

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Roseville, California

FINANCIAL STATEMENTS
June 30, 2014

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2014

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ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Roseville Joint Union High School District
Roseville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Joint Union High School District, as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise Roseville Joint Union High School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Joint Union High School District, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 3 through 14 and the General Fund Budgetary Comparison Schedule on page 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roseville Joint Union High School District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Schedule of Financial Trends and Analysis, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2014 on our consideration of Roseville Joint Union High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roseville Joint Union High School District's internal control over financial reporting and compliance.


Crowe Horwath LLP

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

This section of Roseville Joint Union High School District's annual financial report presents District management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 and 2, and the District's financial statement, which immediately follow this section.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, present on pages 14 and 15, provide information about the activities of the District as a whole and present a long-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 16 through 21, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- For the Governmental Activities programs, total current year revenues exceeded total current year expenses by \$2,405,357.
- Capital assets, net, decreased by \$5,172,216 primarily due to increases in accumulated depreciation.
- The District's 2013/14 P2 Average Daily Attendance increased by 50 or 0.51% over 2012/13. This resulted in additional growth to the District's Local Control Funding Formula (LCFF) funding.
- The District received \$546,230 in Mandated Cost reimbursements in 2013-14, primarily from the District's participation in the Mandate Block Grant.
- The District maintains sufficient reserves for a district of its size. It meets the state required minimum reserve for economic uncertainty of 3% of general fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2013-14, General Fund expenditures and other financing uses totaled \$81,789,834.
- The ending fund balance (EFB) for the General Fund at June 30th was \$18,091,579. This includes a 3% reserve for state required economic uncertainties, a 2.42% board reserve for economic uncertainties, and a LCFF reserve that, when added to the board reserve, is equivalent to one year's growth in district LCFF revenue. Both of these total \$9,831,433 in reserves for economic uncertainties. The EFB also includes \$5,250,759 which is a combination of legally restricted categorical carryovers, unrestricted categorical, site base budget, and other department carryovers, and non-spendable revolving cash. The remaining \$2,999,387 of EFB is unappropriated, but is going to be used to offset potential future year deficits.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

THE FINANCIAL REPORT

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from two different perspectives, district-wide and funds.

- District-wide financial statements, which comprise the first two statements of Statement of Net Position and Statement of Activities, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements, comprise the remaining statements.
 - ❖ Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
 - ❖ Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's budget for the year is included.

Reporting the District as a Whole

The District as a whole is reported in the District-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health or position (net position) can be measured by the difference between the District's assets and liabilities.

- Increases or decreases in the net assets of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

THE FINANCIAL REPORT (CONTINUED)

In the Statement of Net Position and the Statement of Activities, we divide the District into two categories of activities:

Reporting the District as a Whole

Governmental Activities:

The basic services provided by the District, such as regular and special education, administration, and transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition are also included here, but are financed by a combination of state and federal contracts and grants, and local revenues.

Business-type Activities:

The District does not provide any services that should be included in this category.

Reporting the District's Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

Governmental Funds

The major governmental funds of Roseville Joint Union High School District are the General Fund, the Capital Facilities Fund, and the Bond Interest and Redemption Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business-type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore no reconciling entries are required. Internal service funds are reported with the Governmental Funds. The District has no funds of this type.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

THE FINANCIAL REPORT (CONTINUED)

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship and student activity funds. All of the District's fiduciary activities are reported in separate Fiduciary Statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

GOVERNMENTAL ACTIVITIES

The District's net position increased from \$143,323,665 at June 30, 2013 to \$145,729,022 at June 30, 2014; an increase of \$2,405,357, or 1.68%.

Comparative Statement of Net Position		
	2014	2013
<u>Assets:</u>		
Current & Other Assets	\$ 57,398,488	\$ 60,857,610
Capital Assets	221,637,631	226,809,847
Total Assets	<u>279,036,119</u>	<u>287,667,457</u>
<u>Deferred Outflow:</u>		
Loss on refunded debt	5,581,275	6,139,403
<u>Liabilities:</u>		
Other Liabilities	11,978,805	17,640,387
Long-Term Debt Outstanding	126,909,567	132,842,808
Total Liabilities	<u>138,888,372</u>	<u>150,483,195</u>
<u>Net Position:</u>		
Net Investment in capital assets	100,486,370	94,219,463
Restricted	31,049,600	26,664,764
Unrestricted	14,193,052	22,439,438
Total Net Position	<u>\$ 145,729,022</u>	<u>\$ 143,323,665</u>
Comparative Change--\$	<u>\$ 2,405,357</u>	n/a
Comparative Change--%	<u>1.68%</u>	n/a

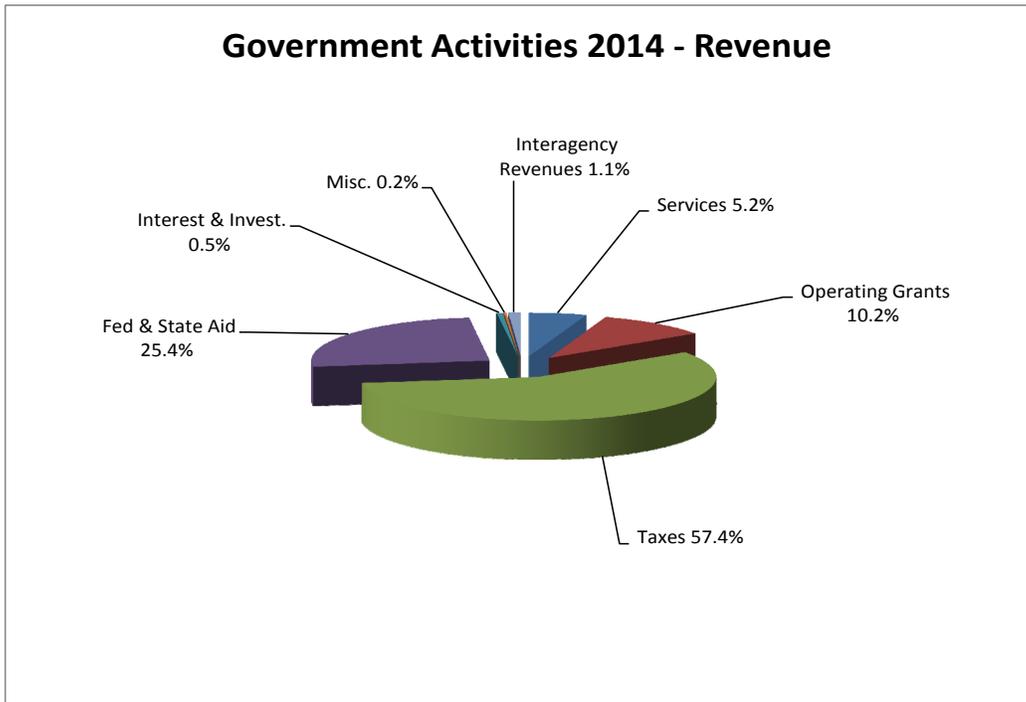
**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

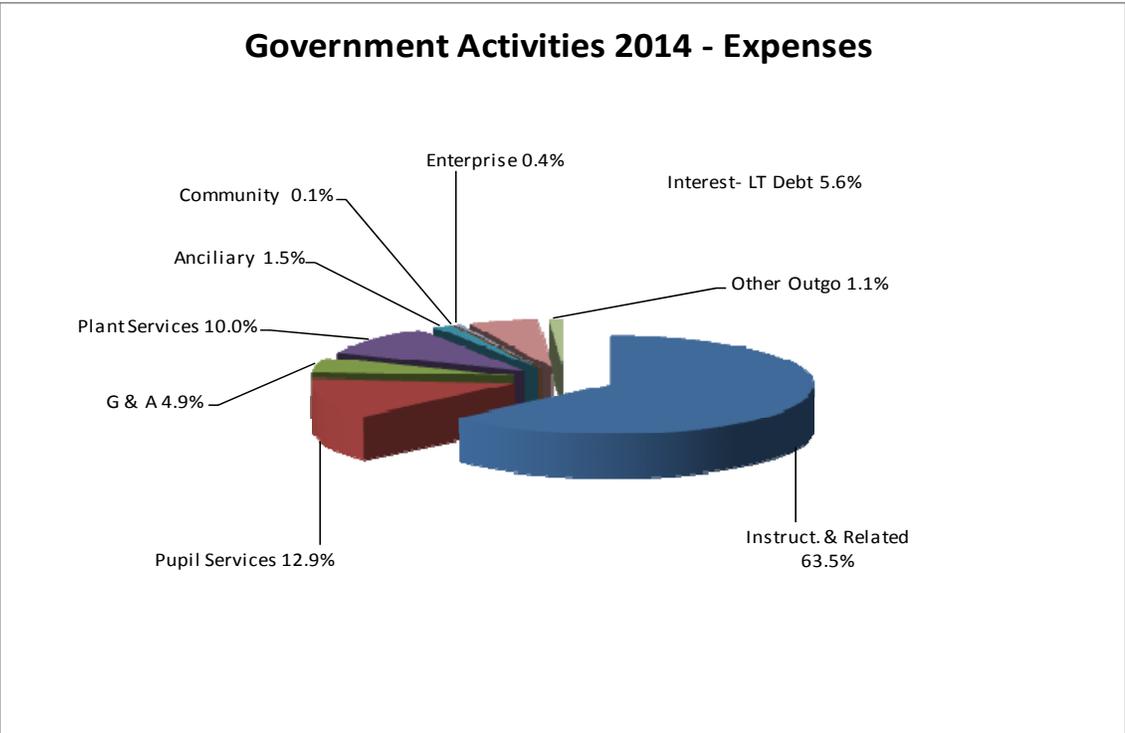
GOVERNMENTAL ACTIVITIES (CONTINUED)

