

**JEFFERSON  
SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2001**

JEFFERSON ELEMENTARY SCHOOL DISTRICT  
OF SAN JOAQUIN  
TRACY, CALIFORNIA  
JUNE 30, 2001

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Jeff Allen	President	2002
Todd Wetherell	Vice President	2002
R.G. Fagin	Clerk	2002
Debbie Wingo	Member	2004
Pete Carlson	Member	2004

ADMINISTRATION

Ed Quinn	Superintendent
Dana Taylor	Business Manager

ORGANIZATION

The Jefferson Elementary School District was established in the 1800's and is comprised of an area of approximately 130 square miles. There were no changes in the boundaries of the District during the current year. The District is currently operating three elementary schools.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

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# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## ALL FUND TYPES AND ACCOUNT GROUPS COMBINED BALANCE SHEET JUNE 30, 2001

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>ASSETS</b>			
Cash	\$ 2,000	\$ 30	\$ -
Investments	1,442,021	260,226	13,909,549
Accounts receivable	275,694	38,871	77,848
Stores inventory	-	2,581	-
Amount to be provided for the retirement of general long-term debt	-	-	-
Total Assets	<u>\$ 1,719,715</u>	<u>\$ 301,708</u>	<u>\$ 13,987,397</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	117,973	4,635	685,628
Deferred revenue	43,069	-	-
Due to student groups	-	-	-
General long-term debt	-	-	-
Total Liabilities	<u>161,042</u>	<u>4,635</u>	<u>685,628</u>
<b>FUND EQUITY</b>			
Retained earnings	-	-	-
Fund balances			
Reserved	757,224	2,611	-
Unreserved			
Designated	406,572	294,462	13,301,769
Undesignated	394,877	-	-
Total Fund Equity	<u>1,558,673</u>	<u>297,073</u>	<u>13,301,769</u>
Total Liabilities and Fund Equity	<u>\$ 1,719,715</u>	<u>\$ 301,708</u>	<u>\$ 13,987,397</u>

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



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Jefferson Elementary School District  
Tracy, California

We have audited the accompanying general-purpose and combining financial statements of the Jefferson Elementary School District, as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In common with other school districts, the District has not maintained a complete historical cost record of its general fixed assets and, accordingly, the financial statements do not include the general fixed assets group of accounts required by generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group relates to historical data that is not currently available.

In our opinion, except for the effect on the financial statements of the omission of the general fixed asset group of accounts, the general-purpose and combining financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson Elementary School District at June 30, 2001, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2001, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

*Vavrinek, Fine, Day & Co, LLP*

Pleasanton, California  
September 28, 2001



Proprietary Fund Type	Fiduciary Fund Types	Account Group	Total
Internal Service	Agency	General Long-Term Debt	(Memorandum Only)
\$ -	\$ 40,750	\$ -	\$ 42,780
54,885	-	-	15,666,681
680	-	-	393,093
-	-	-	2,581
-	-	182,812	182,812
<u>\$ 55,565</u>	<u>\$ 40,750</u>	<u>\$ 182,812</u>	<u>\$ 16,287,947</u>
-	-	-	808,236
-	-	-	43,069
-	40,750	-	40,750
-	-	182,812	182,812
-	<u>40,750</u>	<u>182,812</u>	<u>1,074,867</u>
55,565	-	-	55,565
-	-	-	759,835
-	-	-	14,002,803
-	-	-	394,877
<u>55,565</u>	<u>-</u>	<u>-</u>	<u>15,213,080</u>
<u>\$ 55,565</u>	<u>\$ 40,750</u>	<u>\$ 182,812</u>	<u>\$ 16,287,947</u>

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## ALL GOVERNMENTAL FUND TYPES COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2001

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>REVENUES</b>				
Revenue Limit Sources				
State apportionments	\$ 3,230,539	\$ -	\$ -	\$ 3,230,539
Local sources	1,800,348	-	-	1,800,348
Total Revenue Limit Sources	5,030,887	-	-	5,030,887
Federal revenues	76,548	52,130	-	128,678
Other state revenues	1,525,619	35,774	10,563,965	12,125,358
Other local revenues	148,083	233,477	2,945,465	3,327,025
Tuition and transfers	382,755	-	-	382,755
Total Revenues	7,163,892	321,381	13,509,430	20,994,703
<b>EXPENDITURES</b>				
Current Expenditures				
Certificated salaries	3,512,015	-	-	3,512,015
Classified salaries	898,693	119,374	-	1,018,067
Employee benefits	1,160,974	31,498	-	1,192,472
Books and supplies	303,429	146,497	28,691	478,617
Services and operating expenditures	597,422	27,461	491,212	1,116,095
Other outgo	58,375	-	-	58,375
Capital outlay	119,571	63	1,958,681	2,078,315
Debt service - principal	-	-	-	-
Debt service - interest and other	-	47,912	-	47,912
Total Expenditures	6,650,479	372,805	2,478,584	9,501,868
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	513,413	(51,424)	11,030,846	11,492,835
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	125,785	103,000	299,196	527,981
Operating transfers out	(402,196)	(125,785)	-	(527,981)
Total Other Financing Sources/(Uses)	(276,411)	(22,785)	299,196	-
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	237,002	(74,209)	11,330,042	11,492,835
FUND BALANCE, BEGINNING OF YEAR	1,321,671	371,282	1,971,727	3,664,680
FUND BALANCE, END OF YEAR	\$ 1,558,673	\$ 297,073	\$ 13,301,769	\$ 15,157,515

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

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# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## ALL GOVERNMENTAL FUND TYPES COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2001

