

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2000

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

OF STANISLAUS COUNTY

SALIDA, CALIFORNIA

JUNE 30, 2000

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Gary Dew	President	2003
Mark Hughes	Clerk	2002
Dennis Thompson	Trustee	2003
Jose Banda	Trustee	2002
Ivan Wyeth	Trustee	2002

ADMINISTRATION

Antonio Borba

Superintendent

ORGANIZATION

The Salida Union School District was established in 1949 and is comprised of an area of approximately 31 square miles located in Stanislaus County. There were no changes in the boundaries of the District during the current year. The District is currently operating four elementary schools providing instruction for kindergarten through eighth grade

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

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Vavrinek, Trine, Day & Co., LLP

MEMBERS

Members

- American Institute of Certified Public Accountants
 - SEC Practice Section
- California Society of Certified Public Accountants
 - Western Association of Accounting Firms

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Salida Union Elementary School District
Salida, California

We have audited the accompanying general-purpose and combining financial statements of the Salida Union Elementary School District, as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general-purpose and combining financial statements referred to above present fairly, in all material respects, the financial position of the Salida Union Elementary School District at June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2000, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial and statistical information listed in the table of contents, including the Schedule of Expenditures of Federal Awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose and combining financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general-purpose and combining financial statements taken as a whole.

Vavrinek, Min, Day & Co., CP

Fresno, California

November 3, 2000

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SALIDA UNION ELEMENTARY SCHOOL DISTRICT

ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET
 JUNE 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash	\$ 3,125,333	\$ 500		
Investments	2,323,831	307,465	\$ 424,705	\$ 15,876,638
Accounts receivable	1,252,368	176,405	3,618	43,956
Due from other funds	44,701	80,971		
Stores inventory		18,026		
Fixed assets				
Amount available for the retirement of general long-term debt				
Amount to be provided for the retirement of general long-term debt				
Total Assets	\$ 6,746,233	\$ 583,367	\$ 428,323	\$ 15,920,594
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	3,644,094	61,805		2,898
Due to other funds	80,971	44,701		
Deferred revenue	128,605			2,548,413
Due to student groups				
General long-term debt				
Total Liabilities	3,853,670	106,506		2,551,311
FUND EQUITY				
Investment in fixed assets				
Fund balances				
Reserved	1,039,170	18,526		
Unreserved				
Designated	1,853,393			
Undesignated		458,335	428,323	13,369,283
Total Fund Equity	2,892,563	476,861	428,323	13,369,283
Total Liabilities and Fund Equity	\$ 6,746,233	\$ 583,367	\$ 428,323	\$ 15,920,594

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

Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Agency			
\$ 79,467			\$ 3,205,300
			18,932,639
			1,476,347
			125,672
			18,026
	\$ 21,623,718		21,623,718
		\$ 428,323	428,323
		2,255,021	2,255,021
<u>\$ 79,467</u>	<u>\$ 21,623,718</u>	<u>\$ 2,683,344</u>	<u>\$ 48,065,046</u>
			3,708,797
			125,672
			2,677,018
79,467			79,467
		2,683,344	2,683,344
<u>79,467</u>		<u>2,683,344</u>	<u>9,274,298</u>
	21,623,718		21,623,718
			1,057,696
			1,853,393
			14,255,941
	<u>21,623,718</u>		<u>38,790,748</u>
<u>\$ 79,467</u>	<u>\$ 21,623,718</u>	<u>\$ 2,683,344</u>	<u>\$ 48,065,046</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES				
Revenue Limit Sources				
State apportionments	\$ 7,461,011			
Local sources	<u>3,078,429</u>			
Total Revenue Limit Sources	10,539,440			
Federal revenues	1,633,437	\$ 432,181		
Other state revenues	2,784,751	536,871	\$ 3,304	\$ 8,634,935
Other local revenues	516,897	379,339	187,914	358,485
Tuition and transfers	<u>528,903</u>			
Total Revenues	<u>16,003,428</u>	<u>1,348,391</u>	<u>191,218</u>	<u>8,993,420</u>
EXPENDITURES				
Current Expenditures				
Certificated salaries	7,803,892	129,559		
Classified salaries	2,359,945	393,256		
Employee benefits	1,857,983	111,587		
Books and supplies	866,383	424,144		
Services and operating expenditures	1,116,518	139,765		125,782
Other outgo	631,001	15,968		
Capital outlay	439,211	287,143		693,735
Debt service - principal			115,000	
Debt service - interest and other			<u>133,760</u>	
Total Expenditures	<u>15,074,933</u>	<u>1,501,422</u>	<u>248,760</u>	<u>819,517</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>928,495</u>	<u>(153,031)</u>	<u>(57,542)</u>	<u>8,173,903</u>
OTHER FINANCING SOURCES/(USES)				
Operating transfers in		271,954		1,244,837
Operating transfers out	(1,309,954)	(100,000)		(106,837)
Other sources				<u>1,178,979</u>
Total Other Financing Sources/(Uses)	<u>(1,309,954)</u>	<u>171,954</u>		<u>2,316,979</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(381,459)	18,923	(57,542)	10,490,882
FUND BALANCE, BEGINNING OF YEAR	<u>3,274,022</u>	<u>457,938</u>	<u>485,865</u>	<u>2,878,401</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,892,563</u>	<u>\$ 476,861</u>	<u>\$ 428,323</u>	<u>\$ 13,369,283</u>

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

Total
(Memorandum
Only)

\$ 7,461,011
3,078,429
10,539,440
2,065,618
11,959,861
1,442,635
528,903
26,536,457

7,933,451
2,753,201
1,969,570
1,290,527
1,382,065
646,969
1,420,089
115,000
133,760
17,644,632

8,891,825

1,516,791
(1,516,791)
1,178,979
1,178,979

10,070,804
7,096,226
\$ 17,167,030

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Revenue Limit Sources			
State apportionments	\$ 7,508,129	\$ 7,461,011	\$ (47,118)
Local sources	3,078,429	3,078,429	
Total Revenue Limit Sources	10,586,558	10,539,440	(47,118)
Federal revenues	1,632,124	1,633,437	1,313
Other state revenues	2,714,432	2,784,751	70,319
Other local revenues	530,352	516,897	(13,455)
Tuition and transfers	528,903	528,903	
Total Revenues	15,992,369	16,003,428	11,059
EXPENDITURES			
Current Expenditures			
Certificated salaries	7,877,821	7,803,892	73,929
Classified salaries	2,388,754	2,359,945	28,809
Employee benefits	1,928,209	1,857,983	70,226
Books and supplies	912,446	866,383	46,063
Services and operating expenditures	1,330,013	1,116,518	213,495
Other outgo	631,373	631,001	372
Capital outlay	469,664	439,211	30,453
Debt service - principal			
Debt service - interest and other			
Total Expenditures	15,538,280	15,074,933	463,347
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	454,089	928,495	474,406
OTHER FINANCING SOURCES/(USES)			
Operating transfers in			
Operating transfers out	(1,309,954)	(1,309,954)	
Other sources			
Total Other Financing Sources/(Uses)	(1,309,954)	(1,309,954)	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(855,865)	(381,459)	474,406
FUND BALANCE, BEGINNING OF YEAR	3,274,022	3,274,022	
FUND BALANCE, END OF YEAR	\$ 2,418,157	\$ 2,892,563	\$ 474,406

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

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 432,181	\$ 432,181				
566,039	536,871	\$ (29,168)		\$ 3,304	\$ 3,304
381,709	379,339	(2,370)		187,914	187,914
<u>1,379,929</u>	<u>1,348,391</u>	<u>(31,538)</u>		<u>191,218</u>	<u>191,218</u>
129,686	129,559	127			
407,932	393,256	14,676			
120,529	111,587	8,942			
425,959	424,144	1,815			
141,638	139,765	1,873			
15,968	15,968				
292,681	287,143	5,538			
				115,000	(115,000)
				133,760	(133,760)
<u>1,534,393</u>	<u>1,501,422</u>	<u>32,971</u>		<u>248,760</u>	<u>(248,760)</u>
(154,464)	(153,031)	1,433		(57,542)	(57,542)
190,983	271,954	80,971			
(100,000)	(100,000)				
<u>90,983</u>	<u>171,954</u>	<u>80,971</u>			
(63,481)	18,923	82,404		(57,542)	(57,542)
457,938	457,938		\$ 485,865	485,865	
<u>\$ 394,457</u>	<u>\$ 476,861</u>	<u>\$ 82,404</u>	<u>\$ 485,865</u>	<u>\$ 428,323</u>	<u>\$ (57,542)</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