Comparative Statement of Activities		
	Governmental Activities	
	2014	2013
<u>Program Revenues:</u>		
Charge for Services	\$ 5,249,376	\$ 7,020,561
Operating Grants and Contributions	10,222,168	9,308,720
<u>General Revenues:</u>		
Taxes Levied	57,750,538	52,149,497
Federal and State Aid	25,511,597	23,785,706
Interest and Investment Earnings	544,133	198,218
Miscellaneous	237,157	1,056,620
Interagency Revenues	1,112,233	-
Total Revenues	<u>100,627,202</u>	<u>93,519,322</u>
<u>Program Expenses:</u>		
Instruction	51,687,837	49,446,182
Instruction-Related Services	10,612,220	8,547,423
Pupil Services	12,695,729	12,322,335
General Administration	4,830,704	4,817,110
Plant Services	9,789,646	8,327,638
Ancillary Services	1,518,371	1,449,601
Community Services	97,168	64,935
Enterprise	409,389	453,958
Interest on Long-Term Debt	5,485,945	5,622,335
Other Outgo	1,094,836	1,050,214
Depreciation (unallocated)	-	403
Total Expenses	<u>98,221,845</u>	<u>92,112,134</u>
Effect of change in principle		(518,695)
Change In Net Position	<u>\$ 2,405,357</u>	<u>\$ 888,493</u>
Comparative Change--\$	<u>\$ 1,516,864</u>	n/a
Comparative Change-- %	<u>170.72%</u>	n/a

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**



**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**



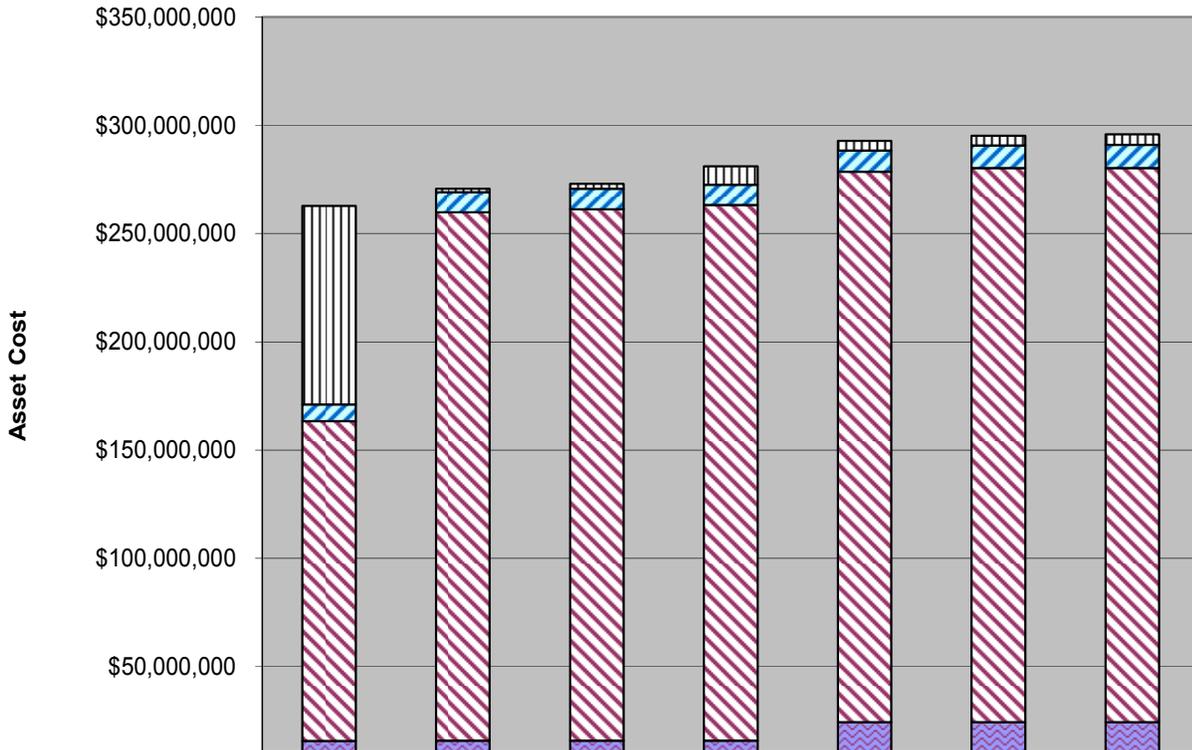
**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Comparative Schedule of Capital Assets		
	Governmental Activities	
	2014	2013
Land	\$ 24,422,982	\$ 24,422,982
Buildings and Improvements	255,826,032	255,733,604
Furniture and Equipment	10,748,073	10,527,395
Work in Progress	4,867,097	4,514,321
Subtotals	295,864,184	295,198,302
Less: Accumulated Depreciation	(74,226,553)	(68,388,455)
Capital Assets, Net	<u>\$ 221,637,631</u>	<u>\$ 226,809,847</u>
Comparative Change--\$	<u>\$ (5,172,216)</u>	n/a
Comparative Change--%	<u>(2.28%)</u>	n/a

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Schedule of Capital Assets



Capital assets, net of depreciation decreased by \$5,172,216 a 2.28% decrease, primarily due to increases in accumulated depreciation.

All of the District's facilities and other assets are extremely well maintained. The capital improvement plan has consistently included modernization, upgrading, and new construction at all of our campuses such that the District's facilities overall are regarded as among the highest quality in the region.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Comparative Schedule of Long-Term Liabilities		
	Governmental Activities	
	2014	2013
General Obligation Bonds	\$ 114,667,791	\$ 119,235,814
General Obligation Bonds Premium	9,817,581	10,590,224
Certificates of Participation	2,130,000	2,620,000
Capital Leases	117,164	144,346
Compensated Absences	177,031	252,424
Totals	\$ 126,909,567	\$ 132,842,808

The table reflects the fact that practically all of the District's debt is issued in support of school construction to meet the District's consistent, annual enrollment growth. The district received two bond ratings in February, 2013 issued for the 2013 General Obligation Refunding bonds -- Moody's was an 'Aa2' and Standard & Poor's was a 'AA -'. A similar bond rating in November 2012 from Fitch Ratings -- issued for 1992 series D and 2004 series A, B, and C -- was a strong 'AA'. Fitch Ratings affirmed their 'AA' rating in October 2014. Bond rating agency rationale included:

- Strong Financial Management.
- Solid General Fund Balance.
- Manageable Long-Term Liabilities.
- Stable Financial Operations.
- Improving Economy and Tax Base.
- Sound Reserve Levels.

Bond debt -- combined with developer fee revenue and state construction funds -- has been used for:

- Prior site facility construction.
- Technology improvements to infrastructure systems.
- Various identified modernizations/additions throughout the District.
- Purchase of school site property for a future sixth high school.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement. In 2012-13, the District issued General Obligation Refunding Bonds for the purpose of refunding the 2004 General Obligations Bonds, Series A, B, and C, which resulted in an economic gain of \$12,791,580. In 2011-12, the District issued General Obligation Refunding Bonds for the purpose of refunding the 1992 General Obligation Bonds, Series E, which resulted in an economic gain of \$1,190,659. Also in 2011-12, the District also issued Certificates of Participations, with the purpose of refunding the 2003 Certificates of Participation. The purpose of this refunding was to lock in a fixed interest rate at 3.2% as opposed to paying a variable interest rate up to 12%. The district looks at the debt service agreements on an annual basis for potential savings.

Comparative Schedule of Fund Balances			
Fund (Fund #)	Fund Balances		Increase (Decrease)
	June 30, 2014	June 30, 2013	
General (01)	\$ 18,091,579	\$ 18,557,830	\$ (466,251)
Adult Education (11)	520,722	475,543	45,179
Cafeteria (13)	1,096,555	1,237,914	(141,359)
Deferred Maintenance (14)	1,585,861	1,814,885	(229,024)
Pupil Transportation (15)	591,074	428,421	162,653
Capital Facilities (25)	13,540,694	12,062,014	1,478,680
Special Reserve (40)	186,768	1,075,049	(888,281)
Bond Interest and Redemption (51)	11,056,503	8,506,090	2,550,413
Totals	<u>\$ 46,669,756</u>	<u>\$ 44,157,746</u>	<u>\$ 2,512,010</u>

As can be seen in the scheduled fund balances, the District has a number of very different funds within which District programs operate. The General Fund has historically had a fund balance in excess of the state required reserve of 3%.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The 2014/15 General Fund original budget reflects a \$4,529,740 deficit. However, by removing the \$4,000,759 impact of state categorical program expenses (revenue recorded in 2013/14, expenses recorded in 2014/15) the true operating deficit in 2014/15 is \$528,981. With the passage of Proposition 30 in November, 2012 and the incorporation of the Local Control Funding Formula (LCFF), the District expects to see increases in revenue in the coming years.
- The State of California is continuing to show the positive impacts of a recovering economy and many economic indicators such as unemployment and the housing market are showing steady improvement. With the passage of Proposition 30, the State revenue projections appear to be much more stable than in the years past. The State's Legislative Analyst Office expects that Proposition 98 minimum guaranteed funding for schools will continue to increase in the next few years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the District Business Department, Roseville Joint Union High School District, 1750 Cirby Way, Roseville, CA 95661 or (916) 782-5096.

