641,346</b>	<b>37,448</b>	<b>234,678,794</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	22,807,763	-	22,807,763
Restricted for:			
Debt service	3,929,671	-	3,929,671
Capital projects	5,331,223	-	5,331,223
Educational programs	5,031,955	-	5,031,955
Other activities	1,966,614	-	1,966,614
Unrestricted	3,085,522	286,548	3,372,070
<b>Total Net Assets</b>	<b>\$ 42,152,748</b>	<b>\$ 286,548</b>	<b>\$ 42,439,296</b>

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, 2008**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Instruction	\$ 86,764,522	\$ 315,421	\$ 16,967,506	\$ 154,929
Instruction-related activities:				
Supervision of instruction	4,074,469	30,836	2,630,386	-
Instructional library, media, and technology	1,044,395	23	199,640	-
School site administration	6,942,279	31,511	635,991	-
Pupil services:				
Home-to-school transportation	2,830,863	292,403	1,386,646	-
Food services	3,358,126	1,726,797	1,554,108	-
All other pupil services	3,707,459	4,143	1,115,713	-
General administration:				
Data processing	832,953	-	5,453	-
All other general administration	5,055,038	80,064	733,622	-
Plant services	11,025,650	69,318	834,768	-
Ancillary services	675,191	98,981	45,102	-
Community services	212,332	-	84,049	-
Interest on long-term debt	11,484,222	230,591	2,008,016	-
Other outgo	1,937,784	-	-	-
<b>Total Governmental-Type Activities</b>	<b>139,945,283</b>	<b>2,880,088</b>	<b>28,201,000</b>	<b>154,929</b>
<b>Business-Type Activities</b>				
Enterprise services	1,467,808	1,610,604	-	-
<b>Total School District</b>	<b>\$ 141,413,091</b>	<b>\$ 4,490,692</b>	<b>\$ 28,201,000</b>	<b>\$ 154,929</b>

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 Assets**

- Net Assets - Beginning
- Net Assets - Ending

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

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

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
\$ (69,326,666)	\$ -	\$ (69,326,666)
(1,413,247)	-	(1,413,247)
(844,732)	-	(844,732)
(6,274,777)	-	(6,274,777)
(1,151,814)	-	(1,151,814)
(77,221)	-	(77,221)
(2,587,603)	-	(2,587,603)
(827,500)	-	(827,500)
(4,241,352)	-	(4,241,352)
(10,121,564)	-	(10,121,564)
(531,108)	-	(531,108)
(128,283)	-	(128,283)
(9,245,615)	-	(9,245,615)
(1,937,784)	-	(1,937,784)
<u>(108,709,266)</u>	<u>-</u>	<u>(108,709,266)</u>
-	142,796	142,796
<u>(108,709,266)</u>	<u>142,796</u>	<u>142,796</u>
18,692,012	-	18,692,012
9,549,736	-	9,549,736
813	-	813
61,612,261	-	61,612,261
771,038	10,021	781,059
8,804,772	-	8,804,772
<u>99,430,632</u>	<u>10,021</u>	<u>99,440,653</u>
(9,278,634)	152,817	(9,125,817)
51,431,382	133,731	51,565,113
<u>\$ 42,152,748</u>	<u>\$ 286,548</u>	<u>\$ 42,439,296</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2008**

	<b>General Fund</b>	<b>Building Fund</b>	<b>Capital Facilities Fund</b>
<b>ASSETS</b>			
Deposits and investments	\$ 1,820,302	\$ 38,698,095	\$ 7,470,862
Receivables	9,275,296	261,800	60,920
Due from other funds	1,056,769	-	-
Prepaid expenses	8,418	-	-
Stores inventories	-	-	-
<b>Total Assets</b>	<b>\$ 12,160,785</b>	<b>\$ 38,959,895</b>	<b>\$ 7,531,782</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 3,122,755	\$ 3,885,102	\$ 20,708
Due to other funds	87,978	621	818,950
Deferred revenue	325,982	-	-
<b>Total Liabilities</b>	<b>3,536,715</b>	<b>3,885,723</b>	<b>839,658</b>
<b>Fund Balances:</b>			
Reserved for:			
Legally restricted balances	5,031,955	-	-
Other reservations	58,418	-	-
Unreserved:			
Designated	3,446,836	35,074,172	-
Undesignated, reported in:			
General Fund	86,861	-	-
Debt service funds	-	-	-
Capital projects funds	-	-	6,692,124
<b>Total Fund Balance</b>	<b>8,624,070</b>	<b>35,074,172</b>	<b>6,692,124</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,160,785</b>	<b>\$ 38,959,895</b>	<b>\$ 7,531,782</b>

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

---

<b>Bond Interest and Redemption Fund</b>	<b>Non Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 7,129,248	\$ 4,120,522	\$ 59,239,029
52,519	1,309,373	10,959,908
-	88,903	1,145,672
-	-	8,418
-	50,385	50,385
<u>\$ 7,181,767</u>	<u>\$ 5,569,183</u>	<u>\$ 71,403,412</u>

\$ -	\$ 860,390	\$ 7,888,955
-	212,822	1,120,371
-	-	325,982
<u>-</u>	<u>1,073,212</u>	<u>9,335,308</u>

-	-	5,031,955
-	52,885	111,303
-	4,443,086	42,964,094
-	-	86,861
7,181,767	-	7,181,767
-	-	6,692,124
<u>7,181,767</u>	<u>4,495,971</u>	<u>62,068,104</u>
<u>\$ 7,181,767</u>	<u>\$ 5,569,183</u>	<u>\$ 71,403,412</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2008**

---

<b>Total Fund Balance - Governmental Funds</b>		<b>\$ 62,068,104</b>
<b>Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 301,073,955	
Accumulated depreciation is	<u>(97,170,408)</u>	
Net Capital Assets		203,903,547
In governmental funds, long term receivables for special education mandate settlements are not recognized, however it is recognized in governmental-wide financial statements.		166,494
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		2,441,012
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.		(3,188,754)
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	(197,810,020)	
Capital leases payable	(184,849)	
Other postemployment benefits (OPEB)	(323,800)	
Compensated absences (vacations)	(678,964)	
Premiums, net of amortization	<u>(24,240,022)</u>	
Total Long-Term Liabilities		<u>(223,237,655)</u>
<b>Total Net Assets - Governmental Activities</b>		<b><u>\$ 42,152,748</u></b>

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, 2008**

	<b>General Fund</b>	<b>Building Fund</b>	<b>Capital Facilities Fund</b>
<b>REVENUES</b>			
Revenue limit sources	\$ 73,577,685	\$ -	\$ -
Federal sources	4,779,124	-	-
Other state sources	20,867,833	-	-
Other local sources	9,594,792	967,815	3,007,962
<b>Total Revenues</b>	<b>108,819,434</b>	<b>967,815</b>	<b>3,007,962</b>
<b>EXPENDITURES</b>			
Current			
Instruction	75,427,092	-	-
Instruction-related activities:			
Supervision of instruction	3,970,647	-	-
Instructional library, media and technology	1,039,574	-	-
School site administration	6,512,264	-	-
Pupil services:			
Home-to-school transportation	2,826,698	-	-
Food services	2,635	-	-
All other pupil services	3,697,013	-	-
General administration:			
Data processing	826,807	-	-
All other general administration	4,532,474	-	-
Plant services	9,923,949	-	-
Facility acquisition and construction	-	20,300,123	262,491
Ancillary services	675,191	-	-
Community services	212,107	-	-
Other outgo	1,937,784	-	-
Debt service			
Principal	86,646	-	-
Interest and other	11,900	-	-
<b>Total Expenditures</b>	<b>111,682,781</b>	<b>20,300,123</b>	<b>262,491</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,863,347)</b>	<b>(19,332,308)</b>	<b>2,745,471</b>
<b>Other Financing Sources (Uses):</b>			
Transfers in	1,429,709	65,396	-
Other sources	-	29,999,522	-
Transfers out	(626,423)	(590,423)	(818,950)
<b>Net Financing Sources (Use)</b>	<b>803,286</b>	<b>29,474,495</b>	<b>(818,950)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,060,061)</b>	<b>10,142,187</b>	<b>1,926,521</b>
<b>Fund Balance - Beginning</b>	<b>10,684,131</b>	<b>24,931,985</b>	<b>4,765,603</b>
<b>Fund Balance - Ending</b>	<b>\$ 8,624,070</b>	<b>\$ 35,074,172</b>	<b>\$ 6,692,124</b>