	Capital Projects		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Revenue Limit Sources			
State apportionments			
Local sources			
Total Revenue Limit			
Federal revenues			
Other state revenues	\$ 11,183,348	\$ 8,634,935	\$ (2,548,413)
Other local revenues	399,779	358,485	(41,294)
Tuition and transfers			
Total Revenues	<u>11,583,127</u>	<u>8,993,420</u>	<u>(2,589,707)</u>
EXPENDITURES			
Current Expenditures			
Certificated salaries			
Classified salaries			
Employee benefits			
Books and supplies			
Services and operating expenditures	27,744	125,782	(98,038)
Other outgo			
Capital outlay	693,829	693,735	94
Debt service - principal			
Debt service - interest and other			
Total Expenditures	<u>721,573</u>	<u>819,517</u>	<u>(97,944)</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>10,861,554</u>	<u>8,173,903</u>	<u>(2,687,651)</u>
OTHER FINANCING SOURCES(USES)			
Operating transfers in	1,244,837	1,244,837	
Operating transfers out	(106,837)	(106,837)	
Other sources	1,178,979	1,178,979	
Total Other Financing Sources/(Uses)	<u>2,316,979</u>	<u>2,316,979</u>	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	13,178,533	10,490,882	(2,687,651)
FUND BALANCE, BEGINNING OF YEAR	<u>2,878,401</u>	<u>2,878,401</u>	
FUND BALANCE, END OF YEAR	<u>\$ 16,056,934</u>	<u>\$ 13,369,283</u>	<u>\$ (2,687,651)</u>

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

Total (Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 7,508,129	\$ 7,461,011	\$ (47,118)
<u>3,078,429</u>	<u>3,078,429</u>	
10,586,558	10,539,440	(47,118)
2,064,305	2,065,618	1,313
14,463,819	11,959,861	(2,503,958)
1,311,840	1,442,635	130,795
<u>528,903</u>	<u>528,903</u>	
<u>28,955,425</u>	<u>26,536,457</u>	<u>(2,418,968)</u>
8,007,507	7,933,451	74,056
2,796,686	2,753,201	43,485
2,048,738	1,969,570	79,168
1,338,405	1,290,527	47,878
1,499,395	1,382,065	117,330
647,341	646,969	372
1,456,174	1,420,089	36,085
	115,000	(115,000)
	<u>133,760</u>	<u>(133,760)</u>
<u>17,794,246</u>	<u>17,644,632</u>	<u>149,614</u>
<u>11,161,179</u>	<u>8,891,825</u>	<u>(2,269,354)</u>
1,435,820	1,516,791	80,971
(1,516,791)	(1,516,791)	
<u>1,178,979</u>	<u>1,178,979</u>	
<u>1,098,008</u>	<u>1,178,979</u>	<u>80,971</u>
12,259,187	10,070,804	(2,188,383)
<u>7,096,226</u>	<u>7,096,226</u>	
<u>\$ 19,355,413</u>	<u>\$ 17,167,030</u>	<u>\$ (2,188,383)</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The District includes all funds and account groups that are controlled by or dependent on the District's governing board for financial reporting purposes. The District has considered all potential component units in determining how to define the reporting entity, using criteria set forth in generally accepted accounting principles. The District determined that there are no potential component units that meet the criteria for inclusion within the reporting entity.

B. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District accounts are organized into fund types and account groups as follows:

Governmental Funds

- General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for specific purposes.
- Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.
- Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets.

Fiduciary Funds

- Agency Funds are used to account for assets of others for which the District acts as agent.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheet. Their reported fund balance is considered a measure of "available spendable resources." Thus, the fixed assets and long-term liabilities associated with governmental funds are accounted for in the account groups of the District.

- General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of the donation. No depreciation is recorded on general fixed assets.
- The General Long-term Debt Account Group is used to account for long-term liabilities expected to be financed from governmental funds.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt, which is recognized when due.

Fiduciary fund assets and liabilities are also accounted for on the modified accrual basis.

D. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Bond Interest and Redemption Fund. The District's governing board must adopt an operating budget no later than July 1 in accordance with state law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. It is this final revised budget that is presented in these financial statements. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

E. Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

F. Stores Inventory

Inventory is valued at lower of cost or market utilizing the first in, first out method. Inventory in the applicable funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are withdrawn from the stores inventory for consumption. Reported inventories are equally offset by a fund balance reserve that indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

G. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The amount of the liability expected to be paid from current resources is not significant. The noncurrent portion of the liability is recognized in the general long-term debt account group.

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

H. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not available for appropriation or amounts legally segregated for a specific future use.

Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

I. Property, Plant and Equipment

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Property, plant and equipment acquired or constructed for general governmental operations is recorded as an expenditure in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

J. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on January 1 and March 1. Unsecured property taxes are payable in one installment on or before August 31. The County of Stanislaus bills and collects the taxes for the District. The District recognizes tax revenues when received.

K. Deferred Revenue

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

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

M. Total (Memorandum Only) Columns on Combined Statements

The Combined Financial Statements include total columns captioned as "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #2 – CASH

Cash at June 30, 2000, is presented below and categorized separately to give an indication of the level of risk assessment with each deposit:

	Bank Balance - Category *			Total	Carrying Amount
	1	2	3		
Cash on hand and in banks	\$ 83,176			\$ 83,176	\$ 79,467
Cash in revolving fund	10,163			10,163	5,500
Cash with fiscal agent			\$ 3,120,333	3,120,333	3,120,333
Total	<u>\$ 93,339</u>		<u>\$ 3,120,333</u>	<u>\$ 3,213,672</u>	<u>\$ 3,205,300</u>

*These categories are as follows:

- Category 1: Insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- Category 3: Uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name.

NOTE #3 – INVESTMENTS

Investments at June 30, 2000, held on behalf of the Salida Union Elementary School District are presented below, categorized separately to give an indication of the level of risk associated with each investment:

	Reported Amount	Fair Value
Uncategorized:		
Deposits with county treasurer	\$ 18,932,639	\$ 18,932,639
	<u>\$ 18,932,639</u>	<u>\$ 18,932,639</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

A. Authorized Investments

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

B. Deposits with County Treasurer

Deposits with county treasurer is an external investment pool sponsored by the County of Stanislaus. School districts are required to deposit all receipts and collections of moneys with their county treasurer (Education Code Section 41001). Therefore, the District is considered to be an involuntary participant in an external investment pool. County deposits are not required to be categorized. The pool sponsor provided the fair value for these deposits.

NOTE #4 – ACCOUNTS RECEIVABLE

Receivables at June 30, 2000, consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Federal Government					
Categorical aid	\$ 496,451	\$ 76,819			\$ 573,270
State Government					
Apportionment	28,850				28,850
Categorical aid	387,598	32,323			419,921
Other state	210,170	65,559			275,729
Local Government					
Interest	64,364		\$ 3,618	\$ 1,612	69,594
Other Local Sources	64,935	1,704		42,344	108,983
Total	<u>\$ 1,252,368</u>	<u>\$ 176,405</u>	<u>\$ 3,618</u>	<u>\$ 43,956</u>	<u>\$ 1,476,347</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #5 – INTERFUND TRANSACTIONS

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

Individual fund interfund receivable and payable balances at June 30, 2000, are as follows:

Funds	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 44,701	\$ 80,971
Cafeteria		22,086
Child Development	80,971	22,615
Total	<u>\$ 125,672</u>	<u>\$ 125,672</u>

B. Operating Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2000, are as follows:

The General fund transferred to the Deferred Maintenance fund for the required state match.	\$ 74,483
The General fund transferred to the Child Development fund for the latchkey program.	97,471
The General fund transferred to the Special Reserve - Capital Project fund for future construction projects.	1,138,000
The Cafeteria fund transferred to the Special Reserve - Capital fund for equipment replacement.	100,000
The State School Building fund transferred to the Special Reserve - Capital fund to close-out projects.	5,395
The State School Building fund transferred to the Capital Facilities fund to correct posting error.	1,442
The Special Reserve - Capital fund transferred to the Cafeteria fund for equipment replacement.	100,000
Total	<u>\$ 1,516,791</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #6 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2000, consists of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Vendor invoices	\$ 129,704	\$ 44,212	\$ 2,898	\$ 176,814
Accrued payroll	311,991	17,593		329,584
TRANS	3,120,333			3,120,333
Other	82,066			82,066
Total	<u>\$ 3,644,094</u>	<u>\$ 61,805</u>	<u>\$ 2,898</u>	<u>\$ 3,708,797</u>

NOTE #7 – DEFERRED REVENUE

Deferred revenue at June 30, 2000, consists of the following:

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Federal financial assistance	\$ 33,107		\$ 33,107
State categorical aid	95,498		95,498
School facilities apportionment		\$ 2,548,413	2,548,413
Total	<u>\$ 128,605</u>	<u>\$ 2,548,413</u>	<u>\$ 2,677,018</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #8 – FUND BALANCES