BASIC FINANCIAL STATEMENTS

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2014

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	\$ 54,201,779
Receivables	3,163,836
Stores inventory	32,873
Non-depreciable capital assets (Note 4)	29,290,079
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>192,347,552</u>
Total assets	<u>279,036,119</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on refunded debt	<u>5,581,275</u>
LIABILITIES	
Accounts payable	4,623,273
Tax revenue anticipation note payable (TRAN) (Note 2)	7,000,000
Unearned revenue	355,532
Long-term liabilities (Note 5):	
Due within one year	10,512,176
Due after one year	<u>116,397,391</u>
Total liabilities	<u>138,888,372</u>
NET POSITION	
Net investment in capital assets	100,486,370
Restricted (Note 6)	30,518,561
Unrestricted	<u>14,724,091</u>
Total net position	<u>\$ 145,729,022</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenues and Changes in Net Position</u>
					<u>Governmental Activities</u>
Governmental activities:					
Instruction	\$ 51,687,837	\$ 217,990	\$ 5,273,605	\$ -	\$ (46,196,242)
Instruction-related services:					
Supervision of instruction	1,402,159	112,746	184,352	-	(1,105,061)
Instructional library, media and technology	2,451,309	-	1,636,350	-	(814,959)
School site administration	6,758,752	36,965	76,908	-	(6,644,879)
Pupil services:					
Home-to-school transportation	2,630,326	507	10,169	-	(2,619,650)
Food services	2,859,111	1,325,692	1,228,790	-	(304,629)
All other pupil services	7,206,292	-	660,451	-	(6,545,841)
General administration:					
Data processing	1,147,596	-	-	-	(1,147,596)
All other general administration	3,683,108	277,536	187,946	-	(3,217,626)
Plant services	9,789,646	2,499,877	302,274	-	(6,987,495)
Ancillary services	1,518,371	-	-	-	(1,518,371)
Community services	97,168	-	-	-	(97,168)
Enterprise activities	409,389	-	-	-	(409,389)
Interest on long-term liabilities	5,485,945	-	-	-	(5,485,945)
Other outgo	1,094,836	778,063	661,323	-	344,550
	<u>\$ 98,221,845</u>	<u>\$ 5,249,376</u>	<u>\$ 10,222,168</u>	<u>\$ -</u>	<u>(82,750,301)</u>
Total governmental activities					
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					45,052,678
Taxes levied for debt service					12,368,944
Taxes levied for other specific purposes					328,916
Federal and state aid not restricted to specific purposes					25,511,597
Interest and investment earnings					544,133
Interagency revenues					1,112,233
Miscellaneous					237,157
					<u>85,155,658</u>
					Change in net position 2,405,357
					Net position, July 1, 2013 <u>143,323,665</u>
					Net position, June 30, 2014 <u>\$ 145,729,022</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2014

	<u>General Fund</u>	<u>Capital Facilities Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments:					
Cash in County Treasury	\$ 17,780,558	\$ 13,596,712	\$ 11,046,498	\$ 4,600,459	\$ 47,024,227
Cash on hand and in banks	75	-	-	9,848	9,923
Cash in revolving fund	10,000	-	-	100	10,100
Cash with Fiscal Agent, restricted for TRAN	7,157,529	-	-	-	7,157,529
Receivables	2,803,497	13,929	10,005	336,405	3,163,836
Due from other funds	140,628	-	-	-	140,628
Stores inventory	-	-	-	32,873	32,873
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 27,892,287</u>	<u>\$ 13,610,641</u>	<u>\$ 11,056,503</u>	<u>\$ 4,979,685</u>	<u>\$ 57,539,116</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,601,455	\$ 69,947	\$ -	\$ 701,798	\$ 3,373,200
TRAN payable	7,000,000	-	-	-	7,000,000
Unearned revenue	199,253	-	-	156,279	355,532
Due to other funds	-	-	-	140,628	140,628
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>9,800,708</u>	<u>69,947</u>	<u>-</u>	<u>998,705</u>	<u>10,869,360</u>
Fund balances:					
Nonspendable	10,000	-	-	32,973	42,973
Restricted	2,471,423	13,540,694	11,056,503	3,948,007	31,016,627
Assigned	2,779,336	-	-	-	2,779,336
Unassigned	12,830,820	-	-	-	12,830,820
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>18,091,579</u>	<u>13,540,694</u>	<u>11,056,503</u>	<u>3,980,980</u>	<u>46,669,756</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 27,892,287</u>	<u>\$ 13,610,641</u>	<u>\$ 11,056,503</u>	<u>\$ 4,979,685</u>	<u>\$ 57,539,116</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2014

Total fund balances - Governmental Funds		\$ 46,669,756
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$295,864,184 and the accumulated depreciation is \$74,226,553 (Note 4).		
		221,637,631
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2014 consisted of (Note 5):		
General Obligation Bonds	\$ (114,667,791)	
Unamortized premiums	(9,817,581)	
Certificates of Participation	(2,130,000)	
Capital lease obligations	(117,164)	
Compensated absences	<u>(177,031)</u>	
		(126,909,567)
In governmental funds, for debt refundings, the difference between reacquisition price and net carrying amount of the old debt for debt refunding is recognized in the period they are incurred. In the government-wide statements, the gain is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.		
		5,581,275
Unmatured interest is not recognized until it is due and, therefore, is not accrued as a payable in governmental funds.		
		<u>(1,250,073)</u>
Total net position - governmental activities		<u>\$ 145,729,022</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Capital Facilities Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	\$ 23,391,218	\$ -	\$ -	\$ 1,274,117	\$ 24,665,335
Local sources	<u>43,778,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,778,562</u>
Total LCFF	<u>67,169,780</u>	<u>-</u>	<u>-</u>	<u>1,274,117</u>	<u>68,443,897</u>
Federal sources	2,117,763	-	-	1,457,674	3,575,437
Other state sources	5,518,383	-	892,363	170,286	6,581,032
Other local sources	<u>5,803,189</u>	<u>4,051,627</u>	<u>11,532,336</u>	<u>1,570,607</u>	<u>22,957,759</u>
Total revenues	<u>80,609,115</u>	<u>4,051,627</u>	<u>12,424,699</u>	<u>4,472,684</u>	<u>101,558,125</u>
Expenditures:					
Certificated salaries	43,352,847	-	-	573,059	43,925,906
Classified salaries	10,949,018	269,858	-	1,156,326	12,375,202
Employee benefits	13,900,719	94,193	-	456,588	14,451,500
Books and supplies	5,341,658	83,541	-	1,461,167	6,886,366
Contract services and operating expenditures	6,004,845	762,915	-	2,216,792	8,984,552
Capital outlay	178,864	788,600	-	44,556	1,012,020
Other outgo	929,536	-	4,916	-	934,452
Debt service:					
Principal retirement	517,183	-	7,240,571	-	7,757,754
Interest	<u>89,564</u>	<u>-</u>	<u>2,628,799</u>	<u>-</u>	<u>2,718,363</u>
Total expenditures	<u>81,264,234</u>	<u>1,999,107</u>	<u>9,874,286</u>	<u>5,908,488</u>	<u>99,046,115</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(655,119)</u>	<u>2,052,520</u>	<u>2,550,413</u>	<u>(1,435,804)</u>	<u>2,512,010</u>
Other financing sources (uses):					
Operating transfers in	714,468	-	-	869,989	1,584,457
Operating transfers out	<u>(525,600)</u>	<u>(573,840)</u>	<u>-</u>	<u>(485,017)</u>	<u>(1,584,457)</u>
Total other financing sources (uses)	<u>188,868</u>	<u>(573,840)</u>	<u>-</u>	<u>384,972</u>	<u>-</u>
Net change in fund balances	(466,251)	1,478,680	2,550,413	(1,050,832)	2,512,010
Fund balances, July 1, 2013	<u>18,557,830</u>	<u>12,062,014</u>	<u>8,506,090</u>	<u>5,031,812</u>	<u>44,157,746</u>
Fund balances, June 30, 2014	<u>\$ 18,091,579</u>	<u>\$ 13,540,694</u>	<u>\$ 11,056,503</u>	<u>\$ 3,980,980</u>	<u>\$ 46,669,756</u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2014

Net change in fund balances - Total Governmental Funds	\$	2,512,010
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	\$	1,664,750
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).		(5,906,043)
In government funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported (Note 4).		(930,923)
Accretion of interest is not recorded in government funds. It increases the long-term liabilities in the Statement of Net Position (Note 5).		(2,672,548)
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).		7,757,754
Amortization of debt issue premium and loss on refunding is recognized in the period incurred in the governmental funds but in the government-wide statements the premium or discount and loss on refunding is amortized as interest over the life of the debt (Note 5).		214,515
Unmatured interest on long-term liabilities is not recognized in the governmental funds until the period it is incurred, but is recognized as an expense in the period it becomes due on the statement of net position.		(309,550)
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 5).	75,392	(106,653)
Change in net position of governmental activities	\$	2,405,357

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

TRUST AND AGENCY FUNDS

June 30, 2014

	Trust	Agency Funds	
	Scholarship Fund	Warrant Pass- Through	Student Body Account
ASSETS			
Cash and investments (Note 2):			
Cash in County Treasury	\$ 476,342	\$ 1,277,130	\$ -
Cash on hand and in banks	-	-	1,418,216
Receivables	3,908	2,644	-
Total assets	480,250	1,279,774	1,418,216
LIABILITIES			
Accounts payable	6,500	-	-
Due to other agencies	-	1,279,774	-
Due to student groups	-	-	1,418,216
Total liabilities	6,500	1,279,774	1,418,216
NET POSITION			
Net position - restricted (Note 6)	\$ 473,750	\$ -	\$ -

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUND

For the Year Ended June 30, 2014

	Scholarship Fund
<p>Additions:</p> <p style="padding-left: 20px;">Other local sources</p>	<p><u>\$ 9,753</u></p>
<p>Deductions:</p> <p style="padding-left: 20px;">Contract services and operating expenditures</p>	<p><u>96,597</u></p>
Change in net position	(86,844)
Net position, July 1, 2013	<u>560,594</u>
Net position, June 30, 2014	<u><u>\$ 473,750</u></u>

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Roseville Joint Union High School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

Reporting Entity

The Board of Education is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District receives funding from local, state and federal government sources and must comply with all of the requirements of these funding source entities.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District and the Roseville Joint Union High School District Financing Corporation (the "Corporation") have a financial and operational relationship that meets the reporting entity definition criteria for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of the District.

The following are those aspects of the relationship between the District and the Corporation which satisfy the inclusion criteria:

Accountability

1. The Corporation's Board of Directors were appointed by the District's Board of Education.
2. The District is able to impose its will upon the Corporation, based on the following:
 - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
 - The District exercises significant influence over operations of the Corporation, as the District is the sole lessee of all facilities owned by the Corporation. Likewise, the District's lease payments are the sole revenue source of the Corporation.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Accountability (Continued)

3. The Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:
 - Any deficits incurred by the Corporation will be reflected in the lease payments of the District.
 - Any surpluses of the Corporation revert to the District at the end of the lease period.
 - The District has assumed a "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation.

Scope of Public Service

The Corporation is a nonprofit public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in June 1991. The Corporation was formed for the sole purpose of providing financing assistance to the District for construction and acquisition of Woodcreek High School. The District occupies all Corporation facilities under lease-purchase agreements. At the end of the lease term, title to all Corporation property will pass to the District for no additional consideration.

Financial Presentation

For financial presentation purposes, the Corporation's financial activity has been blended with the financial data of the District. The basic financial statements present the Corporation's financial activity within the General Fund. Certificates of Participation issued by the Corporation are reported as long-term liabilities in the government-wide financial statements.