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

<b>Bond Interest and Redemption Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 73,577,685
-	2,007,369	6,786,493
91,010	4,122,242	25,081,085
<u>9,654,774</u>	<u>2,058,368</u>	<u>25,283,711</u>
<u>9,745,784</u>	<u>8,187,979</u>	<u>130,728,974</u>
-	3,092,449	78,519,541
-	90,369	4,061,016
-	-	1,039,574
-	426,282	6,938,546
-	-	2,826,698
-	3,355,491	3,358,126
-	10,446	3,707,459
-	-	826,807
-	175,997	4,708,471
-	1,329,746	11,253,695
-	2,196,057	22,758,671
-	-	675,191
-	-	212,107
-	-	1,937,784
2,065,000	-	2,151,646
<u>8,080,192</u>	-	<u>8,092,092</u>
<u>10,145,192</u>	<u>10,676,837</u>	<u>153,067,424</u>
<u>(399,408)</u>	<u>(2,488,858)</u>	<u>(22,338,450)</u>
-	626,423	2,121,528
987,070	-	30,986,592
-	(85,732)	(2,121,528)
<u>987,070</u>	<u>540,691</u>	<u>30,986,592</u>
587,662	(1,948,167)	8,648,142
<u>6,594,105</u>	<u>6,444,138</u>	<u>53,419,962</u>
<u>\$ 7,181,767</u>	<u>\$ 4,495,971</u>	<u>\$ 62,068,104</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE DISTRICT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2008**

<b>Total Net Change in Fund Balances - Governmental Funds</b>		<b>\$ 8,648,142</b>
<b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statements of activities.		
This is the amount by which capital outlays exceeds capital outlays in the period.		
Depreciation expense	\$ (8,242,581)	
Capital outlays	<u>23,024,265</u>	
Net Expense Adjustment		14,781,684
Special education mandate settlement received in current fiscal year was accrued in 2001-02 in the governmental funds, therefore it is excluded in the statement of activities.		(51,285)
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).		(106,299)
Proceeds received from the Sale of Bonds, including bond premium, is a revenue in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities.		(30,986,592)
Payment of costs for the issuance of certificates of participation or bonds is an expenditure in the governmental funds, but is recorded as a prepaid expense and amortized on the statement of net assets over the life of the bonds.		620,841
Payment of principal on long-term liabilities, such as for bonds and capital leases, is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		2,151,646
The liability for postemployment benefits (OPEB) is not recorded in the governmental funds, but is an expense on the statement of activities.		(323,800)
Interest on long-term debt differs between the governmental funds and the statement of activities due to the following:		
Change in accrued interest	(225,492)	
Addition of accreted interest	(5,571,505)	
Amortization of bond premium	1,888,752	
Amortization of cost of issuance	<u>(104,726)</u>	
		<u>(4,012,971)</u>
<b>Change in Net Assets of Governmental Activities</b>		<b>\$ (9,278,634)</b>

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
JUNE 30, 2008**

---

	<b>Business-Type Activities Enterprise Funds Kids First</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Deposits and investments	\$ 302,044
Receivables	22,133
<b>Total Current Assets</b>	<u>324,177</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	37,448
Due to other funds	181
<b>Total Current Liabilities</b>	<u>37,629</u>
<b>NET ASSETS</b>	
Unrestricted	286,548
<b>Total Net Assets</b>	<u>\$ 286,548</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 ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Kids</b>
	<b>First</b>
	<hr/>
<b>OPERATING REVENUES</b>	
Local and intermediate sources	\$ 1,610,604
<b>Total Operating Revenues</b>	<hr/> <b>1,610,604</b> <hr/>
<b>OPERATING EXPENSES</b>	
Payroll costs	1,399,119
Supplies and materials	28,095
Facility rental	105
Other operating cost	40,489
<b>Total Operating Expenses</b>	<hr/> <b>1,467,808</b> <hr/>
<b>Operating Income</b>	<hr/> <b>142,796</b> <hr/>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	10,021
<b>Total Nonoperating Revenues (Expenses)</b>	<hr/> <b>10,021</b> <hr/>
<b>Change in Net Assets</b>	152,817
<b>Total Net Assets - Beginning</b>	<hr/> 133,731 <hr/>
<b>Total Net Assets - Ending</b>	<hr/> <b>\$ 286,548</b> <hr/>

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, 2008**

---

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Kids First</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from user charges	\$ 1,613,229
Cash payments to employees for services	(1,546,581)
Cash payments to suppliers for goods and services	(38,993)
Net Cash Provided by Operating Activities	<u>27,655</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	10,593
Net Cash Provided (Used) from Investing Activities	<u>10,593</u>
Net Increase in Cash and Cash Equivalents	38,248
Cash and Cash Equivalents - Beginning	263,796
Cash and Cash Equivalents - Ending	<u>\$ 302,044</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income	\$ 142,796
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Receivables	2,625
Accrued liabilities	29,851
Due to other fund	(147,617)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 27,655</u>

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2008**

---

	<b>Retiree Benefits Trusts</b>
<b>ASSETS</b>	
Deposits and investments	\$ 364,546
Receivables	170,947
<b>Total Assets</b>	<u>535,493</u>
<b>LIABILITIES</b>	
Accounts payable	-
Due to student groups	-
Due to other funds	25,120
<b>Total Liabilities</b>	<u>25,120</u>
<b>NET ASSETS</b>	
Held in trust	510,373
<b>Total Net Assets</b>	<u>\$ 510,373</u>

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

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## FIDUCIARY FUNDS STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2008

---

	<b>Retiree Benefits Trusts</b>	<b>Foundation</b>
<b>ADDITIONS</b>		
Private donations	\$ -	\$ 13,633
District contributions	713,413	-
Interest and investment earnings	180,695	5,951
<b>Total Additions</b>	<u>894,108</u>	<u>19,584</u>
<b>DEDUCTIONS</b>		
Other expenditures	<u>833,851</u>	<u>538,814</u>
<b>Total Deductions</b>	<u>833,851</u>	<u>538,814</u>
<b>Change in Net Assets</b>	60,257	(519,230)
<b>Net Assets - Beginning</b>	<u>450,116</u>	<u>519,230</u>
<b>Net Assets - Ending</b>	<u>\$ 510,373</u>	<u>\$ -</u>

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**WELFARE BENEFIT PLANS  
STATEMENTS OF PLAN NET ASSETS  
AS OF JUNE 30, 2008 AND 2007**

	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	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>ASSETS</b>								
Investments	\$ -	\$ -	\$ 38,694	\$ 53,170	\$ 474,955	\$ 423,546	\$ 513,649	\$ 476,716
Plan sponsor receivable	166,543	244,285	399	808	4,005	3,944	170,947	249,037
<b>Total Assets</b>	<b>166,543</b>	<b>244,285</b>	<b>39,093</b>	<b>53,978</b>	<b>478,960</b>	<b>427,490</b>	<b>684,596</b>	<b>725,753</b>
<b>LIABILITIES</b>								
Overdrafts	149,103	183,612	-	-	-	-	149,103	183,612
Accounts payable	-	28,033	6,880	10,868	800	6,644	7,680	45,545
Due to other funds	17,440	32,640	-	12,160	-	1,680	17,440	46,480
<b>Total Liabilities</b>	<b>166,543</b>	<b>244,285</b>	<b>6,880</b>	<b>23,028</b>	<b>800</b>	<b>8,324</b>	<b>174,223</b>	<b>275,637</b>
Net assets held in trust for OPEB	\$ -	\$ -	\$ 32,213	\$ 30,950	\$ 478,160	\$ 419,166	\$ 510,373	\$ 450,116