Fund balances are composed of the following elements:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Reserved				
Revolving cash	\$ 5,000	\$ 500		
Stores inventory		18,026		
Prepaid expenditures				
Restricted programs	<u>1,034,170</u>			
Total Reserved	<u>1,039,170</u>	<u>18,526</u>		
Unreserved				
Designated				
Economic uncertainties	913,796			
Other designations	<u>939,597</u>			
Total Designated	<u>1,853,393</u>			
Undesignated		458,335	\$ 428,323	\$ 13,369,283
Total Unreserved	<u>1,853,393</u>	<u>458,335</u>	<u>428,323</u>	<u>13,369,283</u>
Total	<u>\$ 2,892,563</u>	<u>\$ 476,861</u>	<u>\$ 428,323</u>	<u>\$ 13,369,283</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE #9 – GENERAL LONG-TERM DEBT

A. Long-Term Debt Summary

A schedule of changes in long-term debt for the year ended June 30, 2000, is shown below:

	Balance Beginning of Year	Additions and Adjustments	Deductions	Balance End of Year
General obligation bonds	\$ 2,600,000		\$ (115,000)	\$ 2,485,000
Accumulated vacation - net	10,372	\$ 3,278		13,650
Postemployment benefits	168,985		(91,291)	77,694
Capital leases	185,950		(78,950)	107,000
	<u>\$ 2,965,307</u>	<u>\$ 3,278</u>	<u>\$ (285,241)</u>	<u>2,683,344</u>
Amount currently available and reserved for retirement of general long-term debt				
Bond interest and redemption				428,323
Amount to be provided for retirement of general long-term debt				<u>\$ 2,255,021</u>

B. Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Redeemed	Bonds Outstanding End of Year
1988	2020	5.00-5.50%	\$ 1,500,000	\$ 1,465,000		\$ 35,000	\$ 1,430,000
1996	2009	5.00-5.25%	1,315,000	1,135,000		80,000	1,055,000
				<u>\$ 2,600,000</u>		<u>\$ 115,000</u>	<u>\$ 2,485,000</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

Debt Service Requirements to Maturity

General Obligation 1988 Series B Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2001	\$ 40,000	\$ 75,410	\$ 115,410
2002	40,000	73,410	113,410
2003	45,000	71,285	116,285
2004	45,000	69,035	114,035
2005	45,000	66,785	111,785
Thereafter	1,215,000	608,456	1,823,456
Total	<u>\$ 1,430,000</u>	<u>\$ 964,381</u>	<u>\$ 2,394,381</u>

General Obligation 1996 Refunding Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2001	\$ 85,000	\$ 52,350	\$ 137,350
2002	90,000	47,975	137,975
2003	95,000	43,350	138,350
2004	95,000	38,600	133,600
2005	100,000	33,725	133,725
Thereafter	590,000	81,663	671,663
Total	<u>\$ 1,055,000</u>	<u>\$ 297,663</u>	<u>\$ 1,352,663</u>

Total District General Obligation Bonds Outstanding:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2001	\$ 125,000	\$ 127,760	\$ 252,760
2002	130,000	121,385	251,385
2003	140,000	114,635	254,635
2004	140,000	107,635	247,635
2005	145,000	100,510	245,510
Thereafter	1,805,000	690,119	2,495,119
Total	<u>\$ 2,485,000</u>	<u>\$ 1,262,044</u>	<u>\$ 3,747,044</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

C. Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2000, amounted to \$13,650.

D. Postemployment Benefits

The District provides postemployment health care benefits as an early retirement incentive program, in accordance with District employment contracts, to all employees who retire from the District with at least 30 years of service as established by PERS or STRS. Currently, 6 employees meet those eligibility requirements. The District contributes a percent of the amount of premiums incurred by retirees depending on the employee's age at retirement. The percentage of benefits cost paid by the District in relation to the employee's age at retirement is as follows: 56/100%, 57/75%, 58/50%, 59/25%. Expenditures for postemployment benefits are recognized as premiums are paid. During the year, expenditures of \$91,291 were recognized for retirees' health care benefits.

The approximate accumulated future liability for the District at June 30, 2000, amounts to \$77,694. This amount was calculated based upon the number of retirees receiving benefits multiplied by the yearly district payment per employee in effect at June 30, 2000, multiplied by the number of years of payments remaining until the respective retirees reach age 65.

E. Capital Leases

The District's liability on lease agreements with options to purchase are summarized below:

	<u>Portable Classrooms and Property</u>
Balance, Beginning of Year	\$ 214,000
Payments	(104,000)
Balance, End of Year	<u>\$ 110,000</u>

The capital leases have minimum lease payments as follows:

<u>Year Ending June 30,</u> 2001	<u>Lease Payment</u>
	\$ 110,000
Less: Amount Representing Interest	3,000
Present Value of Minimum Lease Payments	<u>\$ 107,000</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

NOTE #10 – GENERAL FIXED ASSETS

A summary of general fixed assets for the year ended June 30, 2000, follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Sites and improvements	\$ 947,657	\$ 1,137,988		\$ 2,085,645
Building and improvements	15,276,874	1,204,300		16,481,174
Equipment	2,965,592	91,307		3,056,899
Total	<u>\$ 19,190,123</u>	<u>\$ 2,433,595</u>		<u>\$ 21,623,718</u>

NOTE #11 – EMPLOYEE RETIREMENT SYSTEMS

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

A. PERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary (7.0 percent of monthly salary over \$133.33 if the member participates in Social Security) and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 1999-2000 was 0 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2000, 1999, and 1998, were \$0, \$0, and \$114,575, respectively, and equal 100 percent of the required contributions for each year.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

B. STRS

Plan Description

The District contributes to the California State Teachers' Retirement System (STRS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Blvd., Sacramento, CA 95826.

Funding Policy

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by STRS Teachers' Retirement Board. The required employer contribution rate for fiscal 1999-2000 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to STRS for the fiscal years ending June 30, 2000, 1999, and 1998, were \$616,080, \$515,318, and \$464,863, respectively, and equal 100 percent of the required contributions for each year.

C. Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee's gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

D. On Behalf Payments

The State of California makes contributions to STRS and PERS on behalf of the District. These payments consist of State General Fund contributions to STRS in the amount of \$418,337 (5.602 percent of salaries subject to STRS) and \$1,553 (.093 percent of salaries subject to PERS). Under generally accepted accounting principles, these amounts are to be reported as revenues and expenditures, however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the Annual Financial and Budget Report (J-200). These amounts also have not been recorded in these financial statements.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

NOTE #12 – RISK MANAGEMENT

Description

The District's risk management activities are recorded in the General Fund. Employee life, health, and disability programs are administered by the General Fund through the purchase of commercial insurance. The District participates in the Central Region Schools' Insurance Group (CRSIG) public entity risk pools (JPAs) for the workers' compensation, health, and property and liability programs, and purchases excess liability coverage through the Schools Excess Liability Fund (SELF) JPA. Refer to Note #14 for additional information regarding the JPAs. Excess property and liability coverage is obtained through SELF.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE #13 – COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards and Grants

The District has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, in the opinion of management any required reimbursements will not be material.

NOTE #14 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

Joint Powers Agencies

The District is a member of the Central Region Schools' Insurance Group (CRSIG), and the Schools Excess Liability Fund (SELF) joint powers authorities JPAs. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District, the pools and the JPA's are such that they are not component units of the District for financial reporting purposes.

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

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

A. <u>Entity</u>	Central Region Schools' Insurance Group (CRSIG).	Schools Excess Liability Fund (SELF).
B. <u>Purpose</u>	Arranges for and provides workers' compensation, health, and property and liability insurance for its members.	Arranges for excess liability insurance.
C. <u>Participants</u>	Other school districts.	Other school districts.
D. <u>Governing Board</u>	One representative from each member district.	One representative from each member district.

E. Condensed Audited Financial Information Follows

		June 30, 1999*	June 30, 1999*
Assets		\$ 15,212,052	\$ 115,318,344
Liabilities		5,374,526	69,952,987
Fund Equity		<u>\$ 9,837,526</u>	<u>\$ 45,365,357</u>
Revenues		9,235,427	14,142,058
Expenses		9,409,291	38,874,311
Net Decrease in Fund Equity		<u>\$ (173,864)</u>	<u>\$ (24,732,253)</u>

None of the JPA's had long-term debts outstanding at June 30, 1999. The District's share of year-end assets, liabilities or fund equity has not been calculated.

*Most recent audited financial statements available.

