Subject : Independent Audit Report for the Fiscal Year Ended June 30, 201 8,
Submitted by Crowe LLP

- ☒ Information Item Only
- ☐ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: _____)

Documents Attached:

1. Executive Summary
2. I

Board of Education Executive Summary

Business Services

Independent Audit Report for the Fiscal Year Ended June 30, 20

Submitted by Crowe LLP

December 6, 2018

Each year, districts are required to conduct an annual audit of funds under the jurisdiction of the Governing Board. The intent of the annual audit is to encourage sound fiscal management practices for the most efficient and effective use of public funds for the education of children in California by strengthening fiscal accountability at the district, county and state level. The annual audit report is used by various agencies to review the fiscal status of the district.

The firm of Crowe LLP audited the financial statements of the district for the year ended June 30, 201 The audit is conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that the audit is planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and

Board of Education Executive Summary

Business Services

Independent Audit Report for the Fiscal Year Ended June 30, 20

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IV. GOALS, OBJECTIVES AND MEASU

Meet required timeline for annual audit report review by the Board.

V. MAJOR INITIATIVES

Use findings and recommendations as a guide to ensure continuous improvement.

VI. RESULTS:

Work towards the preparation of the annual audit will continue throughout the year. The initial au(l)110(T-)

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:H KDYH DXGLWHG WKH DFFRPSDQ\LQJ ILQDQFLDO VWDWHPHQWV RI WKH JRYHUQPHQWDO DFWLYLWLHV HDF
DQG WKH DJJUHJDWH UHPDLQLQJ IXQG LQIRUPDWLRQ RI 6DFUDPHQWR &LW\ 8QLILHG 6FKRRO 'LVWULFW DV
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FRQWHQWV

Management’s Responsibility for the Financial Statements

0DQDJHPHQW LV UHVSRQVLEOH IRU WKH SUHSDUDWLRQ DQG IDLU SUHVHQWDWLRQ RI WKHVH ILQDQFLDO VWDWHPHQWV L
DFFRUGDQFH ZLWK DFFRXQWLQJ SULQFLSOHV JHQHUDOO\ DFFHSWHG LQ WKH 8QLWHG 6WDWHV RI $PHULFD WKLV LQFOXGHV W
WKH GHVLJQ LPSOHPHQWDWLRQ DQG PDLQWHQDQFH RI LQWHUQDO FRQWURO UHOHYDQW WR WKH SUHSDUDW
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Auditor’s Responsibility

2XU UHVSRQVLELOLW\ LV WR H[SUHVV RSLQLRQV RQ WKHVH ILQDQFLDO VWDWHPHQWV EDVHG RQ RXU DXGLW :H FRQGXF
RXU DXGLW LQ DFFRUGDQFH ZLWK DXGLWLQJ VWDQGDUGV JHQHUDOO\ DFFHSWHG LQ WKH 8QLWHG 6WDWHV RI
WKH VWDQGDUGV DSSOLFDEOH WR ILQDQFLDO DXGLWV FRQWDLQHG LQ *Government Auditing Standards* LVVXHG E\ WKH
&RPSWUROOHU *HQHUDO RI WKH 8QLWHG 6WDWHV 7KRVH VWDQGDUGV UHTXLUH WKDW ZH SODQ DQG SHUIRUP
REWDLQ UHDVRQDEOH DVVXUDQFH DERXW ZKHWKHU WKH ILQDQFLDO VWDWHPHQWV DUH IUHH IURP PDWHULDO PLVVWDWHPHQW

