

**RAVENDALE-TERMO SCHOOL DISTRICT
COUNTY OF LASSEN
RAVENDALE, CALIFORNIA**

AUDIT REPORT

JUNE 30, 2016

Ravendale-Termo School District
Audit Report
For The Year Ended June 30, 2016

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Introductory Section

Financial Section

Independent Auditor's Report

To the Board of Trustees
Ravendale-Termo School District
Ravendale, California 96123

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ravendale-Termo School District ("the District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information and the respective changes in financial position, in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ravendale-Termo School District's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in the Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2016 on our consideration of Ravendale-Termo School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ravendale-Termo School District's internal control over financial reporting and compliance.

Respectfully submitted,



SingletonAuman PC

Susanville, CA
November 26, 2016

RAVENDALE-TERMO SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2016

INTRODUCTION

Our discussion and analysis of Ravendale-Termo School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016. It should be read in conjunction with the District's financial statements (including notes and supplementary information), which follow this section.

FINANCIAL HIGHLIGHTS

- ❑ Total net position was \$1,340,057 at June 30, 2016. This was an increase of \$50,271 from the prior year.
- ❑ Overall revenues were \$446,056, which was more than expenses of \$395,785 by \$50,271.
- ❑ The general fund reported a fund balance this year of \$731,655.
- ❑ The total cost of the District's programs decreased by \$98,441 over last year.

OVERVIEW OF FINANCIAL STATEMENTS

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

- ❑ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ❑ **Fund financial statements** focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.
 - **Governmental funds** statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the district's budget for the year is included.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the assets and liabilities, are one way to measure the District's financial health or position.

- ❑ Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- ❑ To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

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

Fund Financial Statements

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

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was \$1,340,057 at June 30, 2016. See Table 1.

The significant changes in Table 1 line items for fiscal 2016 vs. 2015 are:

- \$154,255 increase in cash in county treasury due to revenues exceeding expenses.
- Increase in net pension liability by \$110,666 due to the required recognition of pension expense to accrue net pension liability to the statewide proportionate share in compliance with GASB 68.

**Table 1:
Net Position**

	Governmental Activities		Total Percentage Change
	2016	2015	2016-2015
Assets			
Cash in County Treasury	\$ 744,638	\$ 590,383	26.13%
Cash in Revolving Fund	50	50	0.00%
Accounts Receivable	133,383	122,820	8.60%
Capital Assets, Net of Accumulated Depreciation	977,975	1,001,361	-2.34%
TOTAL ASSETS	<u>1,856,046</u>	<u>1,714,614</u>	8.25%
Deferred Outflow of Resources			
Deferred Pension Expenses	24,494	12,965	88.92%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>24,494</u>	<u>12,965</u>	
Liabilities			
Accounts Payable	88,511	80,945	9.35%
Deferred Revenue	9,446	4,528	108.61%
Net Pension Liability	389,823	279,157	39.64%
TOTAL LIABILITIES	<u>487,780</u>	<u>364,630</u>	33.77%
Deferred Inflows of Resources			
Deferred Pension Revenues	52,703	73,163	-27.96%
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>52,703</u>	<u>73,163</u>	
Net Position			
Net Investment in Capital Assets	977,975	1,001,361	-2.34%
Restricted for Federal and State Programs	128,334	135,396	-5.22%
Unrestricted	233,748	153,029	52.75%
TOTAL NET POSITION	<u>\$ 1,340,057</u>	<u>\$ 1,289,786</u>	3.90%

Changes in Net Position

The District's total revenues were \$446,056. The largest amount of the revenue comes from the Local Control Funding Formula and property taxes (85.8%). Federal and state aid for specific programs accounted for another 14% of total revenues. Revenues decreased \$58,823 from last year due to a drop in LCFF Sources, along with lower State and Local Revenues.

The total cost of all programs and services was \$395,785. The District's expenses are predominately related to educating and caring for students 68.6%. Administrative activities accounted for 13.6% of total costs. The remaining expenses were for plant services (maintenance and operations), community services, ancillary services, and other outgo. Total expenses decreased by \$98,441 from the prior year, with lower expenses in all categories. Specifically, instruction expenses decreased due to the closure of the charter school. However, instructional expenses are higher than would be expected due to the recognition of pension expense to accrue net pension liability in accordance with GASB 68.

Table 2:
Changes in Net Position

	Governmental Activities		Total Percentage Change
	2016	2015	2016-2015
Revenues			
Program Revenues:			
Operating Grants & Contributions	\$ 406	\$ 320	26.88%
General Revenues			
Local Control Funding Formula	238,330	380,005	-37.28%
Federal Revenues	17,829	20,546	-13.22%
State Revenues	44,812	4,556	883.58%
Local Revenues	144,679	99,452	45.48%
TOTAL REVENUES	446,056	504,879	
Program Expenses			
Instruction	191,504	244,590	-21.70%
Instruction-Related Services	46,992	59,090	-20.47%
Pupil Services	33,107	35,373	-6.41%
General Administration	53,918	75,395	-28.49%
Plant Services	70,264	79,778	-11.93%
TOTAL EXPENSES	395,785	494,226	
INCREASE IN NET POSITION	\$ 50,271	\$ 10,653	

Governmental Activities

Table 3 presents the cost of each of the District's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

The cost of all governmental activities this year was \$395,785.