	General		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>			
Revenue Limit Sources			
State apportionments	\$ 3,278,255	\$ 3,230,539	\$ (47,716)
Local sources	1,800,350	1,800,348	(2)
Total Revenue Limit Sources	5,078,605	5,030,887	(47,718)
Federal revenues	88,599	76,548	(12,051)
Other state revenues	1,567,885	1,525,619	(42,266)
Other local revenues	150,005	148,083	(1,922)
Tuition and transfers	382,755	382,755	-
Total Revenues	7,267,849	7,163,892	(103,957)
<b>EXPENDITURES</b>			
Current Expenditures			
Certificated salaries	3,523,032	3,512,015	11,017
Classified salaries	906,779	898,693	8,086
Employee benefits	1,159,512	1,160,974	(1,462)
Books and supplies	530,552	303,429	227,123
Services and operating expenditures	667,607	597,422	70,185
Other outgo	64,100	58,375	5,725
Capital outlay	129,488	119,571	9,917
Debt service - principal	-	-	-
Debt service - interest and other	-	-	-
Total Expenditures	6,981,070	6,650,479	330,591
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	286,779	513,413	226,634
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	125,785	125,785	-
Operating transfers out	(404,806)	(402,196)	2,610
Total Other Financing Sources/(Uses)	(279,021)	(276,411)	2,610
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	7,758	237,002	229,244
FUND BALANCE, BEGINNING OF YEAR	1,321,671	1,321,671	-
FUND BALANCE, END OF YEAR	\$ 1,329,429	\$ 1,558,673	\$ 229,244

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

Special Revenue			Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
52,130	52,130	-	-	-	-
35,775	35,774	(1)	10,563,965	10,563,965	-
233,835	233,477	(358)	3,248,143	2,945,465	(302,678)
-	-	-	-	-	-
321,740	321,381	(359)	13,812,108	13,509,430	(302,678)
-	-	-	-	-	-
124,697	119,374	5,323	-	-	-
32,900	31,498	1,402	-	-	-
147,841	146,497	1,344	29,707	28,691	1,016
50,914	27,461	23,453	598,934	491,212	107,722
-	-	-	-	-	-
63	63	-	12,033,394	1,958,681	10,074,713
-	-	-	-	-	-
47,912	47,912	-	-	-	-
404,327	372,805	31,522	12,662,035	2,478,584	10,183,451
(82,587)	(51,424)	31,163	1,150,073	11,030,846	9,880,773
105,610	103,000	(2,610)	299,196	299,196	-
(125,785)	(125,785)	-	-	-	-
(20,175)	(22,785)	(2,610)	299,196	299,196	-
(102,762)	(74,209)	(176,971)	1,449,269	11,330,042	9,880,773
371,282	371,282	-	1,971,727	1,971,727	-
\$ 268,520	\$ 297,073	\$ 28,553	\$ 3,420,996	\$ 13,301,769	\$ 9,880,773

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## ALL GOVERNMENTAL FUND TYPES COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2001

	Total (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Revenue Limit Sources			
State apportionments	\$ 3,278,255	\$ 3,230,539	\$ (47,716)
Local sources	1,800,350	1,800,348	(2)
Total Revenue Limit Sources	5,078,605	5,030,887	(47,718)
Federal revenues	140,729	128,678	(12,051)
Other state revenues	12,167,625	12,125,358	(42,267)
Other local revenues	3,631,983	3,327,025	(304,958)
Tuition and transfers	382,755	382,755	-
Total Revenues	21,401,697	20,994,703	(406,994)
<b>EXPENDITURES</b>			
Current Expenditures			
Certificated salaries	3,523,032	3,512,015	11,017
Classified salaries	1,031,476	1,018,067	13,409
Employee benefits	1,192,412	1,192,472	(60)
Books and supplies	708,100	478,617	229,483
Services and operating expenditures	1,317,455	1,116,095	201,360
Other outgo	64,100	58,375	5,725
Capital outlay	12,162,945	2,078,315	10,084,630
Debt service - principal	-	-	-
Debt service - interest and other	47,912	47,912	-
Total Expenditures	20,047,432	9,501,868	10,545,564
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	1,354,265	11,492,835	10,138,570
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating transfers in	530,591	527,981	(2,610)
Operating transfers out	(530,591)	(527,981)	2,610
Total Other Financing Sources/(Uses)	-	-	-
<b>EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)</b>	1,354,265	11,492,835	10,138,570
<b>FUND BALANCE, BEGINNING OF YEAR</b>	3,664,680	3,664,680	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 5,018,945</u>	<u>\$ 15,157,515</u>	<u>\$ 10,138,570</u>

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

# **JEFFERSON ELEMENTARY SCHOOL DISTRICT**

## **PROPRIETARY FUND TYPES**

### **COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEAR ENDED JUNE 30, 2001**

	<u>Internal Service</u>
OTHER FINANCING SOURCES	
Interest Income	<u>\$        3,331</u>
NET INCOME	3,331
RETAINED EARNINGS, BEGINNING OF YEAR	<u>52,234</u>
RETAINED EARNINGS, END OF YEAR	<u><u>\$      55,565</u></u>

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

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## PROPRIETARY FUND TYPES COMBINED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2001

### CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in accounts receivable

\$ 444

### CASH FLOWS FROM CAPITAL

Interest received

3,331

### NET INCREASE IN CASH

3,775

CASH, BEGINNING OF YEAR

51,110

CASH, END OF YEAR

\$ 54,885

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



# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting policies of the Jefferson Elementary School District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants, except that a complete historical cost record of fixed assets has not been maintained. The Jefferson Elementary School District accounts for its financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

#### A. Financial Reporting Entity

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

#### B. Fund Accounting

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

##### Governmental Funds

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

##### Proprietary Funds

- Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the District.

##### Fiduciary Funds

- Agency Funds are used to account for assets held by the District as trustee.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### Account Group

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

- The General Long-term Debt Account Group is used to account for long-term liabilities expected to be financed from governmental funds.

### C. Basis of Accounting

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

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

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

Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

### D. Budgets and Budgetary Accounting

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

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2001

### E. Encumbrances

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

### F. Stores Inventory

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

### G. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The amount of the liability expected to be paid from current resources is recognized at year-end in the governmental fund that will pay the benefit. The noncurrent portion of the liability is recognized in the general long-term debt account group.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable. However, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires if the employee was hired prior to July 1, 1980.

### H. Fund Balance Reserves and Designations

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

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

### I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 15 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of San Joaquin bills and collects the taxes for the District. The District recognizes tax revenues when received.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### J. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the internal service fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Deposits with County Treasurer are considered cash equivalents.

### K. Deferred Revenue

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

### L. Use of Estimates

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

### M. Total (Memorandum Only) Columns on Combined Statements

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

### *NOTE #2 – CASH*

Cash at June 30, 2001, consist of the following:

	Carrying Amount
Cash on hand and in banks	\$ 40,750
Cash in revolving fund	2,030
Total Deposits	<u>\$ 42,780</u>

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

The Federal Depository Insurance Corporation insures cash balances held in banks and in revolving funds up to \$100,000. At June 30, 2001, the carrying amount of the District's deposits was \$42,780, and the bank balance was \$44,128. All cash held by financial institutions is fully insured.