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**WELFARE BENEFIT PLANS  
STATEMENTS OF CHANGES IN PLAN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	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	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>ADDITIONS TO NET ASSETS</b>								
Employer contributions	\$ 319,706	\$ 305,388	\$ 193,707	\$ 178,441	\$ 200,000	\$ 200,000	\$ 713,413	\$ 683,829
Transfers from investments	166,542	185,567	-	-	-	-	166,542	185,567
Investment income	145	(213)	1,685	1,934	12,323	13,385	14,153	15,106
<b>Total Additions</b>	<b>486,393</b>	<b>490,742</b>	<b>195,392</b>	<b>180,375</b>	<b>212,323</b>	<b>213,385</b>	<b>894,108</b>	<b>884,502</b>
<b>DEDUCTIONS FROM NET ASSETS</b>								
Benefits paid to participants	451,553	458,102	176,910	65,730	137,529	126,744	765,992	650,576
Transfer to investments	-	-	-	80,140	-	-	-	80,140
Administrative costs	34,840	32,640	17,219	18,821	15,800	1,680	67,859	53,141
<b>Total Deductions</b>	<b>486,393</b>	<b>490,742</b>	<b>194,129</b>	<b>164,691</b>	<b>153,329</b>	<b>128,424</b>	<b>833,851</b>	<b>783,857</b>
<b>Net Increase</b>	<b>-</b>	<b>-</b>	<b>1,263</b>	<b>15,684</b>	<b>58,994</b>	<b>84,961</b>	<b>60,257</b>	<b>100,645</b>
<b>NET ASSETS HELD IN TRUST FOR OPEB</b>								
Beginning of Year	-	-	30,950	15,266	419,166	334,205	450,116	349,471
<b>End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,213</b>	<b>\$ 30,950</b>	<b>\$ 478,160</b>	<b>\$ 419,166</b>	<b>\$ 510,373</b>	<b>\$ 450,116</b>

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

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

---

### 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, 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.

#### Other Related Entities

**Public Entity Risk Pools and Joint Powers Authorities** The District is associated with two public entity risk pools and four joint powers authorities. These organizations do not meet the criteria for inclusion as component units of the District. Additional information is presented in Note 14 to the financial statements. These organizations are:

- School Excess Liability Fund
- Alameda County Schools Insurance Group
- Mission Valley Regional Occupational Program
- Mission Valley SELPA
- South County Transportation Group
- California Educational Computer Consortium

#### 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

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

---

or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

### Major Governmental Funds

**General Fund** The General Fund is the chief operating fund for all Districts. It is used to account for the ordinary operations of a District. All transactions except those required or permitted by law to be in another fund are accounted for in this fund.

**Building Fund** The Building Fund exists primarily to account separately for proceeds from sale of bonds and acquisition of major governmental capital facilities and buildings.

**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).

**Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used to account for the accumulation or resources for, and the repayment of, district bonds, interest, and related costs.

### Non-Major Governmental Funds

**Special Revenue Funds** The Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts or for major capital projects) that are restricted to the financing of particular activities:

**Adult Education Fund** The Adult Education Fund is used to account separately for federal, State, and local revenues for adult education programs and is to be expended for adult education purposes only.

**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).

**Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code* sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

**Special Reserve Fund for Other Than Capital Outlay Projects** The Special Reserve for Other Than Capital Outlay Projects is used primarily to provide for the accumulation of General Fund monies for general operating purposes other than for capital outlay (*Education Code* Section 42840).

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

**Debt Service Funds** The Debt Service Funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

**Tax Override Fund** The Tax Override Fund is used for the repayment of voted indebtedness (other than Bond Interest and Redemption Fund repayments) to be financed from ad valorem tax levies.

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

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

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Proprietary funds 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 fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

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 Foundation Trust and three Retiree Benefit Trusts. The District ended its trustee relationship with the Foundation Trust during the year and the fund was closed.

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

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

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

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. The District's agency fund accounts for student body activities (ASB). Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. 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 assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other activities result from special revenue funds and the restrictions on their net asset use.

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental 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, 2008

---

**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 assets. The statement of changes in fund net assets 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, 2008**

---

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. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

### **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, 2008, 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.

### **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 the expenditures when incurred.

### **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.

### **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 assets. 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, 2008**

---

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 assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

### **Compensated Absences**

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

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

### **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.

### **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

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

### **Fund Balance Reserves and Designations**

The District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for revolving cash accounts, stores inventories, prepaid expenditures (expenses), and legally restricted grants and entitlements.

Designations of fund balances consist of that portion of the fund balance that has been designated (set aside) by the governing board to provide for specific purposes or uses. Fund balance designations have been established for economic uncertainties and other purposes.

### **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

### **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.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

---

### Estimates

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

### Budgetary Data

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

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on behalf payments have 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

The District implemented, GASB issued GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* effective July 1, 2007. This Statement required the District to recognize an expense and related liability (asset) in the government-wide financial statement of net assets and activities for the estimated liability associated with providing other postemployment benefits (OPEB) as part of the total compensation offered to employees. Note disclosures and required supplementary information (RSI) has also been provided in these financial statements as required under the standard.

This Statement provided for prospective implementation - that is, that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. The District had an annual required contribution of \$523,800 for the year ended June 30, 2008, and made a contribution of \$200,000 resulting in an OPEB obligation of \$323,800. Additional information is provided at Note 9.

In July 2004, GASB issued GASBS No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The standards in this Statement apply for OPEB trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them. This Statement also provides requirements for reporting of OPEB funds by administrators of multiple-employer OPEB plans, when the fund used to accumulate assets and pay benefits or premiums when due is not a trust fund. The District has implemented the provisions of this Statement for the fiscal year ended June 30, 2008.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

### **New Accounting Pronouncements**

In May 2007, GASB issued GASBS No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employers*, to conform with requirements of Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement is effective for periods beginning after June 15, 2007, except for requirements related to the use of the entry age actuarial cost method for the purpose of reporting a surrogate funded status and funding progress of plans that use the aggregate actuarial cost method, which are effective for periods for which the financial statements and RSI contain information resulting from actuarial valuations as of June 15, 2007, or later. Early implementation is encouraged. The District will provide the necessary disclosures in its financial statements ending June 30, 2009.

In June 2007, GASB issued GASBS No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The provisions of this Statement generally are required to be applied retroactively. For governments that were classified as phase 1 or phase 2 governments for the purpose of implementing Statement No. 34, retroactive reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980, except for those considered to have indefinite useful lives as of the effective date of this Statement and those that would be considered internally generated. The District does not anticipate any effect on its financial statements as a result of implementation of this standard since it currently does not hold any intangible assets.

In November 2007, GASB issued GASBS No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The guidance in this Statement is effective for financial statements for reporting periods beginning after June 15, 2008, with earlier application encouraged. The District does not anticipate any effect on its financial statements as a result of implementation of this standard since it currently does not hold any land or other real estate as investments.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

In June 2008, GASB issued GASBS No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement is intended to improve how State and local governments report information about derivative instruments - financial arrangements used by governments to manage specific risks or make investments - in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application encouraged. The District does not anticipate any effect on its financial statements as a result of implementation of this standard since it currently does not hold any derivative instruments.

### NOTE 2 – DEPOSITS AND INVESTMENTS

#### Summary of Deposits and Investments

Deposits and investments as of June 30, 2008, are classified in the accompanying financial statements as follows:

Governmental activities	\$59,239,029
Business-type activities	302,044
Fiduciary funds	<u>560,542</u>
Total Deposits and Investments	<u><u>\$60,101,615</u></u>

Deposits and investments as of June 30, 2008, consist of the following:

Cash on hand and in banks	\$ 195,996
Cash in revolving	52,500
Investments	<u>59,853,119</u>
Total Deposits and Investments	<u><u>\$60,101,615</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, 2008**

**Investment in the State Investment Pool** - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

**General Authorizations**

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

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	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 and LAIF.

The District monitors the interest rate risk inherent in its portfolio by depositing most of its funds in the County Treasury Pool. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>
County Pool	\$ 48,664,362	0.92
State Investment Pool	11,188,757	0.58
Total	<u>\$ 59,853,119</u>	

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

### 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, LAIF, and Certificates of Deposit are not required to be rated, nor have they been rated as of June 30, 2008.

### Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2008, approximately \$1,754,000 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, 2008, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Capital Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total	Proprietary Funds	Fiduciary Funds
Federal Government								
Categorical aid	\$ 1,646,570	\$ -	\$ -	\$ -	\$ 511,977	\$ 2,158,547	\$ -	\$ -
State Government								
Apportionment	4,530,580	-	-	-	205,734	4,736,314	-	-
Categorical aid	530,625	-	-	-	524,192	1,054,817	-	-
Lottery	883,133	-	-	-	-	883,133	-	-
Local Government								
Interest	62,838	155,889	59,189	52,519	44,531	374,966	2,475	4,404
Other Local Sources	1,621,550	105,911	1,731	-	22,939	1,752,131	19,658	166,543
Total	<u>\$ 9,275,296</u>	<u>\$ 261,800</u>	<u>\$ 60,920</u>	<u>\$ 52,519</u>	<u>\$ 1,309,373</u>	<u>\$ 10,959,908</u>	<u>\$ 22,133</u>	<u>\$ 170,947</u>

Long term receivables consist of the Special Education mandated settlement in the amount of \$166,494, which will be received at a rate of \$59,996 (including interest component) each year for the next three years.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	20,792,248	\$ -	\$ -	20,792,248
Construction in Progress	24,547,001	17,045,907	7,064,159	34,528,749
Total Capital Assets				
Not Being Depreciated	45,339,250	17,045,907	7,064,159	55,320,997
Capital Assets Being Depreciated:				
Land Improvements	25,191,706	710,759	-	25,902,465
Buildings and Improvements	199,012,219	6,353,429	-	205,365,648
Furniture and Equipment	8,506,516	5,991,769	13,440	14,484,845
Total Capital Assets Being				
Depreciated	232,710,441	13,055,957	13,440	245,752,958
Total Capital Assets	278,049,691	30,101,864	7,077,599	301,073,955
Less Accumulated Depreciation:				
Land Improvements	17,558,880	1,549,968	-	19,108,848
Buildings and Improvements	66,292,094	5,952,920	-	72,245,014
Furniture and Equipment	5,076,853	742,093	2,400	5,816,546
Total Accumulated Depreciation	88,927,828	8,244,981	2,400	97,170,408
Governmental Activities Capital				
Assets, Net	<u>\$ 189,121,863</u>	<u>\$ 21,856,883</u>	<u>\$ 7,075,199</u>	<u>\$ 203,903,547</u>

Depreciation expense of \$8,244,981 was charged as a direct expense to the instruction function.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

---

**NOTE 5 – INTERFUND TRANSACTIONS**

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

Interfund receivable and payable balances at June 30, 2008, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

	Due From	Due To	
		General Fund	Non-Major Governmental Funds
General Fund	\$ -	\$ 87,978	\$ 87,978
Building Fund	621	-	621
Capital Facilities	818,950	-	818,950
Non-Major Governmental funds	211,897	925	212,822
Proprietary funds	181	-	181
Fiduciary funds	25,120	-	25,120
Total	<u>\$ 1,056,769</u>	<u>\$ 88,903</u>	<u>\$ 1,145,672</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.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**Operating Transfers**

Interfund transfers for the year ended June 30, 2008, consisted of the following:

Transfer To	Transfer From				Total
	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 590,423	\$ 818,950	\$ 20,336	\$ 1,429,709
Building Fund	-	-	-	65,396	65,396
Non-Major Governmental funds	626,423	-	-	-	626,423
Total	<u>\$ 626,423</u>	<u>\$ 590,423</u>	<u>\$ 818,950</u>	<u>\$ 85,732</u>	<u>\$ 2,121,528</u>

The General Fund transferred to the Deferred Maintenance Fund for District match	\$ 590,423
The General Fund transferred to Special Reserve Non Capital Outlay Fund for copier usage	36,000
The Building Fund transferred to the General Fund for deferred maintenance match	590,423
The County School Facilities Fund transferred to the Building Fund for project close out savings	65,396
The Capital Facilities Fund transferred to the General Fund for contribution to restricted maintenance	818,950
The Special Reserve Non Capital Outlay Fund transferred to the General Fund for copier purchase	9,120
The Child Development Fund transferred to the General Fund for interest allocations	9,365
The Tax Override Fund transferred to the General Fund for interest allocations	1,851
Total	<u>\$ 2,121,528</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, 2008**

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2008, consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Funds
Vendor payables	\$ 1,338,837	\$ 3,885,102	\$ 20,708	\$ 766,694	\$ 6,011,341	\$ 687
State apportionment	10,664	-	-	-	10,664	-
Salaries and benefits	1,773,254	-	-	93,696	1,866,950	36,761
Total	<u>\$ 3,122,755</u>	<u>\$ 3,885,102</u>	<u>\$ 20,708</u>	<u>\$ 860,390</u>	<u>\$ 7,888,955</u>	<u>\$ 37,448</u>

**NOTE 7 - DEFERRED REVENUE**

Deferred revenue at June 30, 2008, consists of the following:

	General Fund
Federal financial assistance	\$ 250,725
State categorical aid	56,708
Other local	18,549
Total	<u>\$ 325,982</u>

**NOTE 8 - LONG-TERM OBLIGATIONS**

**Summary**

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

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008	Due in One Year
General obligation bonds	\$ 164,303,993	\$ 35,571,027	\$ 2,065,000	\$ 197,810,020	\$ 2,788,990
Add: Premium	25,141,704	987,070	1,888,752	24,240,022	-
Subtotal general obligation bonds	189,445,697	36,558,097	3,953,752	222,050,042	2,788,990
Accumulated vacation - net	572,665	106,299	-	678,964	-
Capital leases	271,495	-	86,646	184,849	90,442
OPEB Liability	-	323,800	-	323,800	-
Total	<u>\$ 190,289,857</u>	<u>\$ 36,988,196</u>	<u>\$ 4,040,398</u>	<u>\$ 223,237,655</u>	<u>\$ 2,879,432</u>

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

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**Bonded Debt**

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds	Interest Issued	Interest Accretion	Redeemed	Bonds
				Outstanding July 1, 2007				Outstanding June 30, 2008
1998	2023	4.4-6.0%	10,999,274	\$ 17,111,050	\$ -	\$ 395,364	\$ -	\$ 17,506,414
1998	2024	3.9-5.35%	10,000,766	10,804,321	-	1,001,636	-	11,805,957
2002	2020	3.0-12.0%	53,785,000	49,350,000	-	-	2,015,000	47,335,000
2003	2030	2.25%	5,000,000	4,650,000	-	-	50,000	4,600,000
2003	2030	4.0-8.0%	29,999,985	35,113,143	-	2,880,826	-	37,993,969
2006	2030	4.6-6.0%	16,745,000	16,745,000	-	-	-	16,745,000
2006	2033	3.9-8.0%	29,999,346	30,530,479	-	1,271,269	-	31,801,748
2008	2031	3.9-8.0%	29,999,522	-	29,999,522	22,410	-	30,021,932
				<u>\$ 164,303,993</u>	<u>\$ 29,999,522</u>	<u>\$ 5,571,505</u>	<u>\$ 2,065,000</u>	<u>\$ 197,810,020</u>

**Debt Service Requirements to Maturity**

The bonds mature through 2033 as follows:

Fiscal Year	Principal	Interest to Maturity	Accreted Interest
2009	\$ 2,788,990	\$ 7,927,577	\$ 76,010
2010	3,144,979	8,192,599	345,021
2011	3,731,816	7,899,020	388,184
2012	4,184,705	7,876,659	745,295
2013	4,855,753	7,630,831	924,247
2014-2018	34,315,223	36,102,526	10,554,777
2019-2023	45,298,883	40,201,589	27,881,117
2024-2028	29,930,644	66,511,341	58,569,356
2029-2033	47,793,293	41,295,995	37,166,709
Total	176,044,285	<u>\$ 223,638,138</u>	<u>\$ 136,650,717</u>
Accreted Interest	21,765,735		
	<u>\$ 197,810,020</u>		

**Defeasance of Debt Obligations**

In prior years, the District has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U. S. government securities and placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore, removed as a liability from the District's Long-Term Obligations. As of June 30, 2008, all amounts had been disbursed from the trust funds and there were no amounts of defeased debt outstanding but removed from the Long-Term Obligations.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**Accumulated Unpaid Employee Vacation**

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2008, amounted to \$678,964

**Capital Leases**

The District has entered into various capital lease arrangements and has recorded capital assets in the amount of \$1,126,494 with corresponding estimated accumulated depreciation of \$476,290 at June 30, 2008. The District's liability on lease agreements with options to purchase are summarized below:

	<u>Buses</u>	<u>Buses</u>	<u>Total</u>
Balance, July 1, 2007	\$ 126,217	\$ 145,278	\$ 271,495
Payments	40,089	46,557	86,646
Balance, July 1, 2008	<u>\$ 86,128</u>	<u>\$ 98,721</u>	<u>\$ 184,849</u>

The capital leases have minimum lease payments as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Lease</u> <u>Payment</u>
2009	\$ 98,546
2010	98,546
Total	197,092
Less: Amount Representing Interest	12,243
Present Value of Minimum Lease Payments	<u>\$ 184,849</u>

**NOTE 9 - 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 20 retirees and beneficiaries currently receiving benefits and three 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 2007-08, the District contributed \$200,000 to the plan, the majority of which was used for current premiums.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**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	\$ 523,800
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	523,800
Contributions made	<u>(200,000)</u>
Increase in net OPEB obligation	323,800
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>\$ 323,800</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2008 was as follows:

Year Ended June 30	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
2008	\$ 523,800	-38%	\$ 323,800

**Funded Status and Funding Progress**

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

**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.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

In the June 30, 2007, actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 3.25 percent investment rate of return (net of administrative expenses), based on the plan being funded in an irrevocable employee benefit trust invested in a long-term fixed income portfolio. Healthcare cost trend rates ranged from an initial 15 percent to an ultimate rate of 5 percent. The cost trend rate used for the Dental program was 1 - 5 percent. The UAAL is being amortized at a level dollar method for a static 20 years. The remaining amortization period at July 1, 2007, was 20 years. The actuarial value of assets was determined at \$419,200.

### NOTE 10 - FUND BALANCES

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

	General	Building	Capital Facilities	Bond Interest and Redemption	Non-Major Governmental Funds	Total
<b>Reserved</b>						
Revolving cash	\$ 50,000	\$ -	\$ -	\$ -	\$ 2,500	\$ 52,500
Stores inventory	-	-	-	-	50,385	50,385
Prepaid expenditures	8,418	-	-	-	-	8,418
Restricted programs	5,031,955	-	-	-	-	5,031,955
<b>Total Reserved</b>	<b>5,090,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,885</b>	<b>5,143,258</b>
<b>Unreserved</b>						
<b>Designated</b>						
Economic uncertainties	3,284,167	-	-	-	-	3,284,167
Other designation	162,669	35,074,172	-	-	4,443,086	39,679,927
<b>Total Designated</b>	<b>3,446,836</b>	<b>35,074,172</b>	<b>-</b>	<b>-</b>	<b>4,443,086</b>	<b>42,964,094</b>
<b>Undesignated</b>	<b>86,861</b>	<b>-</b>	<b>6,692,124</b>	<b>7,181,767</b>	<b>-</b>	<b>13,960,752</b>
<b>Total Unreserved</b>	<b>3,533,697</b>	<b>35,074,172</b>	<b>6,692,124</b>	<b>7,181,767</b>	<b>4,443,086</b>	<b>56,924,846</b>
<b>Total</b>	<b>\$ 8,624,070</b>	<b>\$ 35,074,172</b>	<b>\$ 6,692,124</b>	<b>\$ 7,181,767</b>	<b>\$ 4,495,971</b>	<b>\$ 62,068,104</b>

### NOTE 11 - 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, 2008, the District contracted with Schools Excess Property and Liability Fund (SELF) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

#### Workers' Compensation

For fiscal year 2008, 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

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

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.

Coverage provided by commercial insurance, School Excess Liability Fund and Alameda County Schools Insurance Group for property and liability and workers' compensation is as follows:

<u>Insurance Program / Company Name</u>	<u>Type of Coverage</u>	<u>Limits</u>
Alameda County Schools Insurance Group	Workers' Compensation	State Statutory
American Guarantee & Liability	Property and Liability	\$ 216,126,642
American Guarantee & Liability	General Liability	\$ 3,000,000
CAN Insurance Companies	Boiler and machinery	\$ 3,050,000
Schools Excess Liability Fund (SELF)	Excess General Liability	\$ 20,000,000

### NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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

#### CalSTRS

##### Plan Description

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

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

### **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 2007-2008 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, 2008, 2007, and 2006, were \$5,183,666, \$4,966,049, and \$4,708,000, 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 death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

#### **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 2007-2008 was 9.306 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2008, 2007, and 2006, were \$1,687,715, \$1,600,176, and \$1,501,584, 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.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

The District also allows employees to participate in the New Haven Unified School District 4 403(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.

### **On Behalf Payments**

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,836,972 (4.517 percent of salaries subject to CalSTRS). No contributions were made for CalPERS for the year ended June 30, 2008. 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 Schedule.

### **NOTE 13 - COMMITMENTS AND CONTINGENCIES**

#### **Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. 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, 2008.

#### **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, 2008.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2008**

---

### Construction Commitments

As of June 30, 2008, 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>
James Logan High Theater	\$ 23,699,117	Nov-09
Cesar Chavez Middle School Gym	3,936,000	Oct-09
Cesar Chavez Middle Classroom Modernization	<u>7,769,000</u>	Aug-08
	<u>\$ 35,404,117</u>	

### NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWER AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The District is a member of the Schools Excess Fund (SELF), and the Alameda County Schools Insurance Group (ACSIG) public entity risk pools and the Mission Valley Regional Occupational Program (MVROP), the Mission Valley SELPA, and the South County Transportation Group (SCTG) joint powers authorities (JPA's). The District pays an annual premium to the applicable entity for its workers' compensation, and property liability coverage. Payments for transportation services are paid to the SCTG. Regional Occupational apportionments are passed through to MVROP. 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.

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 Alameda County Schools Insurance Group and two board members to the Governing Board of Mission Valley Regional Occupational Group.

During the year ended June 30, 2008, the District made payments of \$112,539, \$1,681,383 and \$1,871,632 to School Excess Liability Fund, Alameda County Schools Insurance Group, and Mission Valley Regional Occupational Group, respectively for risk management for excess liability, workers compensation, and occupational training.

---

---

***REQUIRED SUPPLEMENTARY INFORMATION***

---

---

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual (GAAP Basis)	Variances -
	(GAAP Basis)			Positive
	Original	Final		(Negative) Final to Actual
<b>REVENUES</b>				
Revenue limit sources	\$ 73,543,288	\$ 73,639,226	\$ 73,577,685	\$ (61,541)
Federal sources	5,104,581	5,877,693	4,779,124	(1,098,569)
Other state sources	16,888,652	18,200,750	20,867,833	2,667,083
Other local sources	9,589,976	9,807,771	9,594,792	(212,979)
<b>Total Revenues<sup>1</sup></b>	<b>105,126,497</b>	<b>107,525,440</b>	<b>108,819,434</b>	<b>1,293,994</b>
<b>EXPENDITURES</b>				
Current				
Instruction	75,967,087	77,509,596	75,427,092	2,082,504
Instruction-related activities:				
Supervision of instruction	4,022,768	4,292,484	3,970,647	321,837
Instructional library, media, and technology	1,086,330	1,101,988	1,039,574	62,414
School site administration	6,586,653	6,627,405	6,512,264	115,141
Pupil services:				
Home-to-school transportation	2,903,671	2,815,836	2,826,698	(10,862)
Food services	-	2,635	2,635	-
All other pupil services	3,802,580	3,845,262	3,697,013	148,249
General administration:				
Data processing	839,589	938,271	826,807	111,464
All other general administration	4,196,125	4,671,694	4,532,474	139,220
Plant services	9,752,982	10,160,380	9,923,949	236,431
Ancillary services	678,162	672,165	675,191	(3,026)
Community services	214,075	196,859	212,107	(15,248)
Other outgo	1,169,488	1,937,784	1,937,784	-
Debt service				
Principal	86,646	86,646	86,646	-
Interest and other	11,900	11,900	11,900	-
<b>Total Expenditures<sup>1</sup></b>	<b>111,318,056</b>	<b>114,870,905</b>	<b>111,682,781</b>	<b>3,188,124</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(6,191,559)</b>	<b>(7,345,465)</b>	<b>(2,863,347)</b>	<b>4,482,118</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,812,586	1,497,115	1,429,709	(67,406)
Transfers out	(621,000)	(626,423)	(626,423)	-
<b>Net Financing Sources (Uses)</b>	<b>1,191,586</b>	<b>870,692</b>	<b>803,286</b>	<b>(67,406)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(4,999,973)</b>	<b>(6,474,773)</b>	<b>(2,060,061)</b>	<b>4,414,712</b>
<b>Fund Balance - Beginning</b>	<b>10,684,131</b>	<b>10,684,131</b>	<b>10,684,131</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 5,684,158</b>	<b>\$ 4,209,358</b>	<b>\$ 8,624,070</b>	<b>\$ 4,414,712</b>