Table 3
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction	\$ 191,504	\$ 244,590	\$ 191,504	\$ 244,270
Instruction-Related Service	46,992	59,090	46,992	59,090
Pupil Services	33,107	35,373	33,107	35,373
General Administration	53,918	75,395	53,918	75,395
Plant Services	70,264	79,778	70,264	79,778
TOTAL	\$ 395,785	\$ 494,226	\$ 395,785	\$ 493,906

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The overall financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$780,114 which is above last year's ending fund balance of \$627,780. The District is carefully monitoring its expenditures in order to avoid deficit spending and using its remaining reserves.

General Fund Budgetary Highlights

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The final budget was approved on June 23, 2016. A schedule of the District's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the District had invested \$1,001,361 in a broad range of capital assets. During the year, the District completed an energy study. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table 4
Capital Assets

	Governmental Activities		Total Percentage Change
	2016	2015	2016-2015
Land	\$ 8,000	\$ 8,000	0.00%
Buildings	1,650,538	1,650,538	0.00%
Improvements	98,111	98,111	0.00%
Work in Progress	15,500	-	n/a
Machinery & Equipment	187,387	187,387	0.00%
Totals at Historical Cost	\$ 1,959,536	\$ 1,946,051	0.69%
Total Accumulated Depreciation	(981,561)	(942,675)	4.13%
NET CAPITAL ASSETS	\$ 977,975	\$ 1,003,376	-2.53%

The District does not anticipate any capital spending for the 2016/17 fiscal year.

Pension Liabilities, Change in Accounting Principle and Prior Period Adjustments

Net Pension Liability

As of June 30, 2016, the District reported net pension liabilities for the first time.

Table 5
Net Pension Liability

	Proportionate Share of Net Pension Liability		Total Percentage Change
	2016	2015	2016-2015
CalSTRS	\$ 369,419	\$ 233,747	58.04%
CalPERS	20,404	45,410	-55.07%
TOTAL NET PENSION LIABILITY	\$ 389,823	\$ 279,157	39.64%

Other Long-Term Debt

The District had no other long-term debt at June 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- ❑ The uncertainty of federal and state funding can have a profound impact on the financial health of the District. Although some changes are currently anticipated, the federal and the state governments could implement additional budget cuts.
- ❑ The continuing increases in premiums for health care insurance and worker's compensation could have a significant effect on the future financial health of the District. Health care premiums are predicted to continue to increase into the foreseeable future.
- ❑ The District is receiving less funding from Federal and State Governments.
- ❑ The inevitable increases in pension contributions which will be needed to pay the unfunded net Pension Liability will require careful planning and budgeting.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

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Ravendale-Termo School District
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Ravendale, CA 96123
530-257-8200

Basic Financial Statements

RAVENDALE-TERMO SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
ASSETS:	
<i>Cash in County Treasury</i>	\$ 744,638
<i>Cash in Revolving Fund</i>	50
<i>Accounts Receivable</i>	133,383
Capital Assets:	
<i>Land</i>	8,000
<i>Buildings, Net</i>	943,696
<i>Equipment, Net</i>	10,779
<i>Work in Progress</i>	15,500
Total Assets	<u>1,856,046</u>
DEFERRED OUTFLOWS OF RESOURCES:	
<i>Deferred Outflows of Resources - Pensions</i>	24,494
Total Deferred Outflows of Resources	<u>24,494</u>
LIABILITIES:	
<i>Accounts Payable</i>	88,511
<i>Unearned Revenue</i>	9,446
Noncurrent Liabilities:	
Net Pension Liability	389,823
Total Liabilities	<u>487,780</u>
DEFERRED INFLOWS OF RESOURCES:	
<i>Deferred Inflow of Resources - Pensions</i>	52,703
Total Deferred Inflows of Resources	<u>52,703</u>
NET POSITION:	
Net Investment in Capital Assets	977,975
Restricted For:	
Federal and State Programs	128,334
Unrestricted	233,748
Total Net Position	<u>\$ 1,340,057</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
PRIMARY GOVERNMENT:			
Government Activities:			
Instruction	\$ 191,504	\$ --	\$ (191,504)
Instruction-Related Services	46,992	--	(46,992)
Pupil Services	33,107	406	(32,701)
General Administration	53,918	--	(53,918)
Plant Services	70,264	--	(70,264)
Total Governmental Activities	395,785	406	(395,379)
Total Primary Government	\$ 395,785	\$ 406	(395,379)
General Revenues:			
LCFF Sources			238,330
Federal Revenues			17,829
State Revenues			44,812
Local Revenues			144,679
Total General Revenues			445,650
Change in Net Position			50,271
Net Position - Beginning			1,289,786
Net Position - Ending			\$ 1,340,057