### NOTE #3 – INVESTMENTS

Investments consist of deposits with the County Treasurer in the amount of \$15,666,681 (fair value of \$15,701,148) is an external investment pool sponsored by the County of San Joaquin. School Districts are required to deposit all receipts and collections of monies with their county treasurer (Education Code Section 41001). Therefore, the District is considered to be an involuntary participation in an external investment pool. County deposits are not required to be categorized. The pool sponsor provided the fair value for these deposits.

### NOTE #4 – ACCOUNTS RECEIVABLE

Receivables at June 30, 2001, consist of the following:

	General	Special Revenue	Capital Projects	Proprietary	Total
Federal Government					
Categorical aid	\$ 8,893	\$ 8,136	\$ -	\$ -	\$ 17,029
State Government					
Categorical aid	106,625	27,516	-	-	134,141
Lottery	73,752	-	-	-	73,752
Local Government					
Interest	47,399	3,210	76,848	680	128,137
Other Local Sources	39,025	9	1,000	-	40,034
Total	<u>\$ 275,694</u>	<u>\$ 38,871</u>	<u>\$ 77,848</u>	<u>\$ 680</u>	<u>\$ 393,093</u>

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### NOTE #5 – INTERFUND TRANSACTIONS

#### A. Operating Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2001, are as follows:

The Special Reserve Other fund transferred to the General fund to close out the Special Reserve fund.	\$ 125,785
The General fund transferred to the Cafeteria fund to support general expenses of the cafeteria.	33,000
The General fund transferred to the Deferred Maintenance fund for contribution.	30,000
The General fund transferred to the Pupil Transportation fund for future transportation buses.	40,000
The General fund transferred to the State School Building fund for repayment to the state on Monticello project.	99,196
The General fund transferred to the Special Reserve Capital fund for class size reduction facilities allocation.	200,000
Total	<u>\$ 527,981</u>

### NOTE #6 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2001, consists of the following:

	General	Special Revenue	Capital Projects	Total
Accrued payroll and benefits	\$ 10,108	\$ 1,263	\$ -	\$ 11,371
Apportionment	33,012	-	-	33,012
Vendor	74,853	3,372	685,628	763,853
Total	<u>\$ 117,973</u>	<u>\$ 4,635</u>	<u>\$ 685,628</u>	<u>\$ 808,236</u>

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### NOTE #7 – DEFERRED REVENUE

Deferred revenue at June 30, 2001, consists of the following:

	General
Federal categorical aid	\$ 10,508
State categorical aid	32,561
Total	<u>\$ 43,069</u>

### NOTE #8 – FUND BALANCES

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects
Reserved			
Revolving cash	\$ 2,000	\$ 30	\$ -
Stores inventory	-	2,581	-
Legally restricted	355,224	-	-
General reserve	400,000	-	-
Total Reserved	<u>757,224</u>	<u>2,611</u>	<u>-</u>
Unreserved			
Designated			
Economic uncertainties	234,276	-	-
Other	172,296	294,462	13,301,769
Total Designated	<u>406,572</u>	<u>294,462</u>	<u>13,301,769</u>
Undesignated	394,877		
Total Unreserved	<u>801,449</u>	<u>294,462</u>	<u>13,301,769</u>
Total	<u>\$ 1,558,673</u>	<u>\$ 297,073</u>	<u>\$ 13,301,769</u>

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2001

### NOTE #9 – GENERAL LONG-TERM DEBT

#### A. Long-Term Debt Summary

A schedule of changes in long-term debt for the year ended June 30, 2001, is shown below:

	Balance Beginning of Year	Additions and Adjustments	Deductions	Balance End of Year
Accumulated vacation - net	\$ 8,826	\$ 10,278	\$ -	\$ 19,104
Postemployment benefits	69,375	54,499	20,297	103,577
Capital leases	99,763	11,737	51,369	60,131
	<u>\$ 177,964</u>	<u>\$ 76,514</u>	<u>\$ 71,666</u>	<u>\$ 182,812</u>
Amount to be provided for retirement of general long-term debt				<u>\$ 182,812</u>

#### B. Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2001, amounted to \$19,104.

#### C. Postemployment Benefits

The District provides postemployment health care benefits, in accordance with District employment contracts, to all employees who retire from the District on or after attaining age 65 with at least ten years of service. Currently, four employees meet those eligibility requirements. The District will contribute up to \$7,100 per employee per year. Expenditures for postemployment benefits are recognized on a pay-as-you-go basis, as premiums are paid. During the year, expenditures of \$20,297 were recognized for retirees' health care benefits.

The approximate accumulated future liability for the District at June 30, 2001, amounts to \$103,577. This amount was calculated based upon the number of retirees receiving benefits multiplied by the yearly district payment per employee in effect at June 30, 2001, multiplied by the number of years of payments remaining. An actuarial study has not been performed for current employees. If an actuarial study had been performed, the estimated liability could be greater than the estimate above.



# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### D. Capital Leases

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

Balance, Beginning of Year	\$ 110,383
Additions	11,767
Payments	(57,580)
Balance, End of Year	<u>\$ 64,570</u>

The capital leases have minimum lease payments as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Lease</u> <u>Payment</u>
2002	\$ 39,698
2003	24,872
Total	<u>64,570</u>
Less: Amount Representing Interest	4,439
Present Value of Minimum Lease Payments	<u>\$ 60,131</u>

### NOTE #10 – EMPLOYEE RETIREMENT SYSTEMS

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

#### A. STRS

##### Plan Description

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

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### Funding Policy

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by STRS Teachers' Retirement Board. The required employer contribution rate for fiscal 2000-2001 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to STRS for the fiscal year ending June 30, 2001, 2000, and 1999 were \$271,690, \$208,372, and \$164,003, respectively, and equal 100 percent of the required contributions for each year.