$Q DXGLW LQYROYHV SHUIRUPLQJ SURFHGXUHV WR REWDLQ DXGLW HYLGHQFH DERXW WKH DPRXQWV DQG GLVFORVXUHV L
WKH ILQDQFLDO VWDWHPHQWV 7KH SURFHGXUHV VHOHFWHG GHSHQG RQ WKH DXGLWRU¶V MXGJPHQW LQFOXGLQJ WKH
DVVHVVPHQW RI WKH ULVNV RI PDWHULDO PLVVWDWHPHQW RI WKH ILQDQFLDO VWDWHPHQWV ZKHWKHU GXH
HUURU ,Q PDNLQJ WKRVH ULVN DVVHVVPHQWV WKH DXGLWRU FRQVLGHUV LQWHUQDO FRQWURO UHOHYDQW
SUHSDUDWLRQ DQG IDLU SUHVHQWDWLRQ RI WKH ILQDQFLDO VWDWHPHQWV LQ RUGHU WR GHVLJQ DXGLW SURFH
DSSURSULDWH LQ WKH FLUFXPVWDQFHV EXW QRW IRU WKH SXUSRVH RI H[SUHVVLQJ DQ RSLQLRQ RQ WKH HIIHF
WKH HQWLW\¶V LQWHUQDO FRQWURO $FFRUGLQJO\ ZH H[SUHVV QR VXFK RSLQLRQ $Q DXGLW DOVR LQFOXG
WKH DSSURSULDWHQHVV RI DFFRXQWLQJ SROLFLHV XVHG DQG WKH UHDVRQDEOHQHVV RI VLJQLILFDQW D
HVWLPDWHV PDGH E\ PDQDJHPHQW DV ZHOO DV HYDOXDWLQJ WKH RYHUDOO SUHVHQWDWLRQ RI WKH
VWDWHPHQWV

:H EHOLHYH WKDW WKH DXGLW HYLGHQFH ZH KDYH REWDLQHG LV VXIILFLHQW DQG DSSURSULDWH WR SURYLG
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,Q RXU RSLQLRQ WKH ILQDQFLDO VWDWHPHQWV UHIHUUHG WR DERYH SUHVHQW IDLUO\ LQ DOO PDWHULDO U
UHVSHFWLYH ILQDQFLDO SRVLWLRQ RI WKH JRYHUQPHQWDO DFWLYLWLHV HDFK PDMRU IXQG DQG WKH DJJUHJD
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DFFRUGDQFH ZLWK DFFRXQWLQJ SULQFLSOHV JHQHUDOO\ DFFHSWHG LQ WKH 8QLWHG 6WDWHV RI $PHULFD L