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Charter School Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
<i>Cash in County Treasury</i>	\$ 679,891	\$ 44,568	\$ 20,179	\$ 744,638
<i>Cash in Revolving Fund</i>	50	--	--	50
<i>Accounts Receivable</i>	133,299	84	--	133,383
Total Assets	813,240	44,652	20,179	878,071
LIABILITIES AND FUND BALANCE:				
Liabilities:				
<i>Accounts Payable</i>	\$ 72,139	\$ 16,311	\$ 61	\$ 88,511
<i>Unearned Revenue</i>	9,446	--	--	9,446
Total Liabilities	81,585	16,311	61	97,957
Fund Balance:				
Nonspendable Fund Balances:				
<i>Revolving Cash</i>	50	--	--	50
Restricted Fund Balances	122,851	131	5,483	128,465
Assigned Fund Balances	206,696	28,210	14,635	249,541
Unassigned:				
<i>Reserve for Economic Uncertainty</i>	66,000	--	--	66,000
<i>Other Unassigned</i>	336,058	--	--	336,058
Total Fund Balance	731,655	28,341	20,118	780,114
Total Liabilities and Fund Balances	\$ 813,240	\$ 44,652	\$ 20,179	\$ 878,071

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016*

Total fund balances - governmental funds balance sheet	\$ 780,114
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	977,975
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(389,823)
Deferred Resource Inflows related to the pension plans are not reported in the funds.	(52,703)
Deferred Resource Outflows related to the pension plans are not reported in the funds.	24,494
Net position of governmental activities - Statement of Net Position	<u>\$ 1,340,057</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Charter School Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 205,534	\$ --	\$ --	\$ 205,534
Education Protection Account Funds	31,765	--	--	31,765
Local Sources	1,031	--	--	1,031
Federal Revenue	17,829	--	--	17,829
Other State Revenue	44,201	1,017	--	45,218
Other Local Revenue	140,376	801	3,502	144,679
Total Revenues	440,736	1,818	3,502	446,056
Expenditures:				
Current:				
Instruction	108,207	373	--	108,580
Instruction - Related Services	40,501	6,491	--	46,992
Pupil Services	28,233	--	4,874	33,107
General Administration	53,817	--	101	53,918
Plant Services	35,625	--	--	35,625
Capital Outlay	15,500	--	--	15,500
Total Expenditures	281,883	6,864	4,975	293,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	158,853	(5,046)	(1,473)	152,334
Other Financing Sources (Uses):				
Transfers In	--	--	6,000	6,000
Transfers Out	(6,000)	--	--	(6,000)
Total Other Financing Sources (Uses)	(6,000)	--	6,000	--
Net Change in Fund Balance	152,853	(5,046)	4,527	152,334
Fund Balance, July 1	578,802	33,387	15,591	627,780
Fund Balance, June 30	\$ 731,655	\$ 28,341	\$ 20,118	\$ 780,114

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016*

Net change in fund balances - total governmental funds	\$ 152,334
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	15,500
The depreciation of capital assets used in governmental activities is not reported in the funds.	(38,886)
Pension contributions made after the measurement date but in current FY were de-expended and reduced NP	(19,817)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(58,860)
Change in net position of governmental activities - Statement of Activities	\$ <u>50,271</u>

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency Fund
	Self-Insurance Fund
ASSETS:	
<i>Cash in County Treasury</i>	\$ 394
Total Assets	394
LIABILITIES:	
Total Liabilities	--
NET POSITION:	
Total Net Position	\$ 394

The accompanying notes are an integral part of this statement.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

RAVENDALE-TERMO SCHOOL DISTRICT
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The District reports the following major governmental funds:

General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

In addition, the District reports the following fund types:

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected 60 days after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

4. Assets, Liabilities, and Equity

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

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In accordance with Education Code Section 41001, the District maintains substantially all its cash in the Lassen County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

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

Information regarding the amount of dollars invested in derivatives with Lassen County Treasury was not available.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

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 expenditure when incurred.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

d. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

e. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

f. Unearned Revenue

Unearned 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 unearned revenue is removed from the balance sheet and revenue is recognized.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Lassen bills and collects the taxes for the District.

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

RAVENDALE-TERMO SCHOOL DISTRICT
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Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

5. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

6. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 14 (Deferred Maintenance Fund) are merged with the General Fund for purposes of presentation in the audit report.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD)	June 30, 2014
Measurement Date (MD)	June 30, 2015
Measurement Period (MP)	July 1, 2014 to June 30, 2015

8. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

9. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

10. Change in Accounting Policies

In February 2015 the Governmental Accounting Standards Board (GASB) issued Statement No. 72 Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District has implemented the guidance under GASB Statement No. 72 into their accounting policies effective for the fiscal year ending June 30, 2016.

In June 2015 the Governmental Accounting Standards Board (GASB) issued Statement No. 76 The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The District has implemented the guidance under GASB Statement No. 76 into their accounting policies effective for the fiscal year ending June 30, 2016.

In June 2015 the Governmental Accounting Standards Board (GASB) issued Statement No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes.

RAVENDALE-TERMO SCHOOL DISTRICT
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The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

This Statement also clarifies the application of certain provisions of Statement 67 and 68 with regard to the following issues:

- 1 Information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.
- 2 Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions.
- 3 Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

The District has adopted the provisions of GASB Statement No. 73 effective for the year ending June 30, 2016.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Excess of Expenditures Over Appropriations

As of June 30, 2016, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Capital outlay	\$ 15,500

General fund: The District completed an energy audit in response to the California Clean Energy Jobs Act (Prop 39).