Mello Roos District

The District is a member of a Mello Roos District name the Salida Area Public Facilities Financing Agency. Other public agencies in the Mello Roos District include: Salida Elementary Schools, Modesto City Schools, Salida Sanitary District, Stanislaus County and the Salida Fire Protection District. Detail audited financial statements are not available at June 30, 2000.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

NOTE #15 – EXPENDITURES (BUDGET VERSUS ACTUAL)

At June 30, 2000, the following District funds exceeded the budgeted amounts as follows:

Funds	Expenditures and Other Uses		
	Budget	Actual	Excess
County School Facilities			
Services and other operating expenditures		\$ 98,038	\$ 98,038

NOTE #16 – SUBSEQUENT EVENTS

The District issued \$2,735,000 of Tax And Revenue Anticipation Notes dated July 3, 2000. The notes mature on July 3, 2001, and yield 4.27 percent interest. The notes were sold to supplement cash flow.

Repayment requirements are that a percentage of principal and interest be deposited with the Fiscal Agent each month beginning August 1, 2000, until 100 percent of principal and interest due is on account in July 3, 2001.

NOTE #17 – NEW ACCOUNTING PRONOUNCEMENT

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement of Financial Accounting Standard No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes financial reporting standards for state and local governments, including states, cities, towns, villages and special-purpose governments such as school districts and public utilities. Specifically the basic financial statements and required supplementary information (RSI) for general-purpose governments should consist of:

- A. Management's Discussion and Analysis (MD&A)
- B. Basic Financial Statements which include:
 - Government-wide financial statements prepared using the economic measurement focus and the accrual basis of accountings.
 - Fund financial statements prepared using the current financial resources measurement focus and the modified accrual basis of accounting.
 - Required supplementary information.
- C. The requirements of this statement are effective in three phases based on a government's total annual revenues for the year ended June 30, 1999, with earlier application encouraged. These phases are as follows:

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

Phase I: Districts with total revenue of \$100 million or more are required to implement for the year ending June 30, 2002.

Phase II: Districts with total revenue of at least \$10 million but less than \$100 million are required to implement for the year ending June 30, 2003.

Phase III: Districts with total revenue of less than \$10 million are required to implement for the year ending June 30, 2004.

Based on the above criteria, the District expects to adopt the provisions of this statement for the fiscal year ending June 30, 2003. While the District believes the adoption of this statement will have a significant impact on how the District's financial position and results of operations is presented in its annual financial statements, the District has not determined the full impact of the adoption.

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SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000**

	Cafeteria	Child Development	Deferred Maintenance	Total
ASSETS				
Cash	\$ 500			\$ 500
Investments	73,462	\$ 2,529	\$ 231,474	307,465
Accounts receivable	83,704	27,142	65,559	176,405
Due from other funds		80,971		80,971
Stores inventory	18,026			18,026
Total Assets	<u>\$ 175,692</u>	<u>\$ 110,642</u>	<u>\$ 297,033</u>	<u>\$ 583,367</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Deficit cash balances				
Accounts payable	30,414	31,203	188	61,805
Due to other funds	22,086	22,615		44,701
Total Liabilities	<u>52,500</u>	<u>53,818</u>	<u>188</u>	<u>106,506</u>
FUND EQUITY				
Fund balances				
Reserved	18,526			18,526
Unreserved				
Undesignated	104,666	56,824	296,845	458,335
Total Fund Equity	<u>123,192</u>	<u>56,824</u>	<u>296,845</u>	<u>476,861</u>
Total Liabilities and Fund Equity	<u>\$ 175,692</u>	<u>\$ 110,642</u>	<u>\$ 297,033</u>	<u>\$ 583,367</u>

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

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

	Cafeteria		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal revenues	\$ 432,181	\$ 432,181	
Other state revenues	40,656	40,656	
Other local revenues	293,800	293,206	\$ (594)
Total Revenues	<u>766,637</u>	<u>766,043</u>	<u>(594)</u>
EXPENDITURES			
Current Expenditures			
Certificated salaries	22,193	22,193	
Classified salaries	237,427	237,367	60
Employee benefits	61,928	61,920	8
Books and supplies	388,171	387,077	1,094
Services and operating expenditures	23,563	23,556	7
Other outgo			
Capital outlay	85,061	85,052	9
Total Expenditures	<u>818,343</u>	<u>817,165</u>	<u>1,178</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>(51,706)</u>	<u>(51,122)</u>	<u>584</u>
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	100,000	100,000	
Operating transfers out	(100,000)	(100,000)	
Total Other Financing Sources/(Uses)			
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	<u>(51,706)</u>	<u>(51,122)</u>	<u>584</u>
FUND BALANCE, BEGINNING OF YEAR	<u>174,314</u>	<u>174,314</u>	
FUND BALANCE, END OF YEAR	<u>\$ 122,608</u>	<u>\$ 123,192</u>	<u>\$ 584</u>

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

Child Development			Deferred Maintenance		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 469,543	\$ 440,375	\$ (29,168)	\$ 55,840	\$ 55,840	
73,194	73,466	272	14,715	12,667	\$ (2,048)
542,737	513,841	(28,896)	70,555	68,507	(2,048)
107,493	107,366	127			
170,505	155,889	14,616			
58,601	49,667	8,934			
29,571	28,858	713	8,217	8,209	8
104,458	102,592	1,866	13,617	13,617	
15,968	15,968				
112,519	107,165	5,354	95,101	94,926	175
599,115	567,505	31,610	116,935	116,752	183
(56,378)	(53,664)	2,714	(46,380)	(48,245)	(1,865)
16,500	97,471	80,971	74,483	74,483	
16,500	97,471	80,971	74,483	74,483	
(39,878)	43,807	83,685	28,103	26,238	(1,865)
13,017	13,017		270,607	270,607	
\$ (26,861)	\$ 56,824	\$ 83,685	\$ 298,710	\$ 296,845	\$ (1,865)

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

	Total		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Federal revenues	\$ 432,181	\$ 432,181	
Other state revenues	566,039	536,871	\$ (29,168)
Other local revenues	381,709	379,339	(2,370)
Total Revenues	<u>1,379,929</u>	<u>1,348,391</u>	<u>(31,538)</u>
EXPENDITURES			
Current Expenditures			
Certificated salaries	129,686	129,559	127
Classified salaries	407,932	393,256	14,676
Employee benefits	120,529	111,587	8,942
Books and supplies	425,959	424,144	1,815
Services and operating expenditures	141,638	139,765	1,873
Other outgo	15,968	15,968	
Capital outlay	292,681	287,143	5,538
Total Expenditures	<u>1,534,393</u>	<u>1,501,422</u>	<u>32,971</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>(154,464)</u>	<u>(153,031)</u>	<u>1,433</u>
OTHER FINANCING SOURCES(USES)			
Operating transfers in	190,983	271,954	80,971
Operating transfers out	(100,000)	(100,000)	
Total Other Financing Sources/(Uses)	<u>90,983</u>	<u>171,954</u>	<u>80,971</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(63,481)	18,923	82,404
FUND BALANCE, BEGINNING OF YEAR	457,938	457,938	
FUND BALANCE, END OF YEAR	<u>\$ 394,457</u>	<u>\$ 476,861</u>	<u>\$ 82,404</u>

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

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SALIDA UNION ELEMENTARY SCHOOL DISTRICT

CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2000

	1988 Bond Fund	Capital Facilities	County School Facilities	Mello- Roos
ASSETS				
Investments	\$ 352,803	\$ 194,646	\$ 11,085,310	\$ 119,549
Accounts receivable	1,612	42,344		
Total Assets	<u>\$ 354,415</u>	<u>\$ 236,990</u>	<u>\$ 11,085,310</u>	<u>\$ 119,549</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable				
Deferred revenue			2,548,413	
Total Liabilities			<u>2,548,413</u>	
FUND EQUITY				
Fund balances				
Unreserved				
Undesignated	354,415	236,990	8,536,897	119,549
Total Fund Equity	<u>354,415</u>	<u>236,990</u>	<u>8,536,897</u>	<u>119,549</u>
Total Liabilities and Fund Equity	<u>\$ 354,415</u>	<u>\$ 236,990</u>	<u>\$ 11,085,310</u>	<u>\$ 119,549</u>

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

<u>Lease Purchase</u>	<u>Special Reserve</u>	<u>Total</u>
	\$ 4,124,330	\$ 15,876,638
		43,956
<u>\$</u>	<u>4,124,330</u>	<u>\$ 15,920,594</u>
	2,898	2,898
		2,548,413
	2,898	2,551,311
	4,121,432	13,369,283
	4,121,432	13,369,283
<u>\$</u>	<u>4,124,330</u>	<u>\$ 15,920,594</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