### B. PERS

#### Plan Description

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

#### Funding Policy

Active plan members are required to contribute 7.0 percent of their salary (prior to January 1, 2001, 7.0 percent of monthly salary over \$133.33 if the member participates in Social Security) and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. There was no required employer contribution rate for fiscal 2000-2001. The contribution requirements of the plan members are established by State statute. The District was not required to make contributions to CalPERS for the fiscal year ending June 30, 2001, 2000, and 1999.

### C. Other Information

Under STRS law, certain early retirement incentives require the employer to pay the present value of the additional benefit which may be paid on either a current or deferred basis. The District has no obligations to STRS for early retirement incentives granted to terminated employees.

### D. Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by social security or an alternative plan. The District has elected to use social security as its alternative plan.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### E. On Behalf Payments

The State of California makes contributions to STRS and PERS on behalf of the District. These payments consist of State General Fund contributions to STRS in the amount of \$165,976 (5.0385 percent of salaries subject to STRS) and to PERS in the amount of \$730 (0.092 percent of salaries subject to PERS). Under generally accepted accounting principles, these amounts are to be reported as revenues and expenditures, however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the Annual Financial and Budget Report (J-200). These amounts also have not been recorded in these financial statements.

### NOTE #11 – RISK MANAGEMENT

#### A. Description

The District's risk management activities are recorded in the General and Internal Service Fund. Employee life, health, and disability programs are administered by the General Fund through the District's participation in the San Joaquin County Schools Insurance Group public entity risk pools (JPA's). Excess liability coverage is purchased through the JPA. Refer to Note #13 for additional information regarding the JPAs.

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

The following is a summary of the insurance policies carried by the District as of June 30, 2001.

<u>Insurance Program</u> <u>Company Name</u>	<u>Type of Coverage</u>	<u>Limits</u>
<u>Workers' Compensation Program</u> San Joaquin County Schools Workers' Compensation	Workers' Compensation	State Statutory Limits
<u>Excess Property and Liability Program</u> San Joaquin County Schools Property & Liability	Excess Property and Liability	\$1,000 per incident
<u>Health Care Program</u> San Joaquin County Health Care Insurance Group	Health Care	N/A

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### NOTE #12 – COMMITMENTS AND CONTINGENCIES

#### A. State and Federal Allowances, Awards and Grants

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

#### B. Construction Commitments

As of June 30, 2001, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Jefferson School - Gym Acoustical Panels Project	\$ 10,705	08/29/01
Monticello School - Storage Room Project	9,510	08/08/01
Tom Hawkins School - Temporary Campus Addition	245,821	09/04/01
Tom Hawkins School - Permanent Campus	10,296,032	03/24/02
	<u>\$ 10,562,068</u>	

### NOTE #13 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the San Joaquin County Schools Workers' Compensation Group (SJCSWCIG), San Joaquin County Health Care Insurance Group (SJCSHCIG), San Joaquin County Schools Property and Liability Insurance Group (SJCSPLIG) public entity risk pools, San Joaquin County Legal Services Authority (SJCSLSA), Tracy Area Public Facilities Financing Agency (TAPFFA) joint powers agency, and the San Joaquin County Schools Data Processing Group (SJCSDDPC). The District pays an annual premium to the applicable entity for its health, workers' compensation, legal services, data processing, and property liability coverage. The relationships between the District, and the JPA's are such that they are not component units of the District for financial reporting purposes.

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

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

	San Joaquin County School Entity Risk Pools		
	Workers' Compensation (SJCSWCIG)	Health Care (SJCSHCIG)	Property and Liability Insurance Group (SJCSPLIG)
A. <u>Entity</u>			
B. <u>Purpose</u>	Provide workers' compensation insurance	Provide health and welfare benefits	Provide property and liability insurance
C. <u>Participants</u>	School districts/ county office in San Joaquin County	School districts/ county office in San Joaquin County	School districts/ county office in San Joaquin County
D. <u>Governing Board</u>	One member from each participating district	One member from each participating district	One member from each participating district
E. <u>Condensed Audited Financial Information Follows</u>			
	June 30, 2000*	June 30, 2000*	June 30, 2000*
Assets	\$ 2,682,002	\$ 4,213,931	\$ 424,191
Liabilities	1,318,832	2,028,320	257,564
Fund Equity	\$ 1,363,170	\$ 2,185,611	\$ 166,627
Revenues	6,270,181	10,181,229	460,063
Expenses	7,264,124	11,690,548	705,716
Net Increase/(Decrease) in Fund Equity	\$ (993,943)	\$ (1,509,319)	\$ (245,653)
F. <u>Payments for the Current Year</u>	\$ 83,389	\$ 631,150	\$ 19,417

\* Most recent information available.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

A. <u>Entity</u>	San Joaquin County School JPAs		
	Legal Services Authority (SJCSLSA)	Public Facilities Financing Agency (TAPFFA)	Data Processing (SJCSLPC)
B. <u>Purpose</u>	Contract for legal services	Forming a Community Facilities District	Contract for data processing
C. <u>Participants</u>	School districts/ county office in San Joaquin County	City of Tracy, Tracy Unified School District, Jefferson School District	School districts/ county office in San Joaquin County
D. <u>Governing Board</u>	One member from each participating district	One member from each participating district	One member from each participating district
E. <u>Condensed Audited Financial Information Follows</u>			
	June 30, 2000*	April 30, 2000*	June 30, 2000*
Assets	\$ 15,901	\$ 94,663,559	\$ 1,829,419
Liabilities	1,625	58,740,037	315,863
Fund Equity	\$ 14,276	\$ 35,923,522	\$ 1,513,556
Revenues	51,723	6,714,537	2,022,682
Expenses	52,538	6,609,165	1,858,480
Net Increase/(Decrease) in Fund Equity	\$ (815)	\$ 105,372	\$ 164,202
F. <u>Payments for the Current Year</u>	\$ 4,276	Not applicable	\$ 35,280

\* Most recent information available.

None of the JPA's had long-term debts outstanding at June 30, 2000, except that the TAPFFA agency had outstanding special tax bonds payable of \$57,040,000 at April 30, 2001. The District's share of year-end assets, liabilities or fund equity has not been calculated.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

### *NOTE #14 – TAX AND REVENUE ANTICIPATION NOTES*

On July 3, 2000, the District issued \$660,000 Tax and Revenue Anticipation Notes bearing interest at 4.27 percent. Interest and principal were due and payable on July 3, 2001. By May, 2001, the District had placed 100 percent of principal and interest in an irrevocable trust for the sole purpose of satisfying the notes. The District was not required to make any additional payments on the notes. As the District has in substance defeased the debt, the tax anticipation notes of \$660,000 and related accrued interest and cash held in trust are not included in these financial statements.