Basis of Presentation - Financial Statements

The basic financial statements include a Management's Discussion and Analysis section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position and the Statement of Change in Fiduciary Net Position at the fund financial statement level.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Government-Wide Financial Statements (Continued)

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of indirect expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds, 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 equity, revenues and expenditures or expenses, 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.

A - Major Funds:

1 - General Fund:

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

A - Major Funds: (Continued)

2 - Capital Facilities Fund:

The Capital Facilities Fund is used to account for resources used for the acquisition and construction of capital facilities by the District.

3 - Bond Interest and Redemption Fund:

The Bond Interest and Redemption Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

B - Other Funds

1 - Special Revenue Funds:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This classification includes the Adult Education, Cafeteria, Deferred Maintenance and Pupil Transportation Equipment Funds.

2 - Special Reserve for Capital Outlay Projects Fund:

The Special Reserve for Capital Outlay Projects Fund is used to account for resources used for the acquisition and construction of capital facilities by the District.

3 - Scholarship Fund:

The Scholarship Fund is a trust fund used to account for assets held by the District as Trustee, to provide financial assistance to students of the District.

4 - Agency Funds:

Agency Funds are used to account for assets of others for which the District acts as an agent. The Warrant Pass-Through Fund represents a payroll clearing account with funds held at the Placer County Office of Education for the accrued payroll liability as of June 30, 2014. All cash activity and assets of the various student bodies of the District are accounted for in the Student Body Account. For Student Body Accounts, individual totals by school and club are maintained within the District's accounting system.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible in the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting

By state law, the Board of Education must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Education complied with these requirements.

Receivables

Receivables consist of amounts due from the federal, state and local government, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts.

Stores Inventory

Inventories are valued at average cost method. Inventory recorded in the Cafeteria Fund consists mainly of consumable supplies. Inventories are recorded as an expenditure at the time individual inventory items are consumed.

Capital Assets

Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 5 - 50 years depending on asset types.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Compensated absences totaling \$177,031 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken since such benefits do not vest nor is payment probable; however, sick leave benefits are accumulated for each employee and unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRS and PERS employees when the employee retires.

Unearned Revenues

Revenues from federal, state and local special projects and programs are recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Restricted Net Position

Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for unspent categorical program revenues represents the portion of net position restricted to specific program expenditures. The restrictions for adult education programs, food service operations, deferred maintenance projects, pupil transportation, capital projects, debt service and scholarships represent the portion of net position the District plans to expend on adult education programs, food service operations, deferred maintenance projects, pupil transportation, capital projects, debt service and scholarships, respectively. It is the District's policy to first use restricted net position when allowable expenditures are incurred.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications

Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash and stores inventory.

B - Restricted Fund Balance:

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide and fiduciary trust fund statements.

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel with the authority to assign fund balances, however, as of June 30, 2014, no such designation has occurred.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications (Continued)

E - Unassigned Fund Balance:

In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy

The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Education. At June 30, 2014, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 during the reporting period. Accordingly, actual results may differ from those estimates.

Property Taxes

Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before November 15 and March 15. Unsecured property taxes are due in one installment on or before August 31. The Counties of Sacramento and Placer bill and collect taxes for the District. Tax revenues are recognized by the District when received.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

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

Eliminations and Reclassifications

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

New Accounting Pronouncements

In March 2012 GASB issued Statement No. 66, Technical Corrections – 2013, an amendment of GASB Statements No. 10 and No. 61. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 64, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, Districts should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement No. 54 and Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. This Statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. This statement was adopted for the District's fiscal year ended June 30, 2014, with no material impact on the District.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

In June 2012 GASB issued Statement No. 67, Financial Reporting for Pension Plans. This Statement replaces the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement No. 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement No. 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. This statement was adopted for the District's fiscal year ended June 30, 2014, with no material impact on the District.

In June 2012 GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement is effective for the District's financial period ending June 30, 2015. Management has not determined what impact this GASB statement will have on its financial statements, however it is expected to be significant.

In November 2013 GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68 and are effective for the District's fiscal year ending June 30, 2015. Management has not determined what impact this GASB statement will have on its financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2014 consisted of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Pooled Funds:		
Cash in County Treasury	\$ 47,024,227	\$ 1,753,472
Deposits:		
Cash on hand and in banks	9,923	1,418,216
Revolving cash fund	10,100	-
Cash with Fiscal Agent, restricted for repayment of TRAN	<u>7,157,529</u>	<u>-</u>
	<u>\$ 54,201,779</u>	<u>\$ 3,171,688</u>

Pooled Funds

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Placer County Treasury. The County pools these funds with those of other districts and agencies in the County and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the Placer County Treasurer may invest in derivative securities. However, at June 30, 2014 the Placer County Treasurer has represented that the Treasurer's Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2014, the carrying amount of the District's accounts was \$1,438,239, and the bank balance was \$1,175,519, of which \$250,000 was fully covered by the FDIC insurance.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. CASH AND INVESTMENTS (Continued)

Cash with Fiscal Agent, Restricted for Repayment of TRAN

On September 19, 2013 the District issued \$7,000,000 of Tax and Revenue Anticipation Notes (TRAN), maturing on September 18, 2014, with a coupon interest rate of 2.00% and a yield of 0.30%, to provide for anticipated cash flow deficits from operations. The TRAN are a general obligation of the District, and are payable solely from revenues and cash receipts generated by the District during the fiscal year ending June 30, 2014. Repayment terms require the entire TRAN principal and accrued interest to be set aside. As of June 30, 2014, funds totaling \$7,157,529 held in the General Fund were pledged to repay the principal and accrued interest.

Interest Rate Risk

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2014, the District had no significant interest rate risk related to cash and investments held.

Credit Risk

The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2014, the District had no concentration of credit risk.

3. INTERFUND TRANSACTIONS

Interfund Activity

Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. INTERFUND TRANSACTIONS (Continued)

Interfund Receivables/Payables

Individual fund interfund receivable and payable balances at June 30, 2014 were as follows:

Fund	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Fund:		
General	\$ 140,628	\$ -
Non-Major Funds:		
Adult Education	-	5,039
Cafeteria	-	135,589
	-	135,589
Totals	\$ 140,628	\$ 140,628

Interfund 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 2013-2014 fiscal year were as follows:

Transfer from the General Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs.	\$ 75,000
Transfer from the General Fund to the Special Reserve for Capital Outlay Projects Fund for operating costs.	450,600
Transfer from the Capital Facilities Fund to the General Fund for payment of Certificates of Participation.	573,840
Transfer from Adult Education Fund to the General Fund for indirect costs.	5,039
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	135,589
Transfer from the Deferred Maintenance Fund to the Special Reserve for Capital Outlay Projects Fund for payment of operating costs.	269,389
Transfer from the Special Reserve for Capital Outlay Projects Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs.	75,000
Totals	\$ 1,584,457

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2014 is shown below:

	Balance July 1, <u>2013</u>	Additions and <u>Transfers</u>	Deductions and <u>Transfers</u>	Balance June 30, <u>2014</u>
Non-depreciable:				
Land	\$ 24,422,982	\$ -	\$ -	\$ 24,422,982
Work-in-process	4,514,321	802,837	450,061	4,867,097
Depreciable:				
Improvement of sites	4,317,438	79,473	-	4,396,911
Buildings	251,416,166	937,529	924,574	251,429,121
Equipment	<u>10,527,395</u>	<u>294,972</u>	<u>74,294</u>	<u>10,748,073</u>
Totals, at cost	<u>295,198,302</u>	<u>2,114,811</u>	<u>1,448,929</u>	<u>295,864,184</u>
Less accumulated depreciation:				
Improvement of sites	(4,018,599)	(64,517)	-	(4,083,116)
Buildings	(55,498,904)	(5,171,774)	-	(60,670,678)
Equipment	<u>(8,870,952)</u>	<u>(669,752)</u>	<u>(67,945)</u>	<u>(9,472,759)</u>
Total accumulated depreciation	<u>(68,388,455)</u>	<u>(5,906,043)</u>	<u>(67,945)</u>	<u>(74,226,553)</u>
Capital assets, net	<u>\$226,809,847</u>	<u>\$ (3,791,232)</u>	<u>\$ 1,380,984</u>	<u>\$221,637,631</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 3,313,793
Supervision of instruction	89,730
Instructional library, media and technology	157,270
School site administration	432,041
Home-to-school transportation	169,057
Food services	183,867
All other pupil services	466,589
Ancillary services	97,175
Community services	6,219
Enterprise activities	26,201
All other general administration	238,589
Centralized data processing	73,572
Plant services	<u>651,940</u>
Total depreciation expense	<u>\$ 5,906,043</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES

General Obligation Bonds

In July 1992, the District issued General Obligation Bonds in the amount of \$13,793,792 for land acquisition and the construction of new high schools. The 1992 General Obligation Bonds, Series A, are authorized pursuant to the special election of the registered voters held in June 1991, and are payable from the ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 3.5% to 6.6% and are scheduled to mature through 2018.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,394,041	\$ 573,128	\$ 2,967,169
2016	2,425,909	439,054	2,864,963
2017	2,453,793	282,086	2,735,879
2018	<u>2,485,660</u>	<u>99,746</u>	<u>2,585,406</u>
	<u>\$ 9,759,403</u>	<u>\$ 1,394,014</u>	<u>\$ 11,153,417</u>

In June 1995, the District issued 1992 General Obligation Bonds, Series B, in the amount of \$19,030,284. Bond proceeds were used for land acquisition and construction of new high schools. The Capital Appreciation Serial Bonds interest and yield vary, ranging from 4.4% to 6.0% and are scheduled to mature through 2021.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,155,842	\$ 842,903	\$ 2,998,745
2016	2,138,393	756,799	2,895,192
2017	2,177,754	582,008	2,759,762
2018	2,156,713	460,530	2,617,243
2019	2,132,165	324,119	2,456,284
2020-2021	<u>4,201,206</u>	<u>171,082</u>	<u>4,372,288</u>
	<u>\$ 14,962,073</u>	<u>\$ 3,137,441</u>	<u>\$ 18,099,514</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