	1988 Bond Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Other state revenues			
Other local revenues	\$ 23,541	\$ 21,353	\$ 2,188
Total Revenues	<u>23,541</u>	<u>21,353</u>	<u>2,188</u>
EXPENDITURES			
Current Expenditures			
Services and operating expenditures	17,145	17,145	
Capital outlay	<u>225,772</u>	<u>225,681</u>	<u>91</u>
Total Expenditures	<u>242,917</u>	<u>242,826</u>	<u>91</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>(219,376)</u>	<u>(221,473)</u>	<u>2,097</u>
OTHER FINANCING SOURCES/(USES)			
Operating transfers in			
Operating transfers out			
Other sources			
Total Other Financing Sources/(Uses)			
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	<u>(219,376)</u>	<u>(221,473)</u>	<u>2,097</u>
FUND BALANCE, BEGINNING OF YEAR	<u>575,888</u>	<u>575,888</u>	<u>7,096,226</u>
FUND BALANCE, END OF YEAR	<u>\$ 356,512</u>	<u>\$ 354,415</u>	<u>\$ 7,098,323</u>

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

Capital Facilities			County School Facilities		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$ 11,183,348	\$ 8,634,935	\$ (2,548,413)
\$ 186,197	\$ 183,567	\$ (2,630)			
186,197	183,567	(2,630)	11,183,348	8,634,935	(2,548,413)
10,599	10,599			98,038	(98,038)
109,545	109,545				
120,144	120,144			98,038	(98,038)
66,053	63,423	(2,630)	11,183,348	8,536,897	(2,646,451)
1,442	1,442				
1,442	1,442				
67,495	64,865	(2,630)	11,183,348	8,536,897	(2,646,451)
172,125	172,125				
\$ 239,620	\$ 236,990	\$ (2,630)	\$ 11,183,348	\$ 8,536,897	\$ (2,646,451)

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2000**

	Mello-Roos		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Other state revenues			
Other local revenues	\$ 19,926	\$ 19,926	
Total Revenues	<u>19,926</u>	<u>19,926</u>	
EXPENDITURES			
Current Expenditures			
Services and operating expenditures			
Capital outlay			
Total Expenditures			
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>19,926</u>	<u>19,926</u>	
OTHER FINANCING SOURCES(USES)			
Operating transfers in			
Operating transfers out			
Other sources			
Total Other Financing Sources/(Uses)			
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	19,926	19,926	
FUND BALANCE, BEGINNING OF YEAR	<u>99,623</u>	<u>99,623</u>	
FUND BALANCE, END OF YEAR	<u>\$ 119,549</u>	<u>\$ 119,549</u>	

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

Lease Purchase			Special Reserve		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,442	\$ 1,442		\$ 168,673	\$ 132,197	\$ (36,476)
1,442	1,442		168,673	132,197	(36,476)
			358,512	358,509	3
			358,512	358,509	3
1,442	1,442		(189,839)	(226,312)	(36,473)
			1,243,395	1,243,395	
(6,837)	(6,837)		(100,000)	(100,000)	
			1,178,979	1,178,979	
(6,837)	(6,837)		2,322,374	2,322,374	
(5,395)	(5,395)		2,132,535	2,096,062	(36,473)
5,395	5,395		2,025,370	2,025,370	
			\$ 4,157,905	\$ 4,121,432	\$ (36,473)

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000**

	Total		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Other state revenues	\$ 11,183,348	\$ 8,634,935	\$ (2,548,413)
Other local revenues	399,779	358,485	(41,294)
Total Revenues	<u>11,583,127</u>	<u>8,993,420</u>	<u>(2,589,707)</u>
EXPENDITURES			
Current Expenditures			
Services and operating expenditures	27,744	125,782	(98,038)
Capital outlay	693,829	693,735	94
Total Expenditures	<u>721,573</u>	<u>819,517</u>	<u>(97,944)</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>10,861,554</u>	<u>8,173,903</u>	<u>(2,687,651)</u>
OTHER FINANCING SOURCES(USES)			
Operating transfers in	1,244,837	1,244,837	
Operating transfers out	(106,837)	(106,837)	
Other sources	1,178,979	1,178,979	
Total Other Financing Sources/(Uses)	<u>2,316,979</u>	<u>2,316,979</u>	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	13,178,533	10,490,882	(2,687,651)
FUND BALANCE, BEGINNING OF YEAR	<u>2,878,401</u>	<u>2,878,401</u>	
FUND BALANCE, END OF YEAR	<u>\$ 16,056,934</u>	<u>\$ 13,369,283</u>	<u>\$ (2,687,651)</u>

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

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**FIDUCIARY FUND TYPES
STUDENT BODY FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Boer</u>	<u>Perkins</u>	<u>Sisk</u>	<u>Salida Middle</u>	<u>Total</u>
ASSETS					
CASH ON HAND AND IN BANKS					
Cash	<u>\$ 5,027</u>	<u>\$ 2,225</u>	<u>\$ 16,229</u>	<u>\$ 55,986</u>	<u>\$ 79,467</u>
Total Assets	<u><u>\$ 5,027</u></u>	<u><u>\$ 2,225</u></u>	<u><u>\$ 16,229</u></u>	<u><u>\$ 55,986</u></u>	<u><u>\$ 79,467</u></u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Due to student groups	<u>5,027</u>	<u>2,225</u>	<u>16,229</u>	<u>55,986</u>	<u>79,467</u>
Total Liabilities and Fund Balance	<u><u>\$ 5,027</u></u>	<u><u>\$ 2,225</u></u>	<u><u>\$ 16,229</u></u>	<u><u>\$ 55,986</u></u>	<u><u>\$ 79,467</u></u>

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

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**FIDUCIARY FUND TYPES - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
BOER ELEMENTARY SCHOOL				
ASSETS				
Cash	<u>\$ 10,862</u>	<u>\$ 21,566</u>	<u>\$ (27,401)</u>	<u>\$ 5,027</u>
LIABILITIES				
Due to student groups	<u>\$ 10,862</u>	<u>\$ 21,566</u>	<u>\$ (27,401)</u>	<u>\$ 5,027</u>
PERKINS				
ASSETS				
Cash	<u>\$ 6,606</u>	<u>\$ 34,410</u>	<u>\$ (38,791)</u>	<u>\$ 2,225</u>
LIABILITIES				
Due to student groups	<u>\$ 6,606</u>	<u>\$ 34,410</u>	<u>\$ (38,791)</u>	<u>\$ 2,225</u>
SISK				
ASSETS				
Cash	<u>\$ 11,851</u>	<u>\$ 77,881</u>	<u>\$ (73,503)</u>	<u>\$ 16,229</u>
LIABILITIES				
Due to student groups	<u>\$ 11,851</u>	<u>\$ 77,881</u>	<u>\$ (73,503)</u>	<u>\$ 16,229</u>
SALIDA MIDDLE SCHOOL				
ASSETS				
Cash	<u>\$ 41,815</u>	<u>\$ 124,088</u>	<u>\$ (109,917)</u>	<u>\$ 55,986</u>
LIABILITIES				
Due to student groups	<u>\$ 41,815</u>	<u>\$ 124,088</u>	<u>\$ (109,917)</u>	<u>\$ 55,986</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	<u>\$ 71,134</u>	<u>\$ 257,945</u>	<u>\$ (249,612)</u>	<u>\$ 79,467</u>
LIABILITIES				
Due to student groups	<u>\$ 71,134</u>	<u>\$ 257,945</u>	<u>\$ (249,612)</u>	<u>\$ 79,467</u>

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

SUPPLEMENTARY INFORMATION

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000**

PROGRAM	Federal Catalog Number	Pass-Through Entity Identifying Number	Program Entitlements		
			Current Year	Prior Year	Total Entitlement
FEDERAL					
U.S. DEPARTMENT OF EDUCATION					
Passed through the California					
Department of Education:					
Drug-Free Schools	84.184	03453	\$ 10,422	\$ 853	\$ 11,274
Eisenhower Math and Science	84.164	03094	8,650	5,087	13,737
Elementary and Secondary Education Act					
Title I - Local Delinquent Program [2]	84.013	03794	11,677	5,789	17,466
Title I - ECIA Program Improvement [2]	84.010	03797	2,500		2,500
Title I - Basic School Support [2]	84.010A	13064	152,382	21,313	173,695
Title VI - Federal Class Size Reduction	84.298	03073	32,430		32,430
Special Education - State Grants					
Master Plan	84.027	13379	144,341		144,341
Subtotal					
U.S. DEPARTMENT OF AGRICULTURE					
Passed through the California					
Department of Education:					
Basic School Breakfast Program [2]	10.553	13390			[1]
National School Lunch Program [2]	10.555	13391			[1]
Subtotal					
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through the California					
Department of Education:					
Head Start - Basic	93.600	10016	1,431,133		1,431,133
Total					

[1] Entitlement column not applicable. Maximum revenues based upon level of service, ADA or other criteria.

[2] Major program

See accompanying note to supplementary information.