### *NOTE #15 – SUBSEQUENT EVENTS*

The District issued \$660,000 of Tax and Revenue Anticipation Notes dated July 1, 2001. The notes mature on July 3, 2001, and yield 2.65 percent interest. The notes were sold to supplement cash flow. Repayment requirements are that a percentage of principal and interest be deposited with the Fiscal Agent each month beginning February, 2002, until 100 percent of principal and interest due is on account in May, 2002.

### *NOTE #16 – NEW ACCOUNTING PRONOUNCEMENTS*

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

A. Management's Discussion and Analysis (MD&A)

B. Basic Financial Statements which include:

- Government-wide financial statements prepared using the economic measurement focus and the accrual basis of accountings.
- Fund financial statements prepared using the current financial resources measurement focus and the modified accrual basis of accounting.
- Required supplementary information.

C. The requirements of this statement are effective in three phases based on a government's total annual revenues for the year ended June 30, 2001, with earlier application encouraged. These phases are as follows:

# **JEFFERSON ELEMENTARY SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2001**

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

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

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

Based on the above criteria, the District expects to adopt the provisions of this statement for the fiscal year ending June 30, 2004. While the District believes the adoption of this statement will have a significant impact on how the District's financial position and results of operations is presented in its annual financial statements, the District has not determined the full impact of the adoption.



# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2001

	Cafeteria	Deferred Maintenance	Pupil Transportation	Total
<b>ASSETS</b>				
Cash	\$ 30	\$ -	\$ -	\$ 30
Investments	3,405	217,708	39,113	260,226
Accounts receivable	8,981	29,405	485	38,871
Stores inventory	2,581	-	-	2,581
Total Assets	<u>\$ 14,997</u>	<u>\$ 247,113</u>	<u>\$ 39,598</u>	<u>\$301,708</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts payable	4,220	415	-	4,635
Total Liabilities	<u>4,220</u>	<u>415</u>	<u>-</u>	<u>4,635</u>
<b>FUND EQUITY</b>				
Fund balances				
Reserved	2,611	-	-	2,611
Unreserved				
Undesignated	8,166	246,698	39,598	294,462
Total Fund Equity	<u>10,777</u>	<u>246,698</u>	<u>39,598</u>	<u>297,073</u>
Total Liabilities and Fund Equity	<u>\$ 14,997</u>	<u>\$ 247,113</u>	<u>\$ 39,598</u>	<u>\$301,708</u>

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

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SPECIAL REVENUE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2001

	Cafeteria	Deferred Maintenance	Special Reserve
<b>REVENUES</b>			
Federal revenues	\$ 52,130	\$ -	\$ -
Other state revenues	2,540	33,234	-
Other local revenues	220,111	10,954	130
Tuition and transfers		-	-
Total Revenues	<u>274,781</u>	<u>44,188</u>	<u>130</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Classified salaries	119,374	-	-
Employee benefits	31,498	-	-
Books and supplies	146,497	-	-
Services and operating expenditures	5,686	21,775	-
Capital outlay	63	-	-
Debt service - interest and other	-	-	-
Total Expenditures	<u>303,118</u>	<u>21,775</u>	<u>-</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	<u>(28,337)</u>	<u>22,413</u>	<u>130</u>
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	33,000	30,000	-
Operating transfers out	-	-	(125,785)
Total Other Financing Sources/(Uses)	<u>33,000</u>	<u>30,000</u>	<u>(125,785)</u>
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	<u>4,663</u>	<u>52,413</u>	<u>(125,655)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>6,114</u>	<u>194,285</u>	<u>125,655</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,777</u>	<u>\$ 246,698</u>	<u>\$ -</u>

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

<u>Pupil Transportation</u>	<u>Total</u>
\$ -	\$ 52,130
-	35,774
2,282	233,477
-	-
<u>2,282</u>	<u>321,381</u>
-	119,374
-	31,498
-	146,497
-	27,461
-	63
<u>47,912</u>	<u>47,912</u>
<u>47,912</u>	<u>372,805</u>
<u>(45,630)</u>	<u>(51,424)</u>
40,000	103,000
-	(125,785)
<u>40,000</u>	<u>(22,785)</u>
(5,630)	(74,209)
<u>45,228</u>	<u>371,282</u>
<u>\$ 39,598</u>	<u>\$ 297,073</u>

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2001

	Cafeteria		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Federal revenues	\$ 52,130	\$ 52,130	\$ -
Other state revenues	2,541	2,540	(1)
Other local revenues	220,129	220,111	(18)
Total Revenues	274,800	274,781	(19)
EXPENDITURES			
Current Expenditures			
Classified salaries	124,697	119,374	5,323
Employee benefits	32,900	31,498	1,402
Books and supplies	147,841	146,497	1,344
Services and operating expenditures	5,741	5,686	55
Capital outlay	63	63	-
Debt service - interest and other	-	-	-
Total Expenditures	311,242	303,118	8,124
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(36,442)	(28,337)	8,105
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	35,610	33,000	(2,610)
Operating transfers out	-	-	-
Total Other Financing Sources/(Uses)	35,610	33,000	(2,610)
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	(832)	4,663	5,495
FUND BALANCE, BEGINNING OF YEAR	6,114	6,114	-
FUND BALANCE, END OF YEAR	\$ 5,282	\$ 10,777	\$ 5,495

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

Deferred Maintenance			Special Reserve		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33,234	33,234	-	-	-	-
11,215	10,954	(261)	130	130	-
44,449	44,188	(261)	130	130	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45,000	21,775	23,225	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45,000	21,775	23,225	-	-	-
(551)	22,413	22,964	130	130	-
30,000	30,000	-	-	-	-
-	-	-	(125,785)	(125,785)	-
30,000	30,000	-	(125,785)	(125,785)	-
29,449	52,413	22,964	(125,655)	(125,655)	-
194,285	194,285	-	125,655	125,655	-
\$ 223,734	\$ 246,698	\$ 22,964	\$ -	\$ -	\$ -

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SPECIAL REVENUE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2001