RAVENDALE-TERMO SCHOOL DISTRICT
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D. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Lassen County Treasury as part of the common investment pool (\$89,785,831 as of June 30, 2016). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$744,638. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Cash on Hand, in Banks, and in Revolving Fund

Cash in the revolving fund (\$50) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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4. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

E. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 8,000	\$ --	\$ --	\$ 8,000
Work in progress	--	15,500	--	15,500
Total capital assets not being depreciated	8,000	15,500	--	23,500
<i>Capital assets being depreciated:</i>				
Buildings	1,650,538	--	--	1,650,538
Improvements	98,111	--	--	98,111
Equipment	187,387	--	--	187,387
Total capital assets being depreciated	1,936,036	--	--	1,936,036
Less accumulated depreciation for:				
Buildings	(674,852)	(31,990)	--	(706,842)
Improvements	(95,660)	(2,451)	--	(98,111)
Equipment	(172,163)	(4,445)	--	(176,608)
Total accumulated depreciation	(942,675)	(38,886)	--	(981,561)
Total capital assets being depreciated, net	993,361	(38,886)	--	954,475
Governmental activities capital assets, net	\$ 1,001,361	\$ (23,386)	\$ --	\$ 977,975

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciation was charged to functions as follows:				
Instruction	\$ 4,248			
Plant Services	34,640			
	\$ 38,888			

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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F. Interfund Balances and Activities

1. Due To and From Other Funds

There were no balances due to and due from other funds at June 30, 2016.

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2016, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Cafeteria fund	\$ 6,000	Support cafeteria operation.
	Total	<u>\$ 6,000</u>	

G. Short-Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources.

H. Joint Ventures (Joint Powers Agreements)

The District participates in two Joint Powers Agreements (JPA's), the Northern California Schools Insurance Group and the Schools Excess Liability Fund. The insurance groups arrange for and provide property and liability insurance for their members. The District pays premiums comensurate with the level of coverage requested. These are partial self-insurance programs.

An executive committee consisting of representatives from each member's District governs the JPA's. The governing boards control the operations of their JPA's independent of any influence by the District beyond the District's representation on the governing boards.

The JPA's are independently accountable for their fiscal matters. The insurance groups maintain their own accounting records. The budget is not subject to any approval other than that of the executive committee. The relationship between the District and the JPA's is such that the JPA's are not component units of the District for financial reporting purposes.

Condensed financial information for the JPA's for June 30, 2016 was not available as of our report date.

I. Pension Plans

1. General Information About the Pension Plans

a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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b. Benefits Provided

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plans' provisions and benefits in effect at June 30, 2016 are summarized as follows:

	CalSTRS	
	Before <u>Jan. 1, 2013</u>	On or After <u>Jan. 1, 2013</u>
Hire Date		
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50-62	55-67
Monthly benefits, as a % of eligible compensation	1.1 - 2.4%	1.0 - 2.4%*
Required employee contribution rates (Average)	8.15%	8.15%
Required employer contribution rates	8.88%	8.88%
Required state contribution rates	5.954%	5.954%

*Amounts are limited to 120% of Social Security Wage Base.

	CalPERS	
	Before <u>Jan. 1, 2013</u>	On or After <u>Jan. 1, 2013</u>
Hire Date		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50-62	52-67
Monthly benefits, as a % of eligible compensation	1.1 - 2.5%	1.0 - 2.5%
Required employee contribution rates (Average)	6.974%	6.974%
Required employer contribution rates	11.442%	11.442%

*Amounts are limited to 120% of Social Security Wage Base.

c. Contributions - CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2015 (measurement date), the average active employee contribution rate is 6.974% of annual pay, and the employer's contribution rate is 11.442% of annual payroll.

d. Contributions - CalSTRS

For the measurement period ended June 30, 2015 (measurement date), Section 22950 of the California Education code requires members to contribute monthly to the system 8.15% of the creditable compensation upon which members' contributions under this part are based. In addition the employer required rates established by the CalSTRS Board have been established at 8.88% of creditable compensation. Rates are defined in Section 22950.5 through

RAVENDALE-TERMO SCHOOL DISTRICT
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measurement period ending June 30, 2021. Beginning in the fiscal year 2021-22 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary.

e. On Behalf Payments.

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the measurement period ended June 30, 2015 (measurement date) the State contributed 5.678848% of salaries creditable to CalSTRS. 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 budgeted amounts reported in the General Fund Budgetary Comparison Schedule.

f. Contributions Recognized

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

	CalSTRS	CalPERS	Total
Contributions - Employer	11,554	1,812	13,366
Contributions - Employee (paid by employer)	13,771	1,090	14,862
Contributions - State On Behalf Payments	10,963	--	10,963
Total Contributions	<u>\$ 36,289</u>	<u>2,902</u>	<u>39,191</u>

g. Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability	47,877	4,689	52,566
Change in Contributions Made subsequent to Measurement Date	4,625	(113)	4,512
Change in Difference Between Actual & Expected Experience	(72)	(1,254)	(1,326)
Change in Assumptions	--	1,349	1,349
Change in Proportionate Shares	13,046	27,304	40,350
Net Difference Between Projected & Actual Earnings	98	(6,959)	(6,861)
Total Pension Expense	<u>\$ 65,574</u>	<u>25,016</u>	<u>90,590</u>