Program Revenues				
Cash Received	Accounts Receivable	Deferred Revenue	Total Revenue	Program Expenditures
\$ 11,274		\$ 4,724	\$ 6,550	\$ 6,550
13,737		3,359	10,378	10,378
17,466		8,794	8,672	8,672
2,500		2,500		
173,695		12,132	161,563	161,563
25,670	\$ 6,760	1,598	30,832	30,832
108,255	36,086		144,341	144,341
<u>352,597</u>	<u>42,846</u>	<u>33,107</u>	<u>362,336</u>	<u>362,336</u>
36,410	11,300		47,710	47,710
318,952	65,519		384,471	384,471
<u>355,362</u>	<u>76,819</u>		<u>432,181</u>	<u>432,181</u>
817,496	453,605		1,271,101	1,271,101
<u>\$1,525,455</u>	<u>\$ 573,270</u>	<u>\$ 33,107</u>	<u>\$2,065,618</u>	<u>\$ 2,065,618</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Second Period Report</u>	<u>Annual Report</u>
ELEMENTARY		
Kindergarten	323	324
First through third	954	988
Fourth through sixth	908	902
Seventh and eighth	462	460
Opportunity schools	12	12
Special education	72	70
Total Elementary	<u>2,731</u>	<u>2,756</u>
		<u>Hours of Attendance</u>
SUMMER SCHOOL		
Core		2,172
Remedial		1,392
Total Hours		<u>3,564</u>

See accompanying note to supplementary information.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2000**

<u>Grade Level</u>	<u>1986-87 Minutes Requirement</u>	<u>1982-83 Actual Minutes</u>	<u>1999-2000 Actual Minutes</u>	<u>Status</u>
Kindergarten	36,000	33,325	36,750	In Compliance
Grades 1 - 3	50,400	50,580	53,775	In Compliance
Grades 4 - 8	54,000	56,790	58,575	In Compliance

See accompanying note to supplementary information.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>General Long- Term Debt Account Group</u>
GENERAL LONG-TERM LIABILITIES	
Total Liabilities, June 30, 2000, (Form J-249)	\$ 3,157,743
Adjustments	
Increase in:	
Compensated Absences	3,837
Decrease in:	
General Obligation Bonds	(225,000)
Obligations under Capital Leases	(162,045)
Post employment benefits	<u>(91,191)</u>
Total Liabilities, June 30, 2000, Audited Financial Statement	<u>\$ 2,683,344</u>

See accompanying note to supplementary information.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2000**

	(Budget) 2001 ¹	2000	1999	1998
GENERAL FUND				
Revenues	\$ 17,183,326	\$ 16,003,428	\$ 14,364,350	\$ 12,709,497
Other sources			26,772	
Total Revenues and Other Sources	<u>17,183,326</u>	<u>16,003,428</u>	<u>14,391,122</u>	<u>12,709,497</u>
Expenditures	17,970,647	15,074,933	12,539,607	12,280,481
Other uses and transfers out	70,000	1,309,954	1,187,000	55,000
Total Expenditures and Other Uses	<u>18,040,647</u>	<u>16,384,887</u>	<u>13,726,607</u>	<u>12,335,481</u>
INCREASE/(DECREASE) IN FUND BALANCE	<u>\$ (857,321)</u>	<u>\$ (381,459)</u>	<u>\$ 664,515</u>	<u>\$ 374,016</u>
ENDING FUND BALANCE	<u>\$ 2,035,242</u>	<u>\$ 2,892,563</u>	<u>\$ 3,274,022</u>	<u>\$ 2,609,507</u>
AVAILABLE RESERVES²	<u>\$ 898,276</u>	<u>\$ 913,796</u>	<u>\$ 637,560</u>	<u>\$ 375,237</u>
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	<u>5.0%</u>	<u>5.6%</u>	<u>4.6%</u>	<u>3.0%</u>
LONG-TERM DEBT	<u>N/A</u>	<u>\$ 2,683,344</u>	<u>\$ 2,469,070</u>	<u>\$ 3,157,743</u>
AVERAGE DAILY ATTENDANCE AT P-2	<u>2,781</u>	<u>2,731</u>	<u>2,503</u>	<u>2,391</u>

The general fund balance has increased by \$283,056 over the past two years. The fiscal year 2000-01 budget projects a decrease of \$857,321 (29.6 percent). For a district this size, the State recommends available reserves of at least 3.0 percent of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years, and anticipates incurring an operating deficit during the 2000-01 fiscal year. Total long-term debt has decreased by \$474,399 over the past two years.

Average daily attendance has increased by 228 over the past year. Additional growth of 50 in ADA is anticipated during fiscal year 2000-01.

¹ Budget 2001 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the general fund.

See accompanying note to supplementary information.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**GENERAL FUND SELECTED FINANCIAL INFORMATION
TWO-YEAR SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000**

(Amounts in thousands)

	Actual Results for the Years			
	1999-2000		1998-99	
	Amount	Percent of Revenue	Amount	Percent of Revenue
REVENUES				
Federal revenue	\$ 1,633	10.2	\$ 278	1.9
State and local revenue included in revenue limit	10,539	65.9	9,365	65.2
Other state revenue	2,785	17.4	3,032	21.1
Other local revenue	1,046	6.5	1,689	11.8
Total Revenues	<u>16,003</u>	<u>100.0</u>	<u>14,364</u>	<u>100.0</u>
EXPENDITURES				
Salaries and Benefits				
Certificated salaries	7,804	48.8	6,449	44.9
Classified salaries	2,360	14.7	1,938	13.5
Employee benefits	1,858	11.6	1,658	11.5
Total Salaries and Benefits	<u>12,022</u>	<u>75.1</u>	<u>10,045</u>	<u>69.9</u>
Books and supplies	866	5.4	594	4.1
Contracts and operating expenses	1,117	7.0	936	6.5
Capital outlay	439	2.7	425	3.0
Other outgoing	630	3.9	539	3.8
Total Expenditures	<u>15,074</u>	<u>94.2</u>	<u>12,539</u>	<u>87.3</u>
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	<u>929</u>	<u>5.8</u>	<u>1,825</u>	<u>12.7</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in				
Transfers out	(1,310)	(8.2)	(1,187)	(8.3)
Other Sources			26	0.2
Total Other Financing Sources (Uses)	<u>(1,310)</u>	<u>(8.2)</u>	<u>(1,161)</u>	<u>(8.1)</u>
INCREASE/(DECREASE) IN FUND BALANCE	<u>(381)</u>	<u>(2)</u>	<u>664</u>	<u>4.6</u>
FUND BALANCE, BEGINNING	<u>3,274</u>	<u>0.2</u>	<u>2,610</u>	<u>0.2</u>
FUND BALANCE, ENDING	<u>\$ 2,893</u>		<u>\$ 3,274</u>	
ENDING FUND BALANCE TO TOTAL REVENUES		<u>0.2</u>		<u>0.2</u>
BASE REVENUE LIMIT PER ADA				
Regular K-12	<u>\$ 4,102</u>		<u>\$ 4,044</u>	

See accompanying note to supplementary information.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**CAFETERIA ACCOUNT SELECTED FINANCIAL INFORMATION
TWO-YEAR SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000**

(Amounts in thousands)

	Actual Results for the Years			
	1999-2000		1998-99	
	Amount	Percent of Revenue	Amount	Percent of Revenue
REVENUES				
Federal - NSLP	\$ 432	49.9	\$ 386	59.0
State meal program	41	4.7	35	5.4
Food sales	289	33.4	233	35.6
Other and transfers in	104	12.0		
Total Revenues	<u>866</u>	<u>100.0</u>	<u>654</u>	<u>100.0</u>
EXPENDITURES				
Salaries and employee benefits	321	37.1	221	33.8
Food	15	1.7	295	45.1
Supplies	371	42.8	11	1.7
Other and transfers out	210	24.2	36	5.5
Total Expenditures	<u>917</u>	<u>105.9</u>	<u>563</u>	<u>86.1</u>
INCREASE/(DECREASE) IN FUND BALANCE	(51)	<u>(6)</u>	91	<u>13.9</u>
FUND BALANCE, BEGINNING	174		83	
FUND BALANCE, ENDING	<u>\$ 123</u>		<u>\$ 174</u>	
ENDING FUND BALANCE TO TOTAL REVENUES		<u>0.1</u>		<u>0.3</u>

* * * * *

TYPE 'A' LUNCH/BREAKFAST PARTICIPATION

	1999-2000	
	Amount	Percent
TYPE 'A' LUNCHES		
Paid	105	35.8
Reduced price	35	11.9
Free	153	52.2
Total Lunches	<u>293</u>	<u>100.0</u>
BREAKFAST		
Paid	7	13.7
Reduced price	6	11.8
Free	38	74.5
Total Breakfast	<u>51</u>	<u>100.0</u>

See accompanying note to supplementary information.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2000

NOTE #1 - PURPOSE OF SCHEDULES

A. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

B. Schedule of Average Daily Attendance (ADA)

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

C. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

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

D. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form J-200 to the audited financial statements.