	Pupil Transportation		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal revenues	\$ -	\$ -	\$ -
Other state revenues	-	-	-
Other local revenues	2,361	2,282	(79)
Total Revenues	2,361	2,282	(79)
EXPENDITURES			
Current Expenditures			
Classified salaries	-	-	-
Employee benefits	-	-	-
Books and supplies	-	-	-
Services and operating expenditures	173	-	173
Capital outlay	-	-	-
Debt service - interest and other	47,912	47,912	-
Total Expenditures	48,085	47,912	173
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(45,724)	(45,630)	94
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	40,000	40,000	-
Operating transfers out	-	-	-
Total Other Financing Sources/(Uses)	40,000	40,000	-
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	(5,724)	(5,630)	94
FUND BALANCE, BEGINNING OF YEAR	45,228	45,228	-
FUND BALANCE, END OF YEAR	\$ 39,504	\$ 39,598	\$ 94

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

Total		Variance Favorable (Unfavorable)
Budget	Actual	
\$ 52,130	\$ 52,130	\$ -
35,775	35,774	(1)
233,835	233,477	(358)
321,740	321,381	(359)
124,697	119,374	5,323
32,900	31,498	1,402
147,841	146,497	1,344
50,914	27,461	23,453
63	63	-
47,912	47,912	-
404,327	372,805	31,522
(82,587)	(51,424)	31,163
105,610	103,000	(2,610)
(125,785)	(125,785)	-
(20,175)	(22,785)	(2,610)
(102,762)	(74,209)	28,553
371,282	371,282	-
\$ 268,520	\$ 297,073	\$ 28,553

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2001

	Community Facilities	Capital Facilities	State School Building
ASSETS			
Investments	\$ 12,785	\$ 3,094,106	\$ 114,187
Accounts receivable	237	38,851	1,650
Total Assets	<u>\$ 13,022</u>	<u>\$ 3,132,957</u>	<u>\$ 115,837</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	-	8,847	104,717
Total Liabilities	<u>-</u>	<u>8,847</u>	<u>104,717</u>
FUND EQUITY			
Fund balances			
Unreserved			
Designated	13,022	3,124,110	11,120
Undesignated			
Total Fund Equity	<u>13,022</u>	<u>3,124,110</u>	<u>11,120</u>
Total Liabilities and Fund Equity	<u>\$ 13,022</u>	<u>\$ 3,132,957</u>	<u>\$ 115,837</u>

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



Special Reserve	County Schools Facilities	Total
\$ 277,955	\$ 10,410,516	\$ 13,909,549
2,090	35,020	77,848
<u>\$ 280,045</u>	<u>\$ 10,445,536</u>	<u>\$ 13,987,397</u>
-	572,064	685,628
<u>-</u>	<u>572,064</u>	<u>685,628</u>
280,045	9,873,472	13,301,769
<u>280,045</u>	<u>9,873,472</u>	<u>13,301,769</u>
<u>\$ 280,045</u>	<u>\$ 10,445,536</u>	<u>\$ 13,987,397</u>

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2001

	Community Facilities	Capital Facilities	State School Building
REVENUES			
Other state revenues	\$ -	\$ -	\$ -
Other local revenues	5,589	2,890,101	2,987
Total Revenues	5,589	2,890,101	2,987
EXPENDITURES			
Current Expenditures			
Books and supplies	682	19,142	-
Services and operating expenditures	30,299	314,725	99,195
Capital outlay	133,362	1,063,943	-
Total Expenditures	164,343	1,397,810	99,195
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(158,754)	1,492,291	(96,208)
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	-	-	99,196
Total Other Financing Sources/(Uses)	-	-	99,196
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	(158,754)	1,492,291	2,988
FUND BALANCE, BEGINNING OF YEAR	171,776	1,631,819	8,132
FUND BALANCE, END OF YEAR	\$ 13,022	\$ 3,124,110	\$ 11,120

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

<u>Special Reserve</u>	<u>County Schools Facilities</u>	<u>Total</u>
\$ -	\$ 10,563,965	\$ 10,563,965
8,779	38,009	2,945,465
<u>8,779</u>	<u>10,601,974</u>	<u>13,509,430</u>
-	8,867	28,691
46,993	-	491,212
41,741	719,635	1,958,681
<u>88,734</u>	<u>728,502</u>	<u>2,478,584</u>
<u>(79,955)</u>	<u>9,873,472</u>	<u>11,030,846</u>
200,000	-	299,196
<u>200,000</u>	<u>-</u>	<u>299,196</u>
120,045	9,873,472	11,330,042
160,000	-	1,971,727
<u>\$ 280,045</u>	<u>\$ 9,873,472</u>	<u>\$ 13,301,769</u>

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## CAPITAL PROJECTS FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2001

	Community Facilities		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Other state revenues	\$ -	\$ -	\$ -
Other local revenues	6,000	5,589	-
Total Revenues	6,000	5,589	(411)
EXPENDITURES			
Current Expenditures			
Books and supplies	685	682	3
Services and operating expenditures	30,320	30,299	21
Capital outlay	140,771	133,362	7,409
Total Expenditures	171,776	164,343	7,433
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(165,776)	(158,754)	7,022
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	-	-	-
Total Other Financing Sources/(Uses)	-	-	-
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	(165,776)	(158,754)	7,022
FUND BALANCE, BEGINNING OF YEAR	171,776	171,776	-
FUND BALANCE, END OF YEAR	\$ 6,000	\$ 13,022	\$ 7,022

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

Capital Facilities			State School Building		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,194,446	2,890,101	(304,345)	-	2,987	2,987
3,194,446	2,890,101	(304,345)	-	2,987	2,987
20,022	19,142	880	-	-	-
402,425	314,725	87,700	99,196	99,195	1
2,789,876	1,063,943	1,725,933	-	-	-
3,212,323	1,397,810	1,814,513	99,196	99,195	1
(17,877)	1,492,291	1,510,168	(99,196)	(96,208)	2,988
-	-	-	99,196	99,196	-
-	-	-	99,196	99,196	-
(17,877)	1,492,291	1,510,168	-	2,988	2,988
1,631,819	1,631,819	-	8,132	8,132	-
\$ 1,613,942	\$ 3,124,110	\$ 1,510,168	\$ 8,132	\$ 11,120	\$ 2,988