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	369,419
CalPERS	20,404
Total Net Pension Liability	<u>\$ 389,823</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

The District's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

	CalSTRS	CalPERS
Proportion - June 30, 2014	0.0006%	0.0004%
Proportion - June 30, 2015	0.0005%	0.0001%
Change - Increase (Decrease)	-0.0000%	-0.0002%

For the year ended June 30, 2015, the District recognized pension expense of \$39,191. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 19,817	\$
Differences between actual and expected experience	1,326	--
Changes in assumptions	--	(1,349)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	--	(40,350)
Net difference between projected and actual earnings on plan investments	3,351	(11,004)
Total	\$ 24,494	\$ (52,703)

\$19,817 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows	Deferred Inflows	Net Effect on Expenses
2017	\$ 20,987	(14,083)	6,904
2018	1,170	(14,083)	(12,913)
2019	1,170	(14,081)	(12,911)
2020	1,167	(10,456)	(9,289)
Total	24,494	(52,703)	(28,209)

a. Actuarial Assumptions

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry Age - Normal Cost Method for both CalSTRS & CalPERS	
Actuarial Assumptions:		
Discount Rate	7.60%	7.65%
Inflation	3.0%	2.75%
Payroll Growth	3.75%	3.00%
Projected Salary Increase	0.05%-5.6% (1)	3.20%-10.80% (1)
Investment Rate of Return	7.60% (2)	7.65% (2)
Mortality	.013%-0.435% (3)	0.00125-0.45905 (3)

- (1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) Depending on age, gender, and type of job

b. Discount Rate

The discount rate used to measure the total pension liability was 7.6000% for CalSTRS and 7.6500% for CalPERS. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the District bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS websites.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuations is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review all actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require board action and proper stakeholder outreach. For these reasons, CalSTRS and CalPERS expect to continue using a discount rate net of administrative expenses for GASB 67 and GASB 68 calculations through at least the 2017-18 fiscal year. CalSTRS and CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

CalSTRS

Asset Class	Strategic Allocation	Long Term Expected Return*
Global Equity	47.00%	4.50%
Private Equity	12.00%	6.20%
Real Estate	15.00%	4.35%
Inflation Sensitive	5.00%	3.20%
Fixed Income	20.00%	0.20%
Liquidity	1.00%	

*10 year geometric average used for long term expected real rate of return

CalPERS

Asset Class	Strategic Allocation	Real Return (Years 1-10)(1)	Real Return (Years 11+)(2)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

c. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	CalSTRS	CalPERS
1% Decrease	6.60%	6.65%
Net Pension Liability	\$ 557,794	\$ 33,209
Current Discount Rate	7.60%	7.65%
Net Pension Liability	\$ 369,419	\$ 20,404
1% Increase	8.60%	8.65%
Net Pension Liability	\$ 212,864	\$ 9,756

d. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

J. Commitments and Contingencies

Litigation

The District is not currently involved in any litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

State and Federal Allowances, Awards, and Grants

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

K. Subsequent Events

New Accounting Pronouncements

GASB Statement No. 74

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures.

The District has adopted the provisions of GASB Statement No. 74 effective for the 2016-17 fiscal year.

GASB Statement No. 77

In August 2015, the Governmental Accounting Standards Board issued Statement No. 77, Tax Abatement Disclosures. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.

The gross dollar amount of taxes abated during the period.

Commitments made by a government, other than to abate taxes, as a part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

The names of the governments that entered into the agreements

The specific taxes being abated

The gross dollar amount of taxes abated during the period

The District has adopted the provisions of GASB Statement No. 77 effective for the 2016-17 fiscal year.

GASB Statement No. 78

In December 2015 the Governmental Accounting Standards Board (GASB) issued Statement No. 78 Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

RAVENDALE-TERMO SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

The District has adopted the provisions of GASB Statement No. 78 effective for the 2016-17 fiscal year.

GASB Statement No. 79

In December 2015 the Governmental Accounting Standards Board (GASB) issued Statement No. 79 Certain External Investment Pools and Pool Participants This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The District has adopted the provisions of GASB Statement No. 79 effective for the 2016-17 fiscal year.

GASB Statement No. 80

In January 2016 the Governmental Accounting Standards Board (GASB) issued Statement No. 80 Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units.

The District has adopted the provisions of GASB Statement No. 80 effective for the 2016-17 fiscal year.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