In July 1998, the District issued 1992 General Obligation Bonds, Series 1998C, in the amount of \$4,995,895. Bond proceeds were used for land acquisition and the construction of new high schools. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 4.5% to 5.3% and are scheduled to mature through 2024.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 404,579	\$ 179,065	\$ 583,644
2016	393,788	166,660	560,448
2017	382,604	152,983	535,587
2018	371,815	137,959	509,774
2019	360,356	121,506	481,862
2020-2024	<u>1,667,569</u>	<u>301,117</u>	<u>1,968,686</u>
	<u>\$ 3,580,711</u>	<u>\$ 1,059,290</u>	<u>\$ 4,640,001</u>

In July 1999, the District issued 1992 General Obligation Bonds, Series 1999D, in the amount of \$3,000,841. Bond proceeds were used for land acquisition and construction of new high schools. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 4.6% to 5.65% and are scheduled to mature through 2025.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 243,308	\$ 124,650	\$ 367,958
2016	239,502	117,464	356,966
2017	230,823	109,325	340,148
2018	222,539	100,376	322,915
2019	214,483	90,638	305,121
2020-2024	985,240	269,589	1,254,829
2025	<u>178,269</u>	<u>8,794</u>	<u>187,063</u>
	<u>\$ 2,314,164</u>	<u>\$ 820,836</u>	<u>\$ 3,135,000</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

In April 2005, the District issued 2004 General Obligation Bonds, Series A, in the amount of \$26,000,000. Bond proceeds were used for acquisition, modernization and improvement of District facilities. The Bonds carry interest rates ranging from 3.5% to 5.0% and are scheduled to mature through 2015.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	<u>\$ 390,000</u>	<u>\$ 7,800</u>	<u>\$ 397,800</u>

In July 2006, the District issued 2004 General Obligation Bonds, Series B, in the amount of \$25,000,000. Bond proceeds were used for acquisition, modernization and improvement of District facilities. The Bonds carry interest rates ranging from 4.5% to 6.0% and are scheduled to mature through 2016.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 245,000	\$ 20,363	\$ 265,363
2016	<u>330,000</u>	<u>7,425</u>	<u>337,425</u>
	<u>\$ 575,000</u>	<u>\$ 27,788</u>	<u>\$ 602,788</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

In April 2007, the District issued 2004 General Obligation Bonds, Series C, in the amount of \$27,997,959. Bond proceeds were used for construction, renovation and repair of District facilities. The Current Interest Bonds carry interest rates ranging from 4.0% to 5.0% and are scheduled to mature through 2017. The Capital Appreciation Bonds carry interest rates ranging from 4.59% to 4.66% and are scheduled to mature through 2032.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 830,000	\$ 778,254	\$ 1,608,254
2016	940,000	774,665	1,714,665
2017	1,065,000	765,036	1,830,036
2018	-	775,764	775,764
2019	-	812,103	812,103
2020-2024	-	4,667,724	4,667,724
2025-2029	7,848,396	4,229,448	12,077,844
2030-2032	<u>6,591,992</u>	<u>1,094,431</u>	<u>7,686,423</u>
	<u>\$ 17,275,388</u>	<u>\$ 13,897,425</u>	<u>\$ 8,344,871</u>

In May 2011, the District issued 2007 General Obligation Bonds, Series 2011A, in the amount of \$4,885,624. Bond proceeds were used for the purchase of land for a future high school. The Current Interest Bonds carry interest rates ranging from 2.0% to 5.85% and are scheduled to mature through 2045. The Capital Appreciation Bonds carry interest rates ranging from 7.86% to 12.00% and are scheduled to mature from 2016 through 2042.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ -	\$ 305,473	\$ 305,473
2016	12,594	313,904	326,498
2017	18,681	321,540	340,221
2018	26,602	332,013	358,615
2019	29,595	330,028	359,623
2020-2024	436,015	1,718,509	2,154,524
2025-2029	1,114,714	1,816,621	2,931,335
2030-2034	1,522,851	1,747,319	3,270,170
2035-2039	-	1,239,849	1,239,849
2040-2042	<u>1,825,000</u>	<u>219,615</u>	<u>2,044,615</u>
	<u>\$ 4,986,052</u>	<u>\$ 8,344,871</u>	<u>\$ 13,330,923</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

On August 2011, the District issued at par \$8,020,000 of 2011 General Obligation Refunding Bonds for the purpose of refunding \$8,745,000 of then outstanding 1992 General Obligation Bonds, Series E. The 2011 General Obligation Refunding Bonds bear interest rates ranging from 2.0% to 5.0% and will be repaid in level principal amounts, with the final payment due August 1, 2026. The refunded 1992 General Obligation, Series E bore interest rates ranging from 4.0% to 5.2% and were also due in level principal amounts, with the final payment due August 1, 2026.

The following is a schedule of the future payments for the 2012 General Refunding Bonds:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 335,000	\$ 333,325	\$ 668,325
2016	365,000	322,825	687,825
2017	390,000	309,550	699,550
2018	420,000	293,350	713,350
2019	455,000	275,850	730,850
2020-2024	2,935,000	990,875	3,925,875
2025-2027	<u>2,400,000</u>	<u>186,000</u>	<u>2,586,000</u>
	<u>\$ 7,300,000</u>	<u>\$ 2,711,775</u>	<u>\$ 10,011,775</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

On April 2013, the District issued at par \$54,185,000 of 2013 General Obligation Refunding Bonds for the purpose of refunding to advance refund a portion of the District's outstanding Election of 2004 General Obligation Bonds, Series A; 2004 Series B; and 2004 Series C. The total par value of the refunded bonds was \$57,460,000. The 2013 General Obligation Refunding Bonds bore interest rates ranging from 2.0% to 5.0% and will be repaid in level principal amounts, with the final payment due August 1, 2024.

The following is a schedule of the future payments for the 2013 General Refunding Bonds:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,995,000	\$ 2,286,000	\$ 4,281,000
2016	2,480,000	2,228,850	4,708,850
2017	3,055,000	2,133,550	5,188,550
2018	4,605,000	1,983,350	6,588,350
2019	5,120,000	1,788,850	6,908,850
2020-2024	35,070,000	4,800,575	39,870,575
2025	<u>1,200,000</u>	<u>30,000</u>	<u>1,230,000</u>
	<u>\$ 53,525,000</u>	<u>\$ 15,251,175</u>	<u>\$ 68,776,175</u>

Certificates of Participation

On December 2011, the District issued at par \$3,085,000 of Certificates of Participation ("COPs") for the purpose of refunding \$3,475,000 of then outstanding 2003 Certificates of Participation. The refunding COPs bear an interest rate of 3.2% and will be repaid in level principal amounts, with the final payment due February 1, 2018. The refunded 2003 COPs carried a variable interest rate ranging up to 12% and were also due in level principal amounts, with the final payment due February 1, 2018.

The District's future obligations on the Refunding COPs are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 505,000	\$ 68,160	\$ 573,160
2016	525,000	52,000	577,000
2017	540,000	35,200	575,200
2018	<u>560,000</u>	<u>17,920</u>	<u>577,920</u>
	<u>\$ 2,130,000</u>	<u>\$ 173,280</u>	<u>\$ 2,303,280</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

Capitalized Lease Obligations

During June 2013, the District entered into a capital lease agreement with De Lage Landen Public Finance LLC which will be paid over a five year period. The District's future obligation on the Capital Lease are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 14,098	\$ 2,272	\$ 16,370
2016	14,706	1,664	16,370
2017	15,340	1,030	16,370
2018	<u>16,000</u>	<u>370</u>	<u>16,370</u>
	<u>\$ 60,144</u>	<u>\$ 5,336</u>	<u>\$ 65,480</u>

During March 2013, the District entered into a capital lease agreement with De Lage Landen Public Finance LLC which will be paid over a five year period. The District's future obligation on the Capital Lease are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 14,289	\$ 2,248	\$ 16,537
2016	14,938	1,599	16,537
2017	15,616	921	16,537
2018	<u>12,177</u>	<u>227</u>	<u>12,404</u>
	<u>\$ 57,020</u>	<u>\$ 4,995</u>	<u>\$ 62,015</u>

At June 30, 2014, the District had capital assets acquired from capital leases with an original cost of \$147,670 and accumulated depreciation totaling \$37,028.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM LIABILITIES (Continued)

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2014 is shown below:

	Balance July 1, <u>2013</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2014</u>	Amounts Due Within <u>One Year</u>
General Obligation Bonds (including accreted- -interest)	\$ 119,235,814	\$ 2,672,548	\$ 7,240,571	\$ 114,667,791	\$ 8,992,770
Unamortized premium	10,590,224	-	772,643	9,817,581	808,988
Certificates of Participation	2,620,000	-	490,000	2,130,000	505,000
Capitalized lease obligations	144,347	-	27,183	117,164	28,387
Compensated absences	<u>252,423</u>	<u>-</u>	<u>75,392</u>	<u>177,031</u>	<u>177,031</u>
	<u>\$ 132,842,808</u>	<u>\$ 2,672,548</u>	<u>\$ 8,605,789</u>	<u>\$ 126,909,567</u>	<u>\$ 10,512,176</u>

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made from the General Fund. Payments on the capitalized lease obligations are made from the General Fund. Payments on compensated absences are made from the Fund for which the related employee worked.