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## CAPITAL PROJECTS FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2001

	Special Reserve		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Other state revenues	\$ -	\$ -	\$ -
Other local revenues	1,000	8,779	7,779
Total Revenues	1,000	8,779	7,779
EXPENDITURES			
Current Expenditures			
Books and supplies	-	-	-
Services and operating expenditures	66,993	46,993	20,000
Capital outlay	41,851	41,741	110
Total Expenditures	108,844	88,734	20,110
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(107,844)	(79,955)	27,889
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	200,000	200,000	-
Total Other Financing Sources/(Uses)	200,000	200,000	-
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	92,156	120,045	27,889
FUND BALANCE, BEGINNING OF YEAR	160,000	160,000	-
FUND BALANCE, END OF YEAR	\$ 252,156	\$ 280,045	\$ 27,889

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

County Schools Facilities			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 10,563,965	\$ 10,563,965	\$ -	\$ 10,563,965	\$ 10,563,965	\$ -
46,697	38,009	(8,688)	3,248,143	2,945,465	(302,678)
10,610,662	10,601,974	(8,688)	13,812,108	13,509,430	(302,678)
9,000	8,867	133	29,707	28,691	1,016
-	-	-	598,934	491,212	107,722
9,060,896	719,635	8,341,261	12,033,394	1,958,681	10,074,713
9,069,896	728,502	8,341,394	12,662,035	2,478,584	10,183,451
1,540,766	9,873,472	8,332,706	1,150,073	11,030,846	9,880,773
-	-	-	299,196	299,196	-
-	-	-	299,196	299,196	-
1,540,766	9,873,472	8,332,706	1,449,269	11,330,042	9,880,773
-	-	-	1,971,727	1,971,727	-
\$ 1,540,766	\$ 9,873,472	\$ 8,332,706	\$ 3,420,996	\$ 13,301,769	\$ 9,880,773

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## FIDUCIARY FUND TYPES

### AGENCY FUND

#### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2001

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
STUDENT BODY FUNDS				
ASSETS				
Cash	<u>\$ 29,233</u>	<u>\$ 153,725</u>	<u>\$ 142,208</u>	<u>\$ 40,750</u>
Total Assets	<u>\$ 29,233</u>	<u>\$ 153,725</u>	<u>\$ 142,208</u>	<u>\$ 40,750</u>
LIABILITIES				
Due to student groups	<u>29,233</u>	<u>153,725</u>	<u>142,208</u>	<u>40,750</u>
Total Liabilities	<u>\$ 29,233</u>	<u>\$ 153,725</u>	<u>\$ 142,208</u>	<u>\$ 40,750</u>

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



*SUPPLEMENTARY INFORMATION*

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2001

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through California Department of Education (CDE):			
Title I - Basic	84.010	03797	\$ 28,595
Special Education			
Local Assistance	84.027	03379	33,190
Inservice Training	84.027	03613	167
Title VI - Innovative Education Strategies	84.151	03710	4,096
Title II - Eisenhower Professional Development	84.164	03699	2,733
Title IV - Safe and Drug Free Schools	84.184	03453	1,465
Federal Class Size Reduction	84.34	03073	6,303
Total U.S. Department of Education			<u>76,549</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through CDE:			
National School Lunch	10.555	03755	43,939
Basic School Breakfast	10.553	03157	8,190
Fair Market Value of Commodities <sup>[1]</sup>	10.550	03755	13,671
Total U.S. Department of Agriculture			<u>65,800</u>
Total Expenditures of Federal Awards			<u>\$ 142,349</u>

[1] Amount is not included in the accompanying financial statements.

See accompanying note to supplementary information.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2001

	Annual Report	Second Period Report		Increase/ (Decrease)
		Revised 2000/2001	1999/2000	
ELEMENTARY				
Kindergarten	126	124	107	17
First through third	404	401	343	58
Fourth through sixth	380	376	327	49
Seventh and eighth	241	241	209	32
Total Elementary	1,151	1,142	986	156

See accompanying note to supplementary information.

## JEFFERSON ELEMENTARY SCHOOL DISTRICT

### SCHEDULE OF INSTRUCTIONAL TIME FOR THE YEAR ENDED JUNE 30, 2001

<u>Grade Level</u>	<u>1986-87 Minutes Requirement</u>	<u>1982-83 Actual Minutes</u>	<u>2000-01 Actual Minutes</u>	<u>Status</u>
Kindergarten	36,000	35,670	43,200	In Compliance
Grades 1 - 3	50,400	45,490	50,400	In Compliance
Grades 4 - 8	54,000	60,030	60,960	In Compliance

See accompanying note to supplementary information.

## JEFFERSON ELEMENTARY SCHOOL DISTRICT

### RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

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

	General Long- Term Debt Account Group
GENERAL LONG-TERM LIABILITIES	
Total Liabilities, June 30, 2001, (Form J-249)	\$ 188,654
Adjustments	
Increase in Postemployment benefits	48,731
Decrease in Capital Leases Payable	<u>(54,573)</u>
Total Liabilities, June 30, 2001, Audited Financial Statement	<u>\$ 182,812</u>

See accompanying note to supplementary information.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2001

	(Budget) 2002 <sup>1</sup>	2001	2000	1999
GENERAL FUND				
Revenues	\$ 7,987,215	\$ 7,163,892	\$ 5,462,597	\$ 4,381,397
Other sources	-	125,785	356,664	-
Total Revenues and Other Sources	7,987,215	7,289,677	5,819,261	4,381,397
Expenditures	7,535,119	6,650,479	5,099,496	4,135,117
Other uses and transfers out	274,081	402,196	224,000	40,000
Total Expenditures and Other Uses	7,809,200	7,052,675	5,323,496	4,175,117
INCREASE/(DECREASE) IN FUND BALANCE	\$ 178,015	\$ 237,002	\$ 495,765	\$ 206,280
EQUITY FUND TRANSFER	\$ -	\$ -	\$ (50,000)	\$ -
ENDING FUND BALANCE	\$ 1,736,688	\$ 1,558,673	\$ 1,321,671	\$ 875,906
AVAILABLE RESERVES <sup>2</sup>	\$ 215,187	\$ 629,153	\$ 275,655	\$ 169,996
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	17.09%	8.92%	5.18%	4.07%
LONG-TERM DEBT	\$ 185,000	\$ 182,812	\$ 177,964	\$ 123,871
AVERAGE DAILY ATTENDANCE AT P-2	1337	1142	986	825

The general fund balance has increased by \$682,767 over the past two years. The fiscal year 2001-02 budget projects an increase of \$178,015. For a district this size, the State recommends available reserves of at least three percent of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years, and anticipates incurring an operating surplus during the 2001-02 fiscal year. Total long-term debt has increased by \$58,941 over the past two years.