RAVENDALE-TERMO SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 241,280	\$ 238,975	\$ 205,534	\$ (33,441)
Education Protection Account Funds	28,094	31,151	31,765	614
Local Sources	847	1,092	1,031	(61)
Federal Revenue	23,727	23,878	17,829	(6,049)
Other State Revenue	21,453	40,688	44,201	3,513
Other Local Revenue	97,782	113,820	140,376	26,556
Total Revenues	413,183	449,604	440,736	(8,868)
Expenditures:				
Current:				
Certificated Salaries	83,487	69,305	59,708	9,597
Classified Salaries	20,500	24,000	17,449	6,551
Employee Benefits	44,139	64,152	47,379	16,773
Books And Supplies	42,953	52,606	16,896	35,710
Services And Other Operating Expenditures	152,371	288,049	124,951	163,098
Other Outgo	1,453	--	--	--
Capital Outlay	--	--	15,500	(15,500)
Total Expenditures	344,903	498,112	261,883	216,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	68,280	(48,508)	158,853	207,361
Other Financing Sources (Uses):				
Transfers Out	(67,995)	(6,000)	(6,000)	--
Total Other Financing Sources (Uses)	(67,995)	(6,000)	(6,000)	--
Net Change in Fund Balance	285	(54,508)	152,853	207,361
Fund Balance, July 1	--	--	578,802	578,802
Fund Balance, June 30	\$ 285	\$ (54,508)	\$ 731,655	\$ 786,163

RAVENDALE-TERMO SCHOOL DISTRICT

CHARTER SCHOOL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 88,596	\$ (32,550)	\$ --	\$ 32,550
Education Protection Account Funds	25,111	--	--	--
Local Sources	2,023	--	--	--
Other State Revenue	31,296	720	1,017	297
Other Local Revenue	300	--	801	801
Total Revenues	147,326	(31,830)	1,818	33,648
Expenditures:				
Current:				
Certificated Salaries	82,311	4,000	4,000	--
Employee Benefits	21,735	2,875	2,864	11
Books And Supplies	3,789	284	--	284
Services And Other Operating Expenditures	101,260	6,000	--	6,000
Other Outgo	226	--	--	--
Total Expenditures	209,321	13,159	6,864	6,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,995)	(44,989)	(5,046)	39,943
Other Financing Sources (Uses):				
Transfers In	61,995	11,602	--	(11,602)
Total Other Financing Sources (Uses)	61,995	11,602	--	(11,602)
Net Change in Fund Balance	--	(33,387)	(5,046)	28,341
Fund Balance, July 1	--	--	33,387	33,387
Fund Balance, June 30	\$ --	\$ (33,387)	\$ 28,341	\$ 61,728

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year	
	2015	2014
Contractually required contribution		
District	\$ 11,554	\$ 13,059
State	10,963	7,886
	<u>22,517</u>	<u>20,945</u>
Contributions in relation to the		
contractually required contribution		
District	(11,782)	(12,450)
State	(10,963)	(7,886)
	<u>(22,745)</u>	<u>(20,336)</u>
Contribution deficiency (excess)	\$ <u>(228)</u>	\$ <u>609</u>
District's covered-employee payroll	\$ 130,113	\$ 158,291
Contributions as a percentage of covered-employee payroll	8.88%	8.25%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for the years for which information is available.

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year	
	2015	2014
District's proportion of the net pension liability (asset)	0.0001%	0.0001%
District's proportionate share of the net pension liability (asset)	\$ 20,404	\$ 45,410
District's covered-employee payroll	\$ 15,394	\$ 38,901
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	132.55%	116.73%
Plan fiduciary net position as a percentage of the total pension liability	79.43%	83.38%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year	
	2015	2014
Contractually required contribution	\$ 1,812 \$	4,451
Contributions in relation to the contractually required contribution	(1,812)	(4,450)
Contribution deficiency (excess)	\$ --	\$ 1
District's covered-employee payroll	\$ 15,394 \$	38,900
Contributions as a percentage of covered-employee payroll	11.77%	11.44%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

RAVENDALE-TERMO SCHOOL DISTRICT

EXHIBIT C-1

CAFETERIA FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Other Local Revenue</i>	\$ 5	\$ 37	\$ 32
Total Revenues	5	37	32
Expenditures:			
Current:			
<i>Books And Supplies</i>	6,500	4,874	1,626
<i>Services And Other Operating Expenditures</i>	1,150	--	1,150
Total Expenditures	7,650	4,874	2,776
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,645)	(4,837)	2,808
Other Financing Sources (Uses):			
<i>Transfers In</i>	6,000	6,000	--
Total Other Financing Sources (Uses)	6,000	6,000	--
Net Change in Fund Balance	(1,645)	1,163	2,808
Fund Balance, July 1	--	4,320	4,320
Fund Balance, June 30	\$ (1,645)	\$ 5,483	\$ 7,128

RAVENDALE-TERMO SCHOOL DISTRICT

CAPITAL FACILITIES FUND

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

EXHIBIT C-2

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Other Local Revenue</i>	\$ 3,570	\$ 3,465	\$ (105)
Total Revenues	3,570	3,465	(105)
Expenditures:			
Current:			
<i>Services And Other Operating Expenditures</i>	125	101	24
Total Expenditures	125	101	24
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,445	3,364	(81)
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	--	--	--
Net Change in Fund Balance	3,445	3,364	(81)
Fund Balance, July 1	--	11,271	11,271
Fund Balance, June 30	\$ 3,445	\$ 14,635	\$ 11,190

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

RAVENDALE-TERMO SCHOOL DISTRICT

LOCAL EDUCATION AGENCY

ORGANIZATION STRUCTURE

JUNE 30, 2016

The District was established in 1913 and its size is approximately 325 square miles located in Lassen County of Northern California. The boundaries of the District did not change during the fiscal year. The District consists of one elementary school. Additionally, the District operates one charter school and is the sponsoring LEA for two charter schools.