6. NET POSITION / FUND BALANCES

The restricted net position consisted of the following at June 30, 2014:

	<u>Governmental Activities</u>
Restricted for:	
Unspent categorical program revenues	\$ 2,471,423
Adult education program	520,722
Food service operations	1,096,555
Deferred maintenance projects	1,054,822
Pupil transportation	591,074
Capital projects	13,727,462
Debt service	<u>11,056,503</u>
	<u>\$ 30,518,561</u>
	<u>Fiduciary Activities</u>
Restricted for scholarships	<u>\$ 473,750</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. NET POSITION / FUND BALANCES (Continued)

Fund balances, by category, at June 30, 2014 consisted of the following:

	<u>General Fund</u>	<u>Capital Facilities Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total</u>
Nonspendable:					
Revolving cash fund	\$ 10,000	\$ -	\$ -	\$ 100	\$ 10,100
Stores inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,873</u>	<u>32,873</u>
Subtotal nonspend- able	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>32,973</u>	<u>42,973</u>
Restricted:					
Unspent categorical revenues	2,471,423	-	-	-	2,471,423
Special revenue	-	-	-	3,761,239	3,761,239
Capital projects	-	13,540,694	-	186,768	13,727,462
Debt service	<u>-</u>	<u>-</u>	<u>11,056,503</u>	<u>-</u>	<u>11,056,503</u>
Subtotal restricted	<u>2,471,423</u>	<u>13,540,694</u>	<u>11,056,503</u>	<u>3,948,007</u>	<u>31,016,627</u>
Assigned:					
Categorical programs	1,529,336	-	-	-	1,529,336
High school start up	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
Subtotal assigned	<u>2,779,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,779,336</u>
Unassigned:					
Designated for economic uncertainty	9,831,433	-	-	-	9,831,433
Undesignated	<u>2,999,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,999,387</u>
Subtotal unassigned	<u>12,830,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,830,820</u>
Total fund balances	<u>\$ 18,091,579</u>	<u>\$ 13,540,694</u>	<u>\$ 11,056,503</u>	<u>\$ 3,980,980</u>	<u>\$ 46,669,756</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. EMPLOYEE RETIREMENT SYSTEMS

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

Plan Description and Provisions

California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. 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 Q Street, Sacramento, California 95811.

Funding Policy

Active plan members are required to contribute 7.0% of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013-2014 was 11.442% 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, 2012, 2013 and 2014 were \$1,026,561, \$1,084,011 and \$1,188,125, respectively, and equal 100% of the required contributions for each year.

State Teachers' Retirement System (STRS)

Plan Description

The District contributes to the 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, disability 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 the STRS Executive Office, 100 Waterfront Place, West Sacramento, California 95605.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Description and Provisions (Continued)

State Teachers' Retirement System (STRS) (Continued)

Funding Policy

Active plan members are required to contribute 8.0% of their salary. The required employer contribution rate for fiscal year 2013-2014 was 8.25% 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, 2012, 2013 and 2014 were \$3,316,213, \$3,375,974 and \$3,643,447, respectively, and equal 100% of the required contributions for each year. On June 24, 2014 the Governor signed Assembly Bill 1469 which will increase the member contribution to 19.1% over the next seven years.

8. JOINT POWERS AGREEMENTS

Schools Insurance Group

The District is a member of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program. The Authority is governed by a Governing Board consisting of representatives of member districts. The Governing Board controls the operations of SIG, including selections of management and approval of operating budgets. The JPA provide first dollar coverage and insure risk up to statutory limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal year.

Condensed financial information for SIG for the year ended June 30, 2014:

Total assets	\$ 86,315,315
Total liabilities	\$ 31,253,582
Total net position	\$ 55,061,733
Total revenues	\$ 82,124,047
Total expenditures	\$ 80,784,567

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

(Continued)

8. JOINT POWERS AGREEMENTS (Continued)

School Project for Utility Rate Reduction (SPURR)

The District is also a member of a School Project for Utility Rate Reduction (SPURR) Joint Powers Authority. The Authority is governed by a Governing Board consisting of representatives from member districts. The Board controls the operations of SPURR including selections of management and approval of operating budgets.

Condensed financial information for SPURR for the year ended June 30, 2013 (the most current information available) is as follows:

Total assets	\$ 11,359,666
Total liabilities	\$ 5,324,009
Total net position	\$ 6,035,657
Total revenues	\$ 30,256,938
Total expenses	\$ 30,640,698

The relationship between the District and the Joint Powers Authorities is such that the Joint Powers Authorities are not component units of the District for financial reporting purposes.

9. CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

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

10. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes

Subsequent to June 30, 2014, the Tax and Revenue Anticipation Notes (TRAN) of \$7,000,000 matured and was repaid on September 18, 2014.

On September 3, 2014, the District issued \$4,500,000 of Tax and Revenue Anticipation Notes (TRAN), maturing on September 2, 2015, which a coupon interest rate of 1.00% and a yield of 0.13%, to provide for anticipated cash flow deficits from operations. The TRAN are a general obligation of the District, and are payable solely from taxes, income, revenue, cash receipts and other moneys generated by the District during the fiscal year 2014-15 and legally available for payment thereof.

REQUIRED SUPPLEMENTARY INFORMATION

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2014

	<u>Budget</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 10,043,462	\$ 24,550,374	\$ 23,391,218	\$ (1,159,156)
Local sources	<u>52,198,691</u>	<u>42,563,835</u>	<u>43,778,562</u>	<u>1,214,727</u>
Total revenue limit	<u>62,242,153</u>	<u>67,114,209</u>	<u>67,169,780</u>	<u>55,571</u>
Federal sources	2,553,985	2,719,529	2,117,763	(601,766)
Other state sources	8,708,992	5,598,204	5,518,383	(79,821)
Other local sources	<u>5,548,390</u>	<u>5,502,677</u>	<u>5,803,189</u>	<u>300,512</u>
Total revenues	<u>79,053,520</u>	<u>80,934,619</u>	<u>80,609,115</u>	<u>(325,504)</u>
Expenditures:				
Certificated salaries	40,578,846	43,561,994	43,352,847	209,147
Classified salaries	10,396,420	10,967,111	10,949,018	18,093
Employee benefits	13,870,397	13,841,991	13,900,719	(58,728)
Books and supplies	4,578,230	6,183,473	5,341,658	841,815
Contract services and operating expenditures	10,727,891	7,701,456	6,004,845	1,696,611
Capital outlay	131,811	212,555	178,864	33,691
Other outgo	973,660	1,027,930	929,536	98,394
Debt service:				
Principal retirement	490,000	490,000	517,183	(27,183)
Interest	<u>83,840</u>	<u>83,840</u>	<u>89,564</u>	<u>(5,724)</u>
Total expenditures	<u>81,831,095</u>	<u>84,070,350</u>	<u>81,264,234</u>	<u>2,806,116</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(2,777,575)</u>	<u>(3,135,731)</u>	<u>(655,119)</u>	<u>2,480,612</u>
Other financing sources (uses):				
Operating transfers in	759,402	719,545	714,468	(5,077)
Operating transfers out	<u>(744,980)</u>	<u>(525,600)</u>	<u>(525,600)</u>	<u>-</u>
Total other financing sources (uses)	<u>14,422</u>	<u>193,945</u>	<u>188,868</u>	<u>(5,077)</u>
Net change in fund balance	(2,763,153)	(2,941,786)	(466,251)	2,475,535
Fund balance, July 1, 2013	<u>18,557,830</u>	<u>18,557,830</u>	<u>18,557,830</u>	<u>-</u>
Fund balance, June 30, 2014	<u>\$ 15,794,677</u>	<u>\$ 15,616,044</u>	<u>\$ 18,091,579</u>	<u>\$ 2,475,535</u>

See accompanying note to required
supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

1. PURPOSE OF SCHEDULES

A - Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Excess of expenditures over appropriations for the year ended June 30, 2014 were as follows:

<u>Fund</u>	<u>Excess Expenditures</u>
General Fund:	
Employee Benefits	\$ 58,728

The excess is not in accordance with Education Code 42600.

SUPPLEMENTARY INFORMATION

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

June 30, 2014

	<u>Adult Education Fund</u>	<u>Cafeteria Fund</u>	<u>Deferred Main- tenance Fund</u>	<u>Pupil Transpor- tation Equipment Fund</u>	<u>Special Reserve for Capital Outlay Projects Fund</u>	<u>Total</u>
ASSETS						
Cash in County Treasury	\$ 561,477	\$ 1,065,852	\$ 1,599,616	\$ 590,517	\$ 782,997	\$ 4,600,459
Cash on hand and in banks	5,730	4,118	-	-	-	9,848
Cash in revolving fund	100	-	-	-	-	100
Receivables	200,636	132,903	1,564	557	745	336,405
Stores inventory	<u>-</u>	<u>32,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,873</u>
Total assets	<u>\$ 767,943</u>	<u>\$ 1,235,746</u>	<u>\$ 1,601,180</u>	<u>\$ 591,074</u>	<u>\$ 783,742</u>	<u>\$ 4,979,685</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 85,903	\$ 3,602	\$ 15,319	\$ -	\$ 596,974	\$ 701,798
Unearned revenue	156,279	-	-	-	-	156,279
Due to other funds	<u>5,039</u>	<u>135,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,628</u>
Total liabilities	<u>247,221</u>	<u>139,191</u>	<u>15,319</u>	<u>-</u>	<u>596,974</u>	<u>998,705</u>
Fund balances:						
Nonspendable	100	32,873	-	-	-	32,973
Restricted	<u>520,622</u>	<u>1,063,682</u>	<u>1,054,822</u>	<u>591,074</u>	<u>186,768</u>	<u>3,416,968</u>
Total fund balances	<u>520,722</u>	<u>1,096,555</u>	<u>1,054,822</u>	<u>591,074</u>	<u>186,768</u>	<u>3,449,941</u>
Total liabilities and fund balances	<u>\$ 767,943</u>	<u>\$ 1,235,746</u>	<u>\$ 1,070,141</u>	<u>\$ 591,074</u>	<u>\$ 783,742</u>	<u>\$ 4,448,646</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES

ALL NON-MAJOR FUNDS

For the Year Ended June 30, 2014

	Adult Education Fund	Cafeteria Fund	Deferred Main- tenance Fund	Pupil Transpor- tation Equipment Fund	Special Reserve for Capital Outlay Projects Fund	Total
Revenues:						
Local Control Funding Formula:						
State apportionment	\$ 743,078	\$ -	\$ 531,039	\$ -	\$ -	\$ 1,274,117
Federal sources	279,013	1,178,661	-	-	-	1,457,674
Other state sources	78,681	91,605	-	-	-	170,286
Other local sources	<u>97,107</u>	<u>1,413,021</u>	<u>33,105</u>	<u>12,653</u>	<u>\$ 14,721</u>	<u>1,570,607</u>
Total revenues	<u>1,197,879</u>	<u>2,683,287</u>	<u>33,105</u>	<u>12,653</u>	<u>14,721</u>	<u>4,472,684</u>
Expenditures:						
Certificated salaries	573,059	-	-	-	-	573,059
Classified salaries	142,030	1,014,296	-	-	-	1,156,326
Employee benefits	173,399	283,189	-	-	-	456,588
Books and supplies	134,170	1,318,940	4,650	-	3,407	1,461,167
Contract services and operating expenditures	125,003	58,820	495,045	-	1,537,924	2,216,792
Capital outlay	<u>-</u>	<u>13,812</u>	<u>24,084</u>	<u>-</u>	<u>6,660</u>	<u>44,556</u>
Total expenditures	<u>1,147,661</u>	<u>2,689,057</u>	<u>523,779</u>	<u>-</u>	<u>1,547,991</u>	<u>5,908,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,218</u>	<u>(5,770)</u>	<u>(490,674)</u>	<u>12,653</u>	<u>(1,533,270)</u>	<u>(1,435,804)</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	150,000	719,989	869,989
Operating transfers out	<u>(5,039)</u>	<u>(135,589)</u>	<u>(269,389)</u>	<u>-</u>	<u>(75,000)</u>	<u>(485,017)</u>
Total other financing sources (uses)	<u>(5,039)</u>	<u>(135,589)</u>	<u>(269,389)</u>	<u>150,000</u>	<u>644,989</u>	<u>384,972</u>
Net change in fund balances	45,179	(141,359)	(760,063)	162,653	(888,281)	(1,050,832)
Fund balances, July 1, 2013	<u>475,543</u>	<u>1,237,914</u>	<u>1,814,885</u>	<u>428,421</u>	<u>1,075,049</u>	<u>5,031,812</u>
Fund balances, June 30, 2014	<u>\$ 520,722</u>	<u>\$ 1,096,555</u>	<u>\$ 1,054,822</u>	<u>\$ 591,074</u>	<u>\$ 186,768</u>	<u>\$ 3,980,980</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
WARRANT PASS-THROUGH				
Assets:				
Cash in County Treasury	\$ 1,069,467	\$ 72,109,245	\$ 71,901,582	\$ 1,277,130
Cash on hand and in banks	<u>-</u>	<u>2,644</u>	<u>-</u>	<u>2,644</u>
Total assets	<u>\$ 1,069,467</u>	<u>\$ 72,111,889</u>	<u>\$ 71,901,582</u>	<u>\$ 1,279,774</u>
Liabilities:				
Due to other agencies	<u>\$ 1,069,467</u>	<u>\$ 72,111,889</u>	<u>\$ 71,901,582</u>	<u>\$ 1,279,774</u>
STUDENT BODY ACCOUNTS				
<u>Woodcreek High</u>				
Assets:				
Cash in County Treasury	\$ -	\$ -	\$ -	\$ -
Cash on hand and in banks	<u>199,615</u>	<u>669,082</u>	<u>640,118</u>	<u>228,579</u>
Total assets	<u>\$ 199,615</u>	<u>\$ 669,082</u>	<u>\$ 640,118</u>	<u>\$ 228,579</u>
Liabilities:				
Due to other agencies	\$ -	\$ -	\$ -	\$ -
Due to student groups	<u>199,615</u>	<u>669,082</u>	<u>640,118</u>	<u>228,579</u>
Total liabilities	<u>\$ 199,615</u>	<u>\$ 669,082</u>	<u>\$ 640,118</u>	<u>\$ 228,579</u>
<u>Antelope High</u>				
Assets:				
Cash in County Treasury	\$ -	\$ -	\$ -	\$ -
Cash on hand and in banks	<u>129,647</u>	<u>464,498</u>	<u>441,711</u>	<u>152,434</u>
Total assets	<u>\$ 129,647</u>	<u>\$ 464,498</u>	<u>\$ 441,711</u>	<u>\$ 152,434</u>
Liabilities:				
Due to other agencies	\$ -	\$ -	\$ -	\$ -
Due to student groups	<u>129,647</u>	<u>464,498</u>	<u>441,711</u>	<u>152,434</u>
Total liabilities	<u>\$ 129,647</u>	<u>\$ 464,498</u>	<u>\$ 441,711</u>	<u>\$ 152,434</u>

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS
(Continued)
For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
STUDENT BODY ACCOUNTS (Continued)				
<u>Oakmont High</u>				
Assets:				
Cash in County Treasury	\$ -	\$ -	\$ -	\$ -
Cash on hand and in banks	<u>161,855</u>	<u>574,944</u>	<u>517,816</u>	<u>218,983</u>
Total assets	<u>\$ 161,855</u>	<u>\$ 574,944</u>	<u>\$ 517,816</u>	<u>\$ 218,983</u>
Liabilities:				
Due to other agencies	\$ -	\$ -	\$ -	\$ -
Due to student groups	<u>161,855</u>	<u>574,944</u>	<u>517,816</u>	<u>218,983</u>
Total liabilities	<u>\$ 161,855</u>	<u>\$ 574,944</u>	<u>\$ 517,816</u>	<u>\$ 218,983</u>
<u>Granite Bay High</u>				
Assets:				
Cash in County Treasury	\$ -	\$ -	\$ -	\$ -
Cash on hand and in banks	<u>399,815</u>	<u>1,041,901</u>	<u>958,583</u>	<u>483,133</u>
Total assets	<u>\$ 399,815</u>	<u>\$ 1,041,901</u>	<u>\$ 958,583</u>	<u>\$ 483,133</u>
Liabilities:				
Due to other agencies	\$ -	\$ -	\$ -	\$ -
Due to student groups	<u>399,815</u>	<u>1,041,901</u>	<u>958,583</u>	<u>483,133</u>
Total liabilities	<u>\$ 399,815</u>	<u>\$ 1,041,901</u>	<u>\$ 958,583</u>	<u>\$ 483,133</u>
<u>Roseville High</u>				
Assets:				
Cash in County Treasury	\$ -	\$ -	\$ -	\$ -
Cash on hand and in banks	<u>175,768</u>	<u>545,286</u>	<u>385,967</u>	<u>335,087</u>
Total assets	<u>\$ 175,768</u>	<u>\$ 545,286</u>	<u>\$ 385,967</u>	<u>\$ 335,087</u>
Liabilities:				
Due to other agencies	\$ -	\$ -	\$ -	\$ -
Due to student groups	<u>175,768</u>	<u>545,286</u>	<u>385,967</u>	<u>335,087</u>
Total liabilities	<u>\$ 175,768</u>	<u>\$ 545,286</u>	<u>\$ 385,967</u>	<u>\$ 335,087</u>

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS
(Continued)
For the Year Ended June 30, 2014

	Balance July 1, 2013	<u>Additions</u>	<u>Deductions</u>	Balance June 30, 2014
STUDENT BODY ACCOUNTS (Continued)				
<u>Total Student Body Account</u>				
Assets:				
Cash in County Treasury	\$ -	\$ -	\$ -	\$ -
Cash on hand and in banks	<u>1,066,700</u>	<u>3,295,711</u>	<u>2,944,195</u>	<u>1,418,216</u>
Total assets	<u>\$ 1,066,700</u>	<u>\$ 3,295,711</u>	<u>\$ 2,944,195</u>	<u>\$ 1,418,216</u>
Liabilities:				
Due to other agencies	-	-	-	-
Due to student groups	<u>1,066,700</u>	<u>3,295,711</u>	<u>2,944,195</u>	<u>1,418,216</u>
Total liabilities	<u>\$ 1,066,700</u>	<u>\$ 3,295,711</u>	<u>\$ 2,944,195</u>	<u>\$ 1,418,216</u>

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

ORGANIZATION

June 30, 2014

Roseville Joint Union High School District was established in 1912 and is comprised of an area of approximately 108 square miles in Placer and Sacramento Counties. There were no changes in the boundaries of the District during the current year. The District is a political subdivision of the State of California. The District is currently operating five high schools, one continuation education schools, one adult education school, and an independent study program.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
R. Jan Pinney	President	November 2016
Linda M. Park	Vice President	November 2014
Scott E. Huber	Clerk	November 2014
Rene Aguilera	Member	November 2016
Paige Stauss	Member	November 2016

ADMINISTRATION

Ron Severson
Superintendent

Gary Stevens
Assistant Superintendent, Business Services

Steve Williams
Assistant Superintendent, Personnel Services

John Montgomery
Assistant Superintendent, Curriculum and Instruction

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

For the Year Ended June 30, 2014

	<u>Second Period Report</u>	<u>Revised Second Period Report</u>	<u>Annual Report</u>
Secondary:			
Regular Classes	9,794	9,792	9,735
Special Education	<u>12</u>	<u>12</u>	<u>12</u>
ADA Totals	<u><u>9,806</u></u>	<u><u>9,804</u></u>	<u><u>9,747</u></u>

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

For the Year Ended June 30, 2014

<u>Grade Level</u>	<u>1986-87 Minutes Require- ment</u>	<u>Reduced 1986-87 Minutes Require- ment</u>	<u>2013-14 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Grade 9	64,800	63,000	65,000	180	In Compliance
Grade 10	64,800	63,000	65,000	180	In Compliance
Grade 11	64,800	63,000	65,006	180	In Compliance
Grade 12	64,800	63,000	65,006	180	In Compliance

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2014

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California Department of Education</u>			
	Adult Education Programs:		
84.002A	Adult Basic Education: English Literacy & Civics Education - Local Grant	14109	\$ 81,918
84.002	Adult Secondary Education (Section 231)	13978	124,411
84.002A	Adult Education: Adult Basic Education & ESL (Section 231)	14508	<u>72,684</u>
	Subtotal Adult Education Programs		<u>279,013</u>
	Special Education Programs:		
84.027	IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379	1,126,664
84.027A	IDEA Mental Health Services, Part B, Sec 611	14468	<u>75,439</u>
	Subtotal Special Education Programs		<u>1,202,103</u>
	Title III Programs:		
84.365	NCLB, Title III, Immigrant Education Program	15146	9,110
84.365	NCLB, Title III: Limited English Proficiency (LEP) Student Program	14346	<u>7,860</u>
	Subtotal Title III Programs		<u>16,970</u>
	Title II Programs:		
84.367	NCLB, Title II, Part A, Improving Teacher Quality Local Grants	14341	148,558
84.367	NCLB, Title II, Part A, Administrator Training	14334	<u>12,657</u>
	Subtotal Title II Programs		<u>161,215</u>
84.010	NCLB, Title I, Part A, Basic Grant, Low Income and Neglected	14329	537,352
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	139,499
84.196	NCLB, Title X: McKinney-Vento Homeless Children Assistance Grant	14332	34,864
84.330B	Advance Placement Program	14831	<u>23,895</u>
	Total U.S. Department of Education		<u>2,394,911</u>
<u>U.S. Department of Agriculture - Passed through California Department of Education</u>			
10.553	Child Nutrition: School Programs	13390	<u>1,178,661</u>
	Total Federal Programs		<u>\$ 3,573,572</u>

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

There were no audit adjustments proposed to any funds of the District.