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Emphasis of Matter

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%HQHILWV 2WKHU WKDQ 3HQVLRQV 7KH LPSOHPHQWDWLRQ RI WKLV 6WDWHPHQW UHVXOWHG LQ D FXPX
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,Q DFFRUGDQFH ZLWK Government Auditing Standards ZH KDYH DOVR LVVXHG RXU UHSRUW GD
RQ RXU FRQVLGHUDWLRQ RI 6DFUDPHQWR &LW\ 7UDQVLW ¶V LQWHUQDO FRQWURO
UHSRUWLQJ DQG RQ RXU WHVWV RI LWV FRPSOLDQFH ZLWK FHUWDLQ SURYLVLRQV
JUDQW DJUHHPHQWV DQG RWKHU PDWWHUV 7KH SXUSRVH RI WKDW UHSRUW
LQWHUQDO FRQWURO RYHU ILQDQFLDO UHSRUWLQJ DQG FRPSOLDQFH DQG
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7KH JUDSK EHORZ VKRZV WKH 'LVWUL
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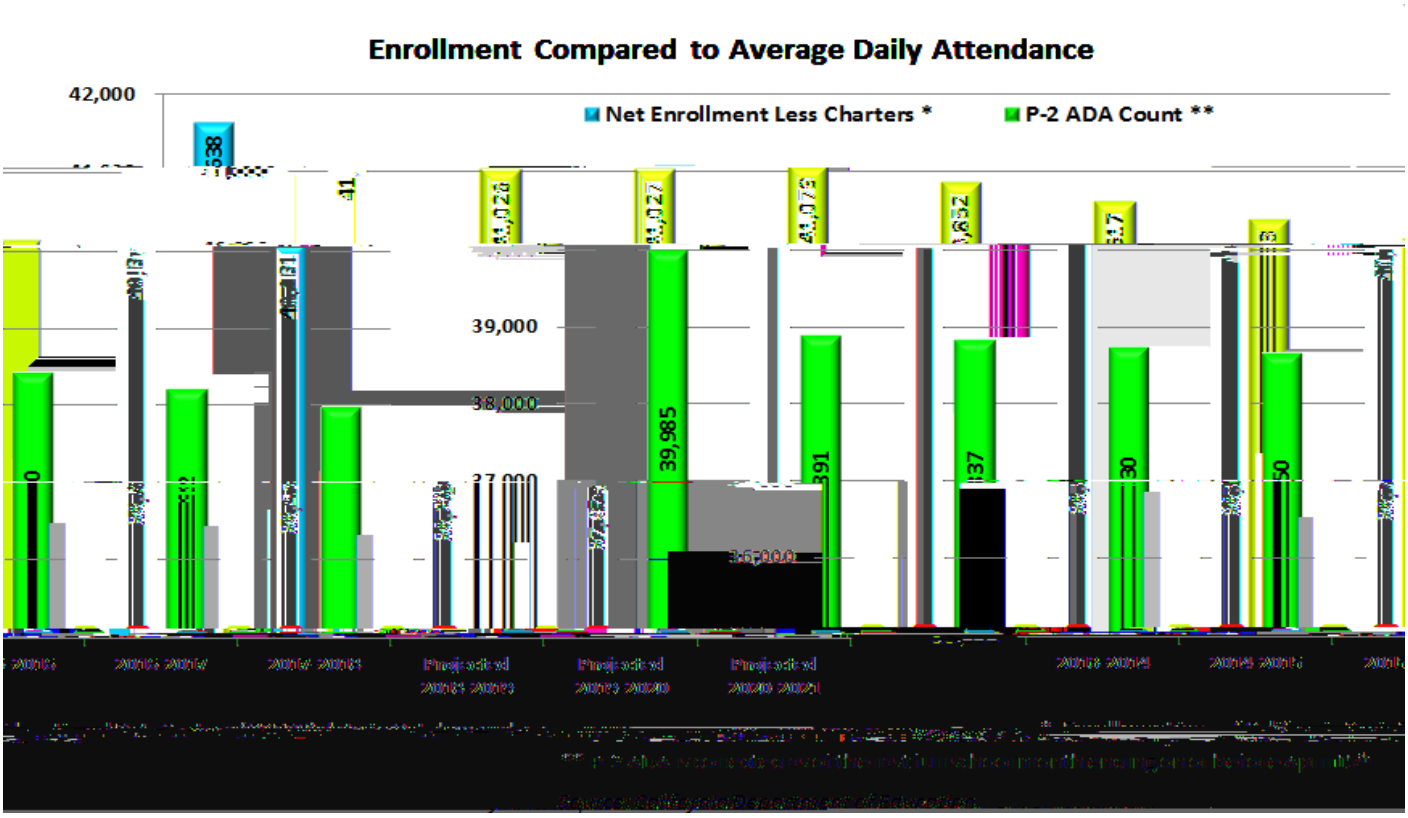

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VWDII DQG FRPPXQLW\ ZLWK HIILFLHQW FOHDQ DQG VLQJOH SRLQW
SRLQW RI FRQWDFW DFURVV WKH GLVWULFW

'LVWULFW ZLGH)LQDQ&FRLQDOW L&RQXHQGLWLRQ

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7KH 'LVWULFW HQGHG WKH \HDU ZLWK WRWDO RXWVWDQGLQJ RI REOLJDWLRQV RI
OLDELOLWLHV RI LV PDLQO\ GXH WR LQFUHDVHV LQ
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7KH 6WDWHPHQW RI $FWLYLWLHV LV HQDWGLWKDWLFHWSRUGHV IWQKHQ'ELVDWUVI
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- 6RPH IXQGV DUH UHTXLUHG E\ 6WDWH ODZ DQG E\ ERQG FRYHQD
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  IXQGV VWDWHPHQWV SURYLGH D GHWDLOHG VKRUW WHUP YLHZ
  IHZHU ILQDQFLDO UHVRXUFHV WKDW FDQ EH VSHQW LQ WKH QHDU
  WKLV LQIRUPDWLRQ GRHV QRW HQFRPSDVV WKH DGGLWLRQDO
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RI RXU EXGJHWHG H[SHQGLWXUHV WR FRYHU XQIRUHVHHQ H[SHQVHV
EXGJHWHG $OVR LQFOXGHG LQ WKH QHW HQGLQJ EDODQFH DUH IXQGV
RQO\ EH XVHG IRU VSHFLILF SXUSRVHV
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%RDUG RI (GXFDWLRQ WR GHVLJQDWH
DUH FRPPLWWHG WKH DPRXQWV FDQQRW EH XVHG IRU RWKHU SXUSRVHV
FKDQJH WKH FRQVWUDLQWV IRU WKH
$VVLJQHG HQGLQJ EDODQFHV DUH FRQVWUDLQHG
H[DPSOH RI DVVLJQPHQW LV GHVLJQDWHG