E. Schedule of Financial Trends and Analysis

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

F. General Fund Selected Financial Information

This schedule provides a comparison of revenues and expenditures as a percentage of total revenue for the general fund for the past two years.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2000**

G. Cafeteria Account Selected Financial Information

This schedule provides a comparison of revenues and expenditures as a percentage of total revenue for the cafeteria account for the past two years.

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Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants

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

Board of Trustees

Salida Union Elementary School District
Salida, California

We have audited the financial statements of Salida Union Elementary School District as of and for the year ended June 30, 2000, and have issued our report thereon dated November 3, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Salida Union Elementary School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of State Award Findings as item 2000-5.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Salida Union Elementary School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Salida Union Elementary School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Financial Statement Findings as items 2000-1 through 2000-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information and use of the Board of Trustees, management, the California Department of Education, the State Controller's Office, and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Vavrinek, Mine, Day & Co., CP

Fresno, California
November 3, 2000

Vavrinek, Trine, Day & Co., LLP

MEMBERSHIP

MEMBERS

- AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
 - SEC Practice Section
- CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
 - WESTERN ASSOCIATION OF ACCOUNTING FIRMS

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

Board of Trustees
Salida Union Elementary School District
Salida, California

Compliance

We have audited the compliance of Salida Union Elementary School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. Salida Union Elementary School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Salida Union Elementary School District's management. Our responsibility is to express an opinion on Salida Union Elementary School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Salida Union Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Salida Union Elementary School District's compliance with those requirements.

In our opinion, Salida Union Elementary School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Salida Union Elementary School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Salida Union Elementary School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Trustees, management, the California Department of Education, the State Controller's Office, and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Vaurinek, Mine, Day & Co., LLP

Fresno, California
November 3, 2000

Vavrinek, Trine, Day & Co., LLP

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees

Salida Union Elementary School District
Salida, California

We have audited the financial statements of the Salida Union Elementary School District as of and for the year ended June 30, 2000, and have issued our report thereon dated November 3, 2000. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Standards and Procedures for Audits of California K-12 Local Educational Agencies*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The management of Salida Union Elementary School District is responsible for compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the Salida Union Elementary School District's compliance with the laws and regulations of the following items:

	<u>Procedures in Controller's Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting		
Attendance reporting	4	Yes
Staff development days	3	Yes
Kindergarten enrollment	4	Yes
Independent study	13	No-see below
Continuation education	13	Not applicable
Adult education	8	Not applicable
Regional occupational centers/programs	5	Not applicable
County Office of Education programs	9	Not applicable
Incentives for longer instructional day:		
School districts	3	Yes
County offices of education	3	Not applicable
GANN limit calculation	2	Yes
Early retirement incentive program	5	Not applicable

	Procedures in Controller's Audit Guide	Procedures Performed
Community day schools	8	Not applicable
Class size reduction program:		
Option one classes	12	Yes
Option two classes	11	Not applicable
Both options one and two classes	17	Not applicable
Reduce class size in two courses in grade 9	8	Not applicable
State instructional materials fund (K-8)	8	Yes
Schiff-Bustamante standards-based instructional materials	3	Yes
Digital High School Education Technology Grant Program	5	Not applicable
Office of Criminal Justice Planning	-	Not applicable

We did not perform testing for Independent Study because the amount of ADA generated was immaterial based on state guidelines.

Based on our audit, we found that, for the items tested, the Salida Union Elementary School District complied with the state laws and regulations referred to above, except as described in the Schedule of State Award Findings and Questioned Costs included in this report. Further, based on our audit, for items not tested, nothing came to our attention to indicate that the Salida Union Elementary School District had not complied with the laws and regulations.

Vavrinek, Gina, Day & Co., LLP

Fresno, California
November 3, 2000

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2000**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010, 84.013</u>	<u>Title I Cluster</u>
<u>10.553, 10.555</u>	<u>Department of Agriculture Cluster</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over state programs:	
Material weakness identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Qualified</u>

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

The following findings represent reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with generally accepted government audit standards. The findings have been coded as follows:

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

INTERNAL ACCOUNTING CONTROLS

DISTRICT CLEARING ACCOUNT AND REVOLVING CASH

2000-1 Finding (30000)

In reviewing the clearing account internal control system we noted the following:

- Checks were issued from the clearing account to an entity other than the county treasurer's office. The condition arose when refunds were due, at the end of the fiscal year, to students who had paid for lunches but did not use all of the prepaid lunches. Instances were also noted where checks were issued to students for returned lost book fines and to publishers such as Scholastic. The Districts policy is to leave the revolving account cash balance at \$5,000, which is where the checks should have been issued out of, so the checks were issued out of the clearing account to expedite the refunds. It is common practice for school Districts' revolving accounts to not have exactly \$5,000 in them at the end of the fiscal year. The amount involved (at most \$5,000) is immaterial to the financial statements and any checks unreimbursed at June 30 would just be recorded in the next fiscal year when the reimbursement is received and the expenditures are recorded.
- We noted that when the funds are transmitted to the District Office from book fairs, there is no reconciliation of the funds that were received to any receipts written or a summary of items sold that would indicate the amount to be deposited. We also noted that in many cases the person bringing in the funds has no idea what the deposit amount should be.

Recommendation

The District should use their Revolving Accounts to facilitate these payments in the future even if the check will cause the account to be less than \$5,000 at June 30. Again, the shortage is immaterial to the financial statements and will be reported in the next fiscal year.

The purpose of the clearing account is to take the funds that the District has received and deposit them into the bank intact. These funds will then be transmitted to the county treasurer once the funds have cleared the bank. Checks written from the clearing account should only be written to the order of the District/county treasurer.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

The District should adopt procedures for the collection and subsequent transmittal of funds from the book fairs to the District Office that will summarize:

- The amounts sold, both in quantity and amount, or a summary of receipts issued.
- The funds that should have been collected.

The transmittal should also include a cash count sheet that will show what actually was collected and forwarded to the District Office with the other documentation and actual funds received for ease of verification of funds transmitted to the District Office. The District may want to consider running the book fair collections and vendor payment through the student body account. Per our sample review, the controls of the student body accounts appear sufficient to safeguard this money. In addition, the money would not have to be transported to two locations (District Office then to bank); it could go straight to the student body bank.

District Response

The District concurs with the finding and recommendation. The clearing account will not be used to reimburse money and all book fair receipts will be deposited into student body accounts with subsequent payments issued through the student body accounts.

2000-2 Finding (30000)

We found that funds received at the District office are sometimes deposited immediately to the county treasurer while others, of small amounts, are deposited to the clearing account and subsequently clear the funds to the Treasurers office. The Districts system currently involves receipting or logging in all funds received in the District office but does not involve reconciling the receipts and log entries to the deposit to be made.

Recommendation

A reconciliation from the record of initial receipt to the related deposit is a key control in all cash control systems. The reconciliation totals recorded receipts/log entries since the last deposited entry and ensures that all funds on hand and ready for deposit are accounted for. If a check is lost or cash is stolen the District would not know as the record of initial receipt is not used or reconciled to. It is common practice, when using a clearing account, to deposit all funds received at the District office into the clearing account. The record of initial receipt (receipts/log) should be footed since the last deposited entry to determine the amount of funds that should be included in the deposit. In this procedure, the clearing account may need to be cleared to the County weekly or bi-monthly rather than monthly as it is now.

The Districts current practice of depositing large receipts to the County immediately can still be followed as long as the County Transmittal Number and deposit date is noted on the initial receipt log maintained by the office receptionist.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

District Response

The District will follow the recommended procedure by footing to the record of receipt log, all deposited funds included in each deposit transfer between clearing accounts and the county treasury.