<sup>1</sup> On behalf payments of \$2,836,972 are included in the actual revenues and expenditures, but have not been included in the budget amounts.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING  
 PROGRESS AND EMPLOYER CONTRIBUTION  
 FOR THE YEAR ENDED JUNE 30, 2008**

<b>Schedule of Funding Progress</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) - Level Percent of Payroll (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
July 1, 2007	\$ 419,200	\$ 7,734,600	\$ 7,315,400	5%	\$ 423,500	1727%

---

---

***SUPPLEMENTARY INFORMATION***

---

---

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Elementary and Secondary School Counseling Demonstration Program	84.215E	n/a	\$ 409,514
Elementary and Secondary School Counseling & Emergency Program	84.184E	n/a	15,240
Passed through California Department of Education (CDE):			
Adult Education - State Grant Programs			
Adult Basic Education and ESL	84.002	14508	182,977
State Leadership Projects	84.002	13970	105,000
Adult Secondary Education	84.002	13978	25,091
English Literacy and Civics Education	84.002	14109	185,438
No Child Left Behind			
Title I - Basic Grants-Low Income	84.010	14329	748,974
Title I- Part A, Non-Program Improvement	84.010	14583	45,000
Title I - Migrant Education - Regular and Summer	84.011	14326	246,631
Title I - Even Start Family Literacy	84.213	14331	120,750
Title I - Even Start Migrant Education	84.011	14768	25,750
Title II - Enhancing Education Through Technology	84.318	14334	14,751
Title II - Education Technology Competitive Grants	84.318	14368	1,266
Title II - Improving Teacher Quality Local Grants	84.367	14341	368,652
Title III - Limited English Proficiency (LEP)	84.365	10084	232,043
Title III - Limited English Proficiency (LEP) Student Program	84.365	14346	48,579
Title IV - Safe and Drug Free Schools	84.186	14347	33,479
Title V - Innovative Education Strategies	84.298	14354	17,955
Special Education IDEA (PL 94-142)			
Basic Local Assistance Entitlement	84.027	13379	1,861,742
Preschool Staff Development	84.173A	13431	564
Preschool Local Entitlement, Part B, Sec 611	84.027A	13682	140,361
Preschool Grants	84.173	13430	91,789
Vocational Educational (Carl Perkins Act)			
Vocational Programs	84.048	13924	56,856
Total U.S. Department of Education			<u>4,978,402</u>

See accompanying note to supplementary information.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Education (CDE):			
Medical Assistance Program - Administrative Activities (MAA)	93.778	10060	210,492
Medical Assistance Program - Medi-Cal Billing Option	93.778	10013	<u>55,590</u>
Total U.S. Department of Health and Human Services			<u>266,082</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Passed through California Department of Education (CDE):			
Aerospace Education Services Program - NASA Explorer	43.001	<sup>1</sup>	<u>5,174</u>
DEPARTMENT OF COMMERCE			
Passed through California Department of Education (CDE):			
Educational Partnership Program - NOAA B-WET	11.429	<sup>1</sup>	<u>27,971</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education (CDE):			
Child Nutrition			
Child Nutrition School Programs	10.553	13390	1,487,067
Child Care Food Program (CCFP)	10.558	13666	21,796
Fair Market Value of Commodities	10.565	13396	<u>159,857</u>
Total U.S. Department of Agriculture			<u>1,668,720</u>
Total Expenditures of Federal Awards			<u>\$ 6,946,349</u>

<sup>1</sup> Pass-Through Entity Identifying Number not available  
<sup>2</sup> CFDA Number not available

See accompanying note to supplementary information.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2008

---

### 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>
Kevin Harper	President	2008
Gertrude Gregorio	Clerk	2010
Jonas Dino	Member	2008
Gwen Estes	Member	2010
Jenn Stringer	Member	2008

### ADMINISTRATION

<u>NAME</u>	<u>TITLE</u>
Dr. Patricia Jaurequi	Superintendent
David Pava	Deputy Superintendent
Carol Gregorich	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, 2008**

	<u>Second Period Report</u>	<u>Annual Report</u>
<b>ELEMENTARY</b>		
Kindergarten	821	833
First through third	2,651	2,653
Fourth through sixth	2,704	2,706
Seventh and eighth	1,971	1,972
Home and hospital	2	2
Special education	266	271
Total Elementary	<u>8,415</u>	<u>8,437</u>
<b>SECONDARY</b>		
Regular classes	3,709	3,684
Continuation education	167	167
Opportunity schools	8	8
Home and hospital	3	3
Community day school	6	6
Special education	150	152
Total Secondary	<u>4,043</u>	<u>4,020</u>
Total K-12	<u>12,458</u>	<u>12,457</u>
<b>REGIONAL OCCUPATIONAL PROGRAM</b>	<u>469</u>	<u>497</u>
<b>CLASSES FOR ADULTS</b>		
Concurrently enrolled	12	17
Not concurrently enrolled	465	504
Total Classes for Adults	<u>476</u>	<u>521</u>
Grand Total	<u>13,403</u>	<u>13,475</u>
		<u>Hours of Attendance</u>
<b>SUMMER SCHOOL</b>		
Elementary		106,125
High school		116,949
Total Hours		<u>223,074</u>

See accompanying note to supplementary information.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## SCHEDULE OF INSTRUCTIONAL TIME FOR THE YEAR ENDED JUNE 30, 2008

Grade Level	1982-83	1986-87	2007-2008	Number of Days		Status
	Actual Minutes	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	32,415	36,000	36,000	180	-	In Compliance
Grade 1	46,004	52,156 <sup>1</sup>	52,380	180	-	In Compliance
Grade 2	46,004	52,156 <sup>1</sup>	52,380	180	-	In Compliance
Grade 3	46,004	52,156 <sup>1</sup>	52,380	180	-	In Compliance
Grade 4	46,004	52,156 <sup>1</sup>	52,380	180	-	In Compliance
Grade 5	46,004	52,156 <sup>1</sup>	52,380	180	-	In Compliance
Grade 6	55,580	54,000	56,817	180	-	In Compliance
Grade 7	55,580	54,000	56,818	180	-	In Compliance
Grade 8	55,580	54,000	56,818	180	-	In Compliance
Grade 9	55,580	54,000	64,839	180	-	In Compliance
Grade 10	55,580	54,000	64,839	180	-	In Compliance
Grade 11	55,580	54,000	64,839	180	-	In Compliance
Grade 12	55,580	54,000	64,839	180	-	In Compliance

<sup>1</sup>The required minutes for grades 1-3 are 50,400 and grade 4-5 are 54,000. Grades 1-5 are combined on the same campus and operates under the same bell schedule. Therefore, a weighted average is used to determine the 1982-83 and 1986-87 minutes requirement for grades 1-5.