Governing Board

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Larry Morgan	President	4 year term ending 12/2018
Jeff Askew	Clerk	4 year term ending 12/2020
Robert Stokes	Member	4 year term ending 12/2020

Administration

Jason Waddell - Superintendent

Michelle Brown - CBO

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2015
TABLE D-1
Ravendale-Termo Elementary

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
TK/K-3:				
Regular ADA	3.59	3.59	3.15	3.15
TK/K-3 Totals	3.59	3.59	3.15	3.15
Grades 4-6:				
Regular ADA	5.67	5.67	5.25	5.25
Grades 4-6 Totals	5.67	5.67	5.25	5.25
Grades 7 and 8:				
Regular ADA	--	--	--	--
Grades 7 and 8 Totals	--	--	--	--
ADA Totals	9.26	9.26	8.40	8.40

Juniper Ridge Virtual Academy

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
TK/K-3:				
Regular ADA - IS Based		--		--
Grades 4-6:				
Regular ADA - IS Based		--		--
Grades 7-8:				
Regular ADA - IS Based		--		--
Grades 9-12:				
Regular ADA - IS Based		--		--
ADA Totals	--	--	--	--

There were no audit findings which resulted in necessary revisions to attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. 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 and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2016

TABLE D-2

<u>Grade Level</u>	<u>Ed. Code 46207 Minutes Requirement</u>	<u>Ed. Code 46207 Adjusted & Reduced</u>	<u>2015-16 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
Transitional Kindergarten	36,000	35,000	59,340	180	N/A	Complied
Kindergarten	36,000	35,000	54,020	180	N/A	Complied
Grade 1	50,400	49,000	54,020	180	N/A	Complied
Grade 2	50,400	49,000	54,020	180	N/A	Complied
Grade 3	50,400	49,000	54,020	180	N/A	Complied
Grade 4	54,000	52,500	57,460	180	N/A	Complied
Grade 5	54,000	52,500	57,460	180	N/A	Complied
Grade 6	54,000	52,500	57,460	180	N/A	Complied
Grade 7	54,000	52,500	57,460	180	N/A	Complied
Grade 8	54,000	52,500	57,460	180	N/A	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

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 instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District met its LCFF target funding.

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2016

TABLE D-3

General Fund	Budget 2017 (see note 1)	2016	2015	2014
Revenues and other financial sources	\$ 353,599	\$ 440,736	\$ 368,658	\$ 426,356
Expenditures	360,060	281,883	259,414	278,831
Other uses and transfers out	6,275	6,000	7,100	6,100
Total outgo	366,335	287,883	266,514	284,931
Change in fund balance (deficit)	(12,736)	152,853	102,144	141,425
Ending fund balance	\$ 718,919	\$ 731,655	\$ 578,802	\$ 476,658
Available reserves (see note 2)	\$ 596,018	\$ 402,058	\$ 432,420	\$ 327,828
Available reserves as a percentage of total outgo (see note 3)	162.7%	139.7%	162.3%	115.1%
Total long-term debt	\$ 389,823	\$ 389,823	\$ 279,157	\$ --
Average daily attendance at P-2	7	9	28	34

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.

The District's 2016 budget does not contain activity or equity from funds that would be combined with the General Fund under GASB 54.

District reserves are above state minimum amounts. However, the District will need to closely monitor finances in the future to avoid fiscal problems.

NOTES:

- 1 Budget 2017 is included for analytical purposes only and has not been subjected to audit.
- 2 Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

RAVENDALE-TERMO SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

TABLE D-4

	General Fund	Deferred Maintenance Fund
June 30, 2016, annual financial and budget report fund balances	\$ 704,944	\$ 11
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
Reclassification for financial statement presentation*	26,711	(11)
Net adjustments and reclassifications	26,711	(11)
June 30, 2016, audited financial statement fund balances	\$ 731,655	\$ --
	Special Reserve Fund for Other Than Capital Outlay	
June 30, 2016, annual financial and budget report total liabilities	\$ 26,700	
Adjustments and reclassifications:		
Increase (decrease) in total liabilities:		
Reclassification for financial statement presentation*	(26,700)	
Net adjustments and reclassifications	(26,700)	
June 30, 2016, audited financial statement total liabilities	\$ --	

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

*This audit reclassification is made for financial statement purposes only; pursuant to GASB Statement 54 which, when applied, does not recognize these funds as special revenue fund types. Therefore, the fund balances are consolidated with the General Fund. However, the District is permitted under current State law to account for these funds as special revenue fund types for interim reporting and budgeting purposes.

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2016

TABLE D-5

The following charter schools are chartered by Ravendale-Termo School District.

<u>Charter Schools</u>	<u>Included In Audit?</u>
Juniper Ridge Virtual Academy Charter	Yes
New Day Academy	No
Long Valley Charter	No

Other Independent Auditor's Reports

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Board of Trustees
Ravendale-Termo School District
Ravendale, California 96123

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ravendale-Termo School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Ravendale-Termo School District's basic financial statements, and have issued our report thereon dated November 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ravendale-Termo School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ravendale-Termo School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ravendale-Termo School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of the findings and questioned costs that we consider item 2016-1 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2016-1 to be significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ravendale-Termo School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item(s) 2016-2.