CASH RECEIPTS – PRESCHOOL PROGRAMS

2000-3 Finding (30000)

In documenting the cash receipts system used by the Child Development/Preschool Department we noted the following procedures that limit the internal controls over revenues:

- Site Level – Teachers who usually initially collect fee's from parents and turn them into the District office do not issue receipts to the parents. There are a few problems with this practice, the first is that the teacher is not protected should a parent accuse the teacher of not turning the money in and therefore, a balance due being assessed against the parent. The second is that there is not record of initial receipt to ensure that someone in the classroom did not steal any money. The teachers should use the receipt book to tally the collections since they last forwarded the money to the District Office and agree this to the actual money/checks being deposited. A carbon of the receipts should accompany the deposit even if funds are lost so that the parents can be contacted to cancel a check, if necessary, and issue a new one.
- Site Level – A large problem with the current fee collection system is the amount of non-sufficient funds checks. A large cause of this problem is the large amount of time between when a check is written and given to the teacher and when it is actually deposited into the Districts account. We noted one instance that spanned several months. Since receipts are not issued either in the classroom or in the Child Development/Preschool office, we could not determine where the lag time occurred.
- Department Level – Summaries of collections are prepared by the department and forwarded to the business office to ensure that the deposits made by the department have all been recorded on the general ledger properly. There are no other reports generated and forwarded to the business office to prove that all collections by the department were actually deposited. Parent invoices are maintained on Excel (spreadsheet program) making it possible for invoices and contract to exist with the business office not knowing. A revenue potential is also not prepared based on site enrollment/participation reports which should let the business office determine an estimate of how much in fee's should have been collected and deposited.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2000

Recommendation

The controls over revenue relating to the Child Development/Preschool programs must be strengthened as outlined above in order to protect all district employees and ensure that the revenue that should be generated by fee payments is being collected and deposited. The basic controls that should be put into place as soon as possible include:

- Any employee that collects more than a minimal amounts of funds should always issue a receipt. The issuance documents the initial change of custody and also gives the individual a record to balance the deposit to. The receipting procedure should be implemented at the site, whereby the teachers issue receipts, balance to them, and forward a copy to the department. The department should issue a receipt to the teacher upon change of custody which should obviously agree to the cash/checks and the total of all the carbons. The business office should obtain all of the following when they reconcile the fund:
 - Deposit summary/log maintained by deposit.
 - Receipt carbon from department to teachers relating to departmental deposit. These should all sum to the deposit total. Numeric sequence of department receipts should be verified.
 - Teacher source receipts submitted with their deposit to the department. These should agree to the receipt issued to the teacher by the department.
 - Many districts who have similar programs use a program like Quicken or Quickbooks to track the revenues and activity. We suggest that the District look into this option.

District Response

The District agrees and will implement the recommendations as outlined above.

PERSONNEL – I-9 FORMS

2000-4 Finding (30000)

We noted the I-9 Forms for each new employee are not consistently being completed and signed by the District employee who certifies the information is correct and valid. The District assumed that photocopies of the required documentation was sufficient. However, the information is required to be on the certified form.

Recommendation

The District employees who certify the information on the I-9 should sign the Form as required by the Federal immigration laws.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2000**

District Response

The District agrees and will implement the required procedure by requiring department personnel to complete and sign on all proper forms under I-9 regulations.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2000**

There were no findings representing reportable conditions, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported by OMB Circular A-133.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

STATE AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2000

The following finding represents an instance of noncompliance relating to state program laws and regulations.

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
40000	State Compliance

ATTENDANCE

HOURLY PROGRAMS

2000-5 Finding (10000)

During our review of the current system for accounting for the student hours generated from the Districts hourly programs (intercession, tutorials, push-in, summer school, etc.) we noted the following:

- The Districts current system, which is still being revised and fully implemented, should be finalized and documented for submission to the California Department of Education's approval of the attendance accounting system. All attendance systems must be approved by the CDE within a reasonable time frame of the systems implementation.
- The "S.U.S.D. Attendance Report", which was recently developed and not consistently used by all District personnel involved with the hourly programs, meets the CDE requirement of accounting for each hour of attendance as long as the teachers note the length of student contact time in the applicable days box. We found, while reviewing a sample of forms, that inconsistent symbols to reflect length of time were used and that some teachers only noted the student as being present but did not note the length of student contact. We also noted many teachers that were not using the form at all which is probably due to the fact that the form was not complete at the time. We feel there are a few revisions to the form that the District should consider:
 - The hourly increments are suggested to be accounted for using fractional representation which we feel, may be better and more efficiently reflected using decimals. This would make summing the student hours easier as we noted numerous errors that the District office had to correct.
 - The "For District Office Use Only" section appears to try and capture student contact hours for attendance reporting purposes as well as teacher work hours to support pay. There is no notation reflecting this which may have caused one attendance record to report the teachers' work hours as student hours. The actual student hours were 24 while only 7 teacher work hours were claimed. The District office appears to have caught the error and penned in the corrected hours however, the District spreadsheet was never actually revised and the 7 hours were claimed on the attendance reports. At \$2.53 an hour, this error only meant a \$43.01 loss of revenue (24-7=17 hours X \$2.53) and we do not feel a revision to the attendance reports is necessary but the possibility exists of this type of error occurring.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

STATE AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2000

Recommendation

The District should consider the recommended revisions to the attendance form and communicate the requirement of its use for all hourly programs. In finalizing the form, the District should narrate the current attendance accounting system and submit examples of all forms and spreadsheets used to accumulate the data to the CDE for approval of its hourly programs attendance accounting system.

District Response

The District agrees with the recommendation and has submitted and received approval from CDE of the reporting form.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2000**

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

ASSOCIATED STUDENT BODY (ASB)

Salida Middle School

1999-1 Finding (30000)

During our audit of Salida Middle School student body accounts, we noted four of 15 disbursements tested did not have any supporting documentation.

Recommendation

In order to strengthen controls over student body purchases, we recommend all payments be made on invoices that indicate the name of the student organization, a detail of items or services purchased, a date, and a dollar amount.

Current Status

Implemented.

1999-2 Finding (30000)

During our audit of Salida Middle School student body disbursements, we noticed that there appeared to have been an expense of the student body advisors to attend a CADA (California Association of Directors of Activities) training conference without being accompanied by a student

Recommendation

In order to assure that student body disbursements are proper, we recommend that all disbursements be reviewed for compliance.

Current Status

Implemented.

1999-3 Finding (30000)

During our audit of Salida Middle School student body account, we observed that student campus club expenses were exceeding the revenue that was being collected by each of the student campus clubs.

Recommendation

In order to assure that student body club disbursements are not exceeding their respective revenues, a running balance should be implemented for each student body club.

Current Status

Implemented.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2000**

DISTRICT ACCOUNTING CONTROLS

Payroll

1999-4 Finding (30000)

During our testing of controls over payroll procedures, it was very difficult to obtain the current payroll status of the employees for the purpose of recalculating their respective salary, due to poor documentation.

Recommendation

We recommend that payroll records be kept in a clean and orderly fashion, in order to minimize the possibility of misstatements.

Current Status

Implemented.

Revolving and Clearing Accounts

1999-5 Finding (30000)

During our substantive testing of cash balances, we noted that there were funds being deposited into the revolving account that were not originating from the county treasury.

Recommendation

We recommend that only funds relating to county treasury reimbursements be deposited into the District revolving account.

Current Status

Partially implemented. See current year findings and recommendations.

1999-6 Finding (30000)

During our substantive testing of cash balances, we observed that there were funds being disbursed out of the District's clearing account that appeared to be to payees other than the county treasury.

Recommendation

We recommend that only funds relating to the county treasury be disbursed out of the District's clearing account.

Current Status

Partially implemented. See current year findings and recommendations.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2000

1999-7 Finding (30000)

During our substantive testing, we noted that a check register was not being used for recording disbursements out of the clearing account.

Recommendation

Current Status

We recommend the use of a check register for properly recording cash disbursements and help maintain accurate cash balances.

Implemented.

1999-8 Finding (30000)

During our substantive testing, we noted that the clearing account was not being reconciled on a monthly basis.

Recommendation

Current Status

We recommend that bank reconciliations be performed each month to ensure accurate cash transaction recordings and balances.

Implemented.

General Fixed Assets

1999-9 Finding (50000)

During testing of Federal Title I expenditures, one item was found to be a purchase of equipment. Although the purchase fell within the site's Title I budget and had been approved by the site council, it was not properly tagged to identify the funding source.

Recommendation

Current Status

We recommend that all equipment be tagged in order to readily identify the funding source.

Implemented.

STATE AWARD FINDINGS

1999-10 Finding (10000)

During our testing of Kindergarten enrollment, we noted a student born after December 2, 1993 was admitted into Kindergarten and claimed for apportionment attendance for the 1998/1999 school year.

SALIDA UNION ELEMENTARY SCHOOL DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2000**

Recommendation

Current Status

All birth dates of students enrolling in Kindergarten should be verified prior to admission and any child not reaching the age of five by December 2 of that school year should not be admitted. Additionally, the state form J-18/19 P2 and annual should be revised to exclude the student identified.

Implemented.

1999-11 Finding (10000)

We determined that the retention forms being used by the District do not meet state requirements.

Recommendation

Current Status

We recommend the District begin using the state approved Kindergarten retention form for all Kindergarten students retained. Additionally, the state form J-18/19 P2 annual should be revised to exclude the kindergarten student retained in 1998-1999 for a second year of kindergarten.

Implemented.