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

For the Year Ended June 30, 2014

(UNAUDITED)

<u>General Fund</u>	(Budgeted) <u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues and other financing sources	\$ <u>86,764,145</u>	\$ <u>81,323,583</u>	\$ <u>75,454,958</u>	\$ <u>76,587,500</u>
Expenditures	90,348,285	81,264,234	75,320,437	77,387,236
Other uses and transfers out	<u>945,600</u>	<u>525,600</u>	<u>744,980</u>	<u>745,780</u>
Total outgo	<u>91,293,885</u>	<u>81,789,834</u>	<u>76,065,417</u>	<u>78,133,016</u>
Change in fund balance	\$ <u>(4,529,740)</u>	\$ <u>(466,251)</u>	\$ <u>(610,459)</u>	\$ <u>(1,545,516)</u>
Ending fund balance	\$ <u>13,561,839</u>	\$ <u>18,091,579</u>	\$ <u>18,557,830</u>	\$ <u>19,168,289</u>
Available reserves	\$ <u>11,558,838</u>	\$ <u>12,830,820</u>	\$ <u>14,676,500</u>	\$ <u>15,780,839</u>
Designated for economic uncertainties	\$ <u>6,581,129</u>	\$ <u>9,831,433</u>	\$ <u>4,074,049</u>	\$ <u>4,108,705</u>
Undesignated fund balance	\$ <u>4,977,709</u>	\$ <u>2,999,387</u>	\$ <u>10,602,451</u>	\$ <u>11,672,134</u>
Available reserves as a percentage of total outgo	<u>12.69%</u>	<u>15.57%</u>	<u>19.33%</u>	<u>20.20%</u>
Total long-term liabilities	\$ <u>116,397,391</u>	\$ <u>126,909,567</u>	\$ <u>132,842,808</u>	\$ <u>130,122,068</u>
Average daily attendance at P-2, excluding classes for adults	<u>9,892</u>	<u>9,804</u>	<u>9,754</u>	<u>9,608</u>

The General Fund fund balance has decreased by \$2,622,226 over the past three years. The District projects a decrease of \$4,529,740 for the fiscal year ending June 30, 2015. For a district this size, the State of California recommends available reserves of at least three percent of total General Fund expenditures, transfers out and other uses. The District maintains reserves in excess of recommended levels.

The District has incurred operating deficits in each of the past three years, and anticipates incurring an operating deficit during the 2014-2015 fiscal year.

Total long-term liabilities have decreased by \$3,212,501 over the past two years.

Average daily attendance has increased by 196 over the past two years and is anticipated to increase of 88 from June 30, 2014 to the year ending June 30, 2015.

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

For the Year Ended June 30, 2014

Charter Schools Chartered by District

**Included in District
Financial Statements, or
Separate Report**

There are no charter schools operating in the District.

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION

1. PURPOSE OF SCHEDULES

A - Schedule of Average Daily Attendance

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

B - Schedule of Instructional Time

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

C - Schedule of Expenditure of Federal Awards

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with A-133 requirements, and is presented on the modified accrual basis of accounting.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Fund Balances and the related expenditures reported on the Schedule of Expenditure of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2014.

Description	CFDA Number	Amount
Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances		\$ 3,575,437
Less: Medi-Cal Billing Option revenues in excess of expenditures	93.778	(1,865)
Total Schedule of Expenditure of Federal Awards		\$ 3,573,572

D - Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION

(Continued)

1. PURPOSE OF SCHEDULES (Continued)

E - Schedule of Financial Trends and Analysis - Unaudited

This schedule provides trend information on fund balances, revenues, expenditures and average daily attendance, as required by the State Controller's Office. The information in this section has been derived from audited information.

F - Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

2. EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosures in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2014, the District did not adopt such a program.

INDEPENDENT AUDITOR'S REPORT
 ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Education
 Roseville Joint Union High School District
 Roseville, California

Report on Compliance with State Laws and Regulations

We have audited Roseville Joint Union High School District's compliance with the types of compliance requirements described in the State of California's Standards and Procedures for Audits of California K-12 Local Educational Agencies (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2014.

<u>Description</u>	<u>Audit Guide Procedures</u>	<u>Procedures Performed</u>
Attendance Reporting	6	Yes
Teacher Certification and Misassignments	3	Yes
Kindergarten Continuance	3	No, see below
Independent Study	23	Yes
Continuation Education	10	Yes
Instructional Time for School Districts	10	Yes
Instructional Materials for general requirements	8	Yes
Ratio of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes
Early Retirement Incentive Program	4	No, see below
Gann Limit Calculation	1	Yes
School Accountability Report Card	3	Yes
Juvenile Court Schools	8	No, see below
Local Control Funding Formula Certification	1	Yes
California Clean Energy Jobs Act	3	No, see below
After School Education and Safety Program:		
General requirements	4	No, see below
After school	5	No, see below
Before school	6	No, see below
Education Protection Account Funds	1	Yes
Common Core Implementation Funds	3	Yes
Unduplicated Local Control Funding Formula Pupil Counts	3	Yes
Contemporaneous Records of Attendance, for charter schools	8	No, see below
Mode of Instruction, for charter schools	1	No, see below
Nonclassroom-Based Instruction/Independent Study, for charter schools	15	No, see below
Determination of Funding for Nonclassroom-Based Instruction, for charter schools	3	No, see below
Annual Instructional Minutes - Classroom-Based, for charter schools	4	No, see below
Charter School Facility Grant Program	1	No, see below

We did not perform any procedures related to Kindergarten Continuance because the District is a high school district and does not have any grades K-8.

We did not perform any procedures related to Early Retirement Incentive Program because the District did not offer this program.

The District does not operate a Juvenile Court Schools Program; therefore, we did not perform any testing of these programs.

We did not perform any procedures related to the California Clean Energy Jobs Act because the District did not have any expenditures charged to this program.

We did not perform any procedures related to After School Education and Safety Program because the District did not receive any After School Education and Safety Program funding in the current year.

We did not perform any procedures related to charter schools because the District does not sponsor any charter schools.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance with state laws and regulations as listed above, of Roseville Joint Union High School District. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State of California'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 noncompliance with the state laws and regulations listed below occurred. An audit includes examining, on a test basis, evidence about Roseville Joint Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations. However, our audit does not provide a legal determination of Roseville Joint Union High School District's compliance.

Basis for Qualified Opinion on Compliance with State Laws and Regulations

As described in Finding 2014-01 in the accompanying Schedule of Audit Findings and Questioned Costs, Roseville Joint Union High School District did not comply with the requirements regarding Attendance Reporting. Compliance with such requirements is necessary, in our opinion, for Roseville Joint Union High School District to comply with state laws and regulations applicable to that program.

Qualified Opinion on Compliance with State Laws and Regulations

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Roseville Joint Union High School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2014. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Roseville Joint Union High School District had not complied with the state laws and regulations.

Other Matter

Roseville Joint Union High School District's response to the finding identified in our audit is included in the accompanying Schedule of Audit Findings and Questioned Costs. Roseville Joint Union High School District's response was not subjected to auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of this Report

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

Crowe Horwath LLP
Crowe Horwath LLP

Sacramento, California
November 12, 2014

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

Board of Education
Roseville Joint Union High School District
Roseville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Joint Union High School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Roseville Joint Union High School District's basic financial statements, and have issued our report thereon dated November 12, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Crowe Horwath LLP
Crowe Horwath LLP

Sacramento, California
November 12, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Education
Roseville Joint Union High School District
Roseville, California

Report on Compliance for Each Major Federal Program

We have audited Roseville Joint Union High School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Roseville Joint Union High School District's major federal programs for the year ended June 30, 2014. Roseville Joint Union High School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Roseville Joint Union High School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Roseville Joint Union High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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


Crowe Horwath LLP

Sacramento, California
November 12, 2014

FINDINGS AND RECOMMENDATIONS

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)? _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? _____ Yes X No

Identification of major programs:

_____ CFDA Number(s) _____	_____ Name of Federal Program or Cluster _____
84.027, 84.027A 84.010	Special Education Programs NCLB, Title I, Part A, Basic Grant, Low Income and Neglected

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X Yes _____ No

STATE AWARDS

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2014

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2014-01 STATE COMPLIANCE - ATTENDANCE (10000)

Criteria

Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 - Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the state.

Condition

At Roseville High School, one student was improperly counted as present for one day of apportionment attendance although the District had evidence that the student was absent.

Effect

The effect of this finding is an extrapolated overstatement of 2.14 ADA.

Cause

The Student was marked present although he was actually absent.

Fiscal Impact

The fiscal impact of the error is approximately \$16,500.

Recommendation

The District should revise and resubmit the Second Period Report of Attendance removing the disallowed attendance. Additionally, the District should ensure all pupil attendance is accurately reflected in the attendance system.

Corrective Action Plan

The District has revised and resubmitted the Period Two Report of Attendance.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2014

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>District Explanation If Not Implemented</u>
2013-01	Implemented	
<p>At Oakmont High School we noted:</p> <ul style="list-style-type: none"> • Sub-receipt books are not used for the receipt of cash. • Revenue producing activities are not properly authorized by the Principal or District. • Student store inventories are performed on an annual basis however there is no documentation retained for evidence that the count occurred. • A profit and loss statement is not prepared for the student store. • Sub-receipt books should be used to ensure receipts turned in are complete. • Revenue producing activities should be approved prior to commencing. • The student store inventory count should contain the signature of the preparer and reviewer and documentation should be retained. • Profit and loss statements should be prepared monthly for the student store activity. 		