Ravendale-Termo School District's Response to Findings

Ravendale-Termo School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Ravendale-Termo School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



SingletonAuman PC

Susanville, CA
November 26, 2016

Independent Auditor's Report on State Compliance

Board of Trustees
Ravendale-Termo School District
Ravendale, California 96123

Members of the Board of Trustees:

Report on State Compliance

We have audited the District's compliance with the types of compliance requirements described in the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, Section 19810 that could have a direct and material effect on each of the District's state programs identified below for the fiscal year ended June 30, 2016.

Management's Responsibility for State Compliance

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit guide, 2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810. We conduct our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the State's audit guide, 2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, *California Code of Regulations*, Section 19810. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the 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 the District's compliance with those requirements.

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

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Compliance Requirements

Procedures in Audit Guide Performed?

LOCAL EDUCATION AGENCIES

OTHER THAN CHARTER SCHOOLS:

Attendance Accounting:

Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	N/A
Continuation Education	N/A
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes

SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:

Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program:	
After School	N/A
Before School	N/A
General Requirements	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
Immunizations	N/A

CHARTER SCHOOLS:

Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Opinion on State Compliance

In our opinion, Ravendale-Termo School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the statutory requirements for programs noted above, which are required to be reported in accordance with the State's audit guide, 2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2016-2.

Ravendale-Termo School District's Response to Findings

Ravendale-Termo School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Ravendale-Termo School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance outside of the items tested as noted above. This report is an integral part of an audit performed in accordance with the 2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



SingletonAuman PC

Susanville, CA
November 26, 2016

Findings and Recommendations Section

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? X Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. State Awards

Any audit findings disclosed that are required to be reported in accordance with Standards and Procedures for Audits of California K-12 Local Education Agencies? X Yes No

Type of auditor's report issued on compliance for state programs: Unmodified

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

B. Yellow Book/Financial Statement Findings

Internal Control - Material Weakness

Finding 2016-1 Lack of Segregation of Duties (CDDC#30000)

Criteria upon which audit finding is based (Legal Citation)

Yellow Book paragraphs 5.10 - 5.14 and Appendix I, SAS No. 109.

Finding (Condition)

An inadequate segregation of duties exists.

Amount of Questioned costs, How Computed and Prevalence

None.

Effect

The District has exposure to risk of financial statement misstatement and the potential risk of fraud.

Cause

Due to the number of personnel assigned to duties that involve access to the general ledger and other accounting records and who also have custody of and responsibility for handling cash and other assets, an inadequate segregation of duties exists.

Recommendation

We recommend that the District employees and Board maintain diligence for the potential risks of not having an adequate segregation of duties.

District's Response

The District concurs with this finding.

RAVENDALE-TERMO SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

C. State Award Findings and Questioned Costs

Finding 2016-2 Transportation Maintenance of Effort (CDDC#40000)

Criteria upon which audit finding is based (Legal Citation)
California Education Code Section 42238.03

Finding (Condition)
The District did not meet its minimum transportation expenditure requirement per California Education Code Section 42238.03.

Amount of Questioned costs, How Computed and Prevalence
None, compliance finding only.

Effect
The District is not in compliance with the provisions of California Education Code Section 42238.03

Cause
Due to declining enrollment, the District no longer required both of its transportation vehicles. Accordingly, the District disposed of one vehicle and reduced transportation staffing, which resulted in reduced transportation costs.

Recommendation
We recommend that the District closely monitor their transportation program to ensure that they maintain a substantially similar level of service as provided to students in the 12/13 fiscal year to order to comply with the spirit of the transportation maintenance of effort compliance requirement.

District's Response
The District concurs with this finding.

RAVENDALE-TERMO SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
<u>Finding 2015-1</u> An inadequate segregation of duties exists	Not Implemented.	See current year finding 2016-1
<u>Finding 2015-2</u> Incomplete financial reporting	Implemented.	
<u>Finding 2015-3</u> Transportation Maintenance of Effort	Not Implemented.	See current year finding 2016-2

RAVENDALE-TERMO SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2016

Person Monitoring Corrective Action Plan

District Contracted Superintendent, Jason Waddell

Finding 2016-1 Lack of Segregation of Duties (CDDC#30000)

Finding (Condition)

Due to the number of employees an inadequate segregation of duties exists.

Corrective Action Planned

Due to the number of employees of the District it is not possible for the District to cost effectively mitigate this finding. The District cannot, with its current budget hire an adequate number of employees to insure that custody of assets and accountability for assets is separated.

The District does, however, believe that being aware of this weakness will insure that existing employees and Board members will maintain diligence to potential risks of not having an adequate segregation of duties.

Expected Completion Date

Ongoing.

Finding 2016-2 Transportation Maintenance of Effort (CDDC#40000)

Finding (Condition)

The District did not meet its minimum transportation expenditure requirement per California Education Code Section 42238.03.

Corrective Action Planned

The District is aware of the Transportation MOE requirement and will continue to monitor the transportation program by looking at expenditures that will provide a similar level of services as provided to students during the 12/13 year, without wasting District resources to meet the needs of fewer students.

Expected Completion Date

June 30, 2016