Average daily attendance has increased by 317 over the past two years. An increased growth of 195 is anticipated during fiscal year 2001-2002.

<sup>1</sup> Budget 2002 is included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the general fund and special reserve fund.

See accompanying note to supplementary information.

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2001

### NOTE #1 - PURPOSE OF SCHEDULES

#### A. Schedule of Expenditures of Federal Awards

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

#### B. Schedule of Average Daily Attendance (ADA)

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

#### C. Schedule of Instructional Time

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

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

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

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

#### E. Schedule of Financial Trends and Analysis

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

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

Board of Trustees  
Jefferson Elementary School District  
Tracy, California

We have audited the financial statements of Jefferson Elementary School District as of and for the year ended June 30, 2001, and have issued our report thereon dated September 28, 2001. In our report, our opinion was qualified because the District did not maintain a general fixed asset group of accounts. 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.

Compliance

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

Internal Control Over Financial Reporting

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

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

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

*Vavrinek, Irine, Day & Co., LLP*

Pleasanton, California  
September 28, 2001



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees  
Jefferson Elementary School District  
Tracy, California

We have audited the financial statements of the Jefferson Elementary School District as of and for the year ended June 30, 2001, and have issued our report thereon dated September 28, 2001. In our report, our opinion was qualified because the Jefferson Elementary School District did not maintain a general fixed asset group of accounts. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Standards and Procedures for Audits of California K-12 Local Educational Agencies*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

	Procedures in Controller's Audit Guide	Procedures Performed
Attendance accounting		
Attendance reporting	3	Yes
Staff development days	3	Yes
Kindergarten enrollment	4	Yes
Independent study	13	Yes
Continuation education	12	Not Applicable
Adult education	8	Not Applicable
Regional occupational centers/programs	5	Not Applicable
County Office of Education programs	9	Not Applicable
Incentives for longer instructional day:		
School districts	3	Yes
County offices of education	3	Not Applicable
GANN limit calculation	2	Yes
Early retirement incentive program	5	Not Applicable

	Procedures in Controller's Audit Guide	Procedures Performed
Community day schools	8	Not Applicable
Class size reduction program:		
Option one classes	11	Yes
Option two classes	10	Not Applicable
Both options one and two classes	16	Not Applicable
Reduce class size in two courses in grade 9	8	Yes
State instructional materials fund (K-8)	8	Yes
Schiff-Bustamante standards-based instructional materials	3	Yes
Digital High School Education Technology Grant Program	5	Not Applicable
California Public School Library Act of 1998	4	Yes
Computer Usage	2	Yes
Office of Criminal Justice Planning	-	Not Applicable

Based on our audit, we found that, for the items tested, the Jefferson Elementary School District complied with the state laws and regulations referred to above. Further, based on our audit, for items not tested, nothing came to our attention to indicate that the Jefferson Elementary School District had not complied with the laws and regulations.

*Vaurinek, Irine, Day & Co., LLP*

Pleasanton, California  
September 28, 2001

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SUMMARY OF AUDITORS' RESULTS FOR THE YEAR ENDED JUNE 30, 2001

### FINANCIAL STATEMENTS

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

### FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>N/A</u>
Reporting conditions identified not considered to be material weaknesses?	<u>N/A</u>
Type of auditors' report issued on compliance for major programs:	<u>N/A</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	
Identification of major programs:	<u>N/A</u>

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>Not Applicable</u>	<u>Not Applicable</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>N/A</u>
Auditee qualified as low-risk auditee?	<u>N/A</u>

### STATE AWARDS

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

# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2001

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

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
30000	Internal Control

### *CASH RECEIPTS*

#### 1. Finding (30000)

Individual prenumbered receipts are not used at the school site to record receipt of money from fundraising activities. Instead, cash and checks received are often placed in envelopes with the teacher's name or just placed in a bag and delivered to the district office. If time does not permit counting at time of delivery, the envelopes and/or bag are placed in the safe upon delivery from the school site. The cash and checks will then be counted and the deposit prepared when time permits. The current procedure does not allow for documentation of the collections made at the school site to be verified at the district office.

#### Recommendation

We recommend that teachers or other individuals turning money into the school site secretary provide an accounting of the checks and cash collections. The school site secretary then should verify the amount given to them and provide a receipt to the teacher or person giving them the money. Ideally, this verification should be performed while both parties are present. Once the collections have been verified the school site secretary should prepare the deposit and place into a sealed deposit bag. The sealed deposit bag should be delivered to the District office where District office personnel will provide a receipt to the school site secretary for the amount indicated on the Deposit. District office personnel will then make the deposit at the bank.

#### District Response

The District has implemented these procedures at one site and is continuing to implement the same procedure at its other two sites.

**JEFFERSON ELEMENTARY SCHOOL DISTRICT**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2001**

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

# **JEFFERSON ELEMENTARY SCHOOL DISTRICT**

## **STATE AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2001**

There were no findings representing instances of noncompliance or questioned costs relating to state program laws and regulations.



# JEFFERSON ELEMENTARY SCHOOL DISTRICT

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2001

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

### *CASH RECEIPTS*

1. Finding (30000)

Individual prenumbered receipts are not used at the school site to record receipt of money from fundraising activities. Instead, cash and checks received are often placed in envelopes with the teachers name or just placed in a bag and delivered to the district office. If time does not permit counting at time of delivery, the envelopes and/or bag are placed in the safe upon delivery from the school site. The cash and checks will then be counted and the deposit prepared when time permits. The current procedure does not allow for documentation of the collections made at the school site to be verified at the district office.

Recommendation

We recommend that the use of 2 part prenumbered receipts be implemented at the school site. Copies of the receipts should accompany the actual collections of cash and checks. This will provide documentation of the collections at the school site and a means for the district office to verify the receipts.

Current Status

Partially Implemented.  
See current year findings.