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, 2008**

---

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	<u>Bond Interest and Redemption</u>
<b>FUND BALANCE</b>	
Balance, June 30, 2008, Unaudited Actuals	\$ 7,802,617
Decrease in:	
Cash in county treasurer	(10)
Accounts receivable	<u>(620,840)</u>
Balance, June 30, 2008, Audited Financial Statement	<u>\$ 7,181,767</u>

Summarized below are the Form Asset and Debt reconciliations between the Unaudited Actual Financial Report, and the audited financial statements:

	<u>Form Asset</u>
<b>FORM ASSET</b>	
Total Capital Assets, June 30, 2008, Unaudited Actuals	\$ 197,750,696
Increase in:	
Work in process	1,352,915
Land improvement	710,759
Buildings	6,353,429
Equipment	5,978,329
Accumulated depreciation	<u>(8,242,581)</u>
Total Capital Assets, June 30, 2008, Audited Financial Statement	<u>\$ 203,903,547</u>

	<u>Form Debt</u>
<b>FORM DEBT</b>	
Total Liabilities, June 30, 2008, Unaudited Actuals	\$ 192,898,993
Increase in:	
Bond interest accretion	5,571,505
Postemployment benefit liability (OPEB)	323,800
Compensated absences	203,335
Bond premium, net of amortization	<u>24,240,022</u>
Total Liabilities, June 30, 2008, Audited Financial Statement	<u>\$ 223,237,655</u>

See accompanying note to supplementary information.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

	(Budget)			
	2008 <sup>1</sup>	2008	2007	2006
<b>GENERAL FUND</b>				
Revenues	\$ 103,864,059	\$ 108,819,434	\$ 109,477,919	\$ 96,681,534
Other sources	2,003,029	1,429,709	1,800,318	1,601,131
Total Revenues and Other Sources	105,867,088	110,249,143	111,278,237	98,282,665
Expenditures	104,402,511	111,682,781	106,504,252	98,346,202
Other uses and transfers out	622,423	626,423	592,640	590,640
Total Expenditures and Other Uses	105,024,934	112,309,204	107,096,892	98,936,842
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	\$ 842,154	\$ (2,060,061)	\$ 4,181,345	\$ (654,177)
<b>ENDING FUND BALANCE</b>	\$ 9,466,224	\$ 8,624,070	\$ 10,684,131	\$ 6,502,786
<b>AVAILABLE RESERVES<sup>2</sup></b>	\$ 3,382,376	\$ 3,371,028	\$ 4,451,190	\$ 3,181,022
<b>AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO<sup>3</sup></b>	3.22%	3.08%	4.26%	3.30%
<b>LONG-TERM DEBT</b>	\$ 220,358,223	\$ 223,237,655	\$ 190,289,857	\$ 191,949,000
<b>K-12 AVERAGE DAILY ATTENDANCE AT P-2</b>	12,458	12,458	12,560	12,707

The General Fund balance has increased by \$2,121,284 over the past two years. The fiscal year 2008-2009 budget projects an increase of \$842,154 (15 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 operating deficits in two of the past three years and an operating surplus in one year and anticipates incurring an operating surplus during the 2008-2009 fiscal year. Total long-term debt has increased by \$31,288,655 over the past two years.

Average daily attendance has decreased by 249 over the past two years. No change in ADA is anticipated during fiscal year 2008-2009.

1 Budget 2009 is included for analytical purposes only and has not been subjected to audit.

2 Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund, Special Reserve Fund (other than capital outlay).

3 On-behalf payments of \$2,836,972, \$2,717,847, \$2,577,700, respectively, have been excluded from the calculation of available reserves for fiscal years ending June 30, 2008, 2007, and 2006.

See accompanying note to supplementary information.

# **NEW HAVEN UNIFIED SCHOOL DISTRICT**

## **EXCESS SICK LEAVE JUNE 30, 2008**

---

### **Section 19833.5 (a)(3)(c) Disclosure**

New Haven Unified School District provides more than 12 sick leave days in a school year to the following groups of employees who are CalSTRS members:

1. Superintendent
2. Associate Superintendent
3. Deputy Superintendent
4. Principals and other management
5. Employees covered by bargaining agreement with the New Haven Teachers Association between the District and the union.

See accompanying note to supplementary information.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2008

---

### 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.

#### **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 Education Code Section 46201.

#### **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.

#### **Excess Sick Leave**

This schedule provides information required by the Audit Guide for California K-12 Local Educational Agencies for excess sick leave authorized or accrued for members of the California State Teachers Retirement System (CalSTRS).

---

---

***SUPPLEMENTARY INFORMATION - UNAUDITED***

---

---

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET - UNAUDITED  
JUNE 30, 2008**

	<b>Adult Education Fund</b>	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>
<b>ASSETS</b>			
Deposits and investments	\$ 251,407	\$ 5,710	\$ 273,264
Receivables	472,199	508,311	290,492
Due from other funds	19,009	-	33,894
Stores inventories	-	-	50,385
<b>Total Assets</b>	<b>\$ 742,615</b>	<b>\$ 514,021</b>	<b>\$ 648,035</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 72,564	\$ 492,784	\$ 61,661
Due to other funds	64,763	21,237	126,822
<b>Total Liabilities</b>	<b>137,327</b>	<b>514,021</b>	<b>188,483</b>
<b>Fund Balances:</b>			
Reserved for:			
Other reservations	-	-	52,885
Unreserved:			
Designated	605,288	-	406,667
Undesignated, reported in:			
<b>Total Fund Balance</b>	<b>605,288</b>	<b>-</b>	<b>459,552</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 742,615</b>	<b>\$ 514,021</b>	<b>\$ 648,035</b>

See accompanying note to supplementary information - unaudited.

---

<b>Deferred Maintenance Fund</b>	<b>Special Reserve Non-Capital Fund</b>	<b>County School Facilities Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 896,911	\$ 228,530	\$ 2,464,700	\$ 4,120,522
7,370	1,805	29,196	1,309,373
-	36,000	-	88,903
-	-	-	50,385
<u>\$ 904,281</u>	<u>\$ 266,335</u>	<u>\$ 2,493,896</u>	<u>\$ 5,569,183</u>
\$ 2,507	\$ -	\$ 230,874	\$ 860,390
-	-	-	212,822
<u>2,507</u>	<u>-</u>	<u>230,874</u>	<u>1,073,212</u>
-	-	-	52,885
901,774	266,335	2,263,022	4,443,086
<u>901,774</u>	<u>266,335</u>	<u>2,263,022</u>	<u>4,495,971</u>
<u>\$ 904,281</u>	<u>\$ 266,335</u>	<u>\$ 2,493,896</u>	<u>\$ 5,569,183</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Adult Education Fund</b>	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>
<b>REVENUES</b>			
Federal sources	\$ 498,506	\$ -	\$ 1,508,863
Other state sources	1,510,370	1,934,180	139,876
Other local sources	102,185	9,365	1,759,265
<b>Total Revenues</b>	<u>2,111,061</u>	<u>1,943,545</u>	<u>3,408,004</u>
<b>EXPENDITURES</b>			
Current			
Instruction	1,159,140	1,933,309	-
Instruction-related activities:			
Supervision of instruction	90,369	-	-
School site administration	426,282	-	-
Pupil services:			
Food services	-	-	3,355,491
All other pupil services	10,446	-	-
General administration:			
All other general administration	50,887	871	124,239
Plant services	184,225	-	109,928
Facility acquisition and construction	-	-	-
<b>Total Expenditures</b>	<u>1,921,349</u>	<u>1,934,180</u>	<u>3,589,658</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>189,712</u>	<u>9,365</u>	<u>(181,654)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	(9,365)	-
<b>Net Financing Sources (Uses)</b>	<u>-</u>	<u>(9,365)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	189,712	-	(181,654)
<b>Fund Balance - Beginning</b>	415,576	-	641,206
<b>Fund Balance - Ending</b>	<u>\$ 605,288</u>	<u>\$ -</u>	<u>\$ 459,552</u>

See accompanying note to supplemental information – unaudited.

<b>Deferred Maintenance Fund</b>	<b>Special Reserve Non-Capital Fund</b>	<b>County School Facilities Fund</b>	<b>Tax Override Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 2,007,369
537,816	-	-	-	4,122,242
22,859	9,721	154,929	44	2,058,368
<u>560,675</u>	<u>9,721</u>	<u>154,929</u>	<u>44</u>	<u>8,187,979</u>
-	-	-	-	3,092,449
-	-	-	-	90,369
-	-	-	-	426,282
-	-	-	-	3,355,491
-	-	-	-	10,446
-	-	-	-	175,997
1,035,593	-	-	-	1,329,746
36,450	-	2,159,607	-	2,196,057
<u>1,072,043</u>	<u>-</u>	<u>2,159,607</u>	<u>-</u>	<u>10,676,837</u>
<u>(511,368)</u>	<u>9,721</u>	<u>(2,004,678)</u>	<u>44</u>	<u>(2,488,858)</u>
590,423	36,000	-	-	626,423
-	(9,120)	(65,396)	(1,851)	(85,732)
<u>590,423</u>	<u>26,880</u>	<u>(65,396)</u>	<u>(1,851)</u>	<u>540,691</u>
79,055	36,601	(2,070,074)	(1,807)	(1,948,167)
822,719	229,734	4,333,096	1,807	6,444,138
<u>\$ 901,774</u>	<u>\$ 266,335</u>	<u>\$ 2,263,022</u>	<u>\$ -</u>	<u>\$ 4,495,971</u>

**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, 2008**

---

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

Secured (including utilities)	\$ 8,843,219,206
Unsecured	2,300,434
Utility	<u>505,875,720</u>
Total 2007-2008 Assessed Valuation	<u>\$ 9,351,395,360</u>

See accompanying note to supplementary information - unaudited

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION - UNAUDITED JUNE 30, 2008

---

### NOTE 1 - PURPOSE OF SCHEDULES

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

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.

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

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 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 as of and for the year ended June 30, 2008, which collectively comprise New Haven Unified School District's basic financial statements and have issued our report thereon dated January 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of New Haven Unified School District in a separate letter dated January 12, 2009.

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

*Vavinek, Trine, Day & Co LLP*

Pleasanton, California  
January 12, 2009



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Governing Board  
New Haven Unified School District  
Union City, California

**Compliance**

We have audited the compliance of New Haven Unified School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2008. New Haven Unified School District's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of New Haven Unified School District's management. Our responsibility is to express an opinion on New Haven Unified School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about 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.

In our opinion, New Haven Unified School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2008.

**Internal Control Over Compliance**

The management of New Haven Unified School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered New Haven Unified School District's internal control over compliance with the requirements that could have a direct and material effect on a major

Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the New Haven Unified School District's internal control over compliance.

A *control deficiency* in a district's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal program on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control.

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

New Haven Unified School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit New Haven Unified School District's response and, accordingly, we express no opinion on it.

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

Vavinek, Trine, Day & Co LLP

Pleasanton, California  
January 12, 2009



**INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE**

Governing Board  
New Haven Unified School District  
Union City, California

We have audited 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 as of and for the year ended June 30, 2008, and have issued our report thereon dated January 12, 2009. 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 2007-08*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Compliance with the requirements of laws, regulations, contracts, and grants listed below is the responsibility of New Haven Unified School District's management. 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:

	Procedures in Audit Guide	Procedures Performed
Attendance Accounting:		
Attendance reporting	8	Yes
Kindergarten continuance	3	Yes
Independent study	23	Yes
Continuation education	10	Yes
Adult education	9	Yes
Regional occupational centers and programs	6	No
Instructional Time:		
School districts	6	Yes
County offices of education	3	Not applicable
Community day schools	9	No
Morgan-Hart Class Size Reduction	7	Yes
Instructional Materials:		
General requirements	12	Yes
K-8 only	1	Yes
9-12 only	1	Yes
Ratios of Administrative Employees to Teachers	1	Yes

	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Classroom Teacher Salaries	1	Yes
Early retirement incentive	4	Yes
Gann limit calculation	1	Yes
School Construction Funds:		
School District bonds	3	Yes
State school facilities funds	1	Yes
Excess sick leave	2 or 3	Yes
Notice of right to elect California State Teachers Retirement System (CalSTRS) membership	1	Yes
Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000)	2	Yes
State Lottery Funds (California State Lottery Act of 1984)	2	Yes
California School Age Families Education (Cal-SAFE) Program	3	Not applicable
School Accountability Report Card	3	Yes
Mathematics and Reading Professional Development	4	Yes
Class Size Reduction Program (including in Charter Schools):		
General requirements	7	Yes
Option one classes	3	Yes
Option two classes	4	Not applicable
District 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	4	Not applicable
Before school	5	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	3	Not applicable

We did not perform testing for regional occupational centers programs as this program is operated by the Mission Valley Regional Occupational Program. Additionally, we did not perform steps for the community day program since the reported average daily attendance did not meet the criteria for testing.

Based on our audit, we found that for the items tested, the New Haven Unified School District complied with the State laws and regulations referred to above. Further, based on our audit, for items not tested, nothing came to our attention to indicate that the New Haven Unified School District had not complied with the laws and regulations. Our audit does not provide a legal determination on New Haven Unified School District's compliance with the State laws and regulations referred to above.

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

*Vavinek, Trine, Day & Co LLP*

Pleasanton, California  
January 12, 2009

---

---

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

---

---

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2008**

---

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>No</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027-84.173</u>	<u>Special Education Cluster</u>
<u>84.215E</u>	<u>Elementary and Secondary School Counseling</u>
	<u>Demonstration Program</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**

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unqualified</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

---

**FINANCIAL STATEMENT FINDINGS**

---

None reported

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

---

**FEDERAL AWARDS FINDINGS**

---

None reported.

**NEW HAVEN UNIFIED SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

---

**STATE AWARDS FINDINGS**

---

None reported.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2008

---

### PRIOR YEAR AUDIT FINDINGS

---

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.

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

#### *Financial Statement Findings*

#### **2007-1 INTERNAL CONTROLS (30000)**

##### **Criteria or Specific Requirements**

Management is responsible for establishing and maintaining a system of internal controls designed to prevent and detect misstatements or fraud. In addition management is responsible for designing a system to monitor whether or not the internal control systems designed by the District are being adhered to.

##### **Condition**

*Material Weakness, Instance of Non-Compliance* – During the year end closing process, an inappropriate receivable accrual for \$280,572 for developer fees collected in July 2007 was recorded by an individual. In this particular case, the District internal control processes did not detect this error.

##### **Questioned costs**

Not applicable.

##### **Context**

Developer fee collections by the Capital Facilities fund typically require the developer to pay the fees on the same day the permit is issued. Therefore, while this fund may have other types of receivables, such as interest receivable, it does not normally have developer fee receivables.

##### **Effect**

Financial results for the Capital Facilities Fund for fiscal year 2006/2007 were overstated by \$280,572. The correction will result in a shift of revenue from the 2006/2007 fiscal year to the 2007/2008 fiscal year.

# NEW HAVEN UNIFIED SCHOOL DISTRICT

## SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2008

### Cause

A change in personnel resulted in an individual unfamiliar with the appropriate procedures for determining which collections constitute accounts receivable at the end of a fiscal year recording an inappropriate accrual.

### Recommendation

We recommend that the District provide additional training to the individual involved in year end closing process for the Capital Facilities Fund to ensure that personnel involved in recording accounts receivable understand what determines whether a collection received after year end is a receivable of the prior year or not.

### Current Status

Implemented

## 2007-2 MISCELLANEOUS (60000)

### Criteria or Specific Requirements

Internal Revenue Service regulations require determination of any interest arbitrage liabilities and payment of amounts due, if any, at the end of the fifth year after the issuance of debt. Management is responsible for establishing and maintaining a system of internal controls designed to prevent and detect misstatements or fraud and to monitor that required reports are completed as needed.

### Condition

*Significant Deficiency, Instance of Non-Compliance* – Arbitrage calculations necessary to determine excess interest earnings, if any, on bonds or other debts are due to the Internal Revenue Service were not updated during the year.

### Questioned costs

Unknown.

### Context

The District issued a \$53,000,000 bond in 2002 and a \$35,000,000 bond in 2003. Either of these bonds may be subject to final arbitrage determinations and may or may not have associated amounts due to the Internal Revenue Service.

### Effect

The District may be out of compliance with Internal Revenue Service regulations. It is currently unknown if there is any liability due to the Internal Revenue Service or not, therefore, the District accounts payable could be understated if any interest arbitrage amounts are due.

# **NEW HAVEN UNIFIED SCHOOL DISTRICT**

## **SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2008**

### **Cause**

Arbitrage calculations performed in prior years were not updated for the fiscal year 2006/2007.

### **Recommendation**

We recommend that the District ensure that the determination of any amounts potentially due to the Internal Revenue Service are calculated and that amounts due, if any, are remitted to the Internal Revenue Service. In addition, we recommend that the system of tracking due dates for these reports be reviewed to determine if there are any improvements that need to be made in the monitoring system, or if this was a one time oversight caused by a particular circumstance.

### **Current Status**

Implemented.