7KH FKDUW EHORZ UHSUHVHQWV WKH 'LVWULFW'V *RYHUQPHQWDO

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)XQG %RQG ,QWHUHVW DQG 5HGHPSWLRQ		
)XQG 6HOI ,QVXUDQFH		

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0RGHUQL]DWLRQ DQG FRQVWUXFWLRQ XSHURDWHZHW VXSDGHWV FRXQGXH[HGW
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FRQWLQXHV IDFLOLW\ LPSURYHPHQWV PRGHUQL]DWLRQ DQG FRQVWU

'LVWULFW ,QGHEWHGQHVV

$V RI -XQH WKH 'LVWULFW KDV [illegible] OLDELOLWLHV
DUH *HQHUDO 2EOLJDWLRQ %R[illegible]
E\ 'LVWULFW UHVLGHQWV LQ [illegible] 5HYHQXH %RQGV EDFNH[illegible]
&RPPXQLW\ )DFLOLWLHV IXQGV

2YHU RI RXU ORQJ WHUP GHEW LV [illegible]
FRQWLQXHV WR SURYLGH OLIHWLP[illegible]
RXU UHFRJQL]HG QHW 23(% OLDELOLW\ [illegible] SHQVLRQ[illegible]
WR

)LQDQFLDO 2XWORRN

$ FRQWLQXHG GHFOLQH LQ $'$ LQFUHD[illegible]
DQG KHDOWK SUHPLXP LQFUHDVHV [illegible]
8QLILHG 6FKRRO 'LVWULFW 7KH GHYH[illegible]
6WDWH %XGJHW DQG HQUROOPHQW FKDQJHV

7KH 'LVWULFW LV ZRUNLQJ ZLWK WKH [illegible]
IXWXUH ILVFDO VWDELOLW\ :KLOH [illegible]
EXGJHW UHSRUWLQJ LV WR SURYLG[illegible]
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&DVK DQG LQYHVWPHQWV 1RWH
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'HIHUUHG RXWIORZV RI UHVRXUFHV 23(% 1RWH
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7RWDO GHIHUUHG RXWIORZV RI UHVRXUFHV

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8QSDLG FODLPV DQG FODLP DGMXVWPHQW H[SHQVHV 1RWH
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6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
67$7(0(17 2) $&7,9,7,(6
)RU WKH <HDU (QGHG -XQH

		3URJUDP 5HYHQXHV			1HW ([SHQVH 5HYHQXH DQG &KDQJHV LQ 1HW 3RVLWLRQ
	([SHQVHV	&KDUJHV)RU 6HUYLFHV	2SHUDWLQJ *UDQWV DQG &RQWULEXWLRQV	&DSLWDO *UDQWV DQG &RQWULEXWLRQV	*RYHUQPHQWDO $FWLYLWLHV
*RYHUQPHQWDO DFWLYLWLHV					
,QVWUXFWLRQ					
,QVWUXFWLRQ UHODWHG VHUYLFHV					
6XSHUYLVLRQ DQG DGPLQLVWUDWLRQ					
/LEUDU\ PHGLD DQG WHFKQRORJ\					
6FKRRO VLWH DGPLQLVWUDWLRQ					
3XSLO VHUYLFHV					
+RPH WR VFKRRO WUDQVSRUWDWLRQ					

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
%$/$1&(6+((7
*29(510(17$/)81'6
-XQH

%RQG
,QWHUHVW DQG $OO 7RW
*HQHUDO %XLOGLQJ 5HGHPSWLRQ 1RQ 0DMRU
)XQG)XQG)XQGV)XQGV)XQGV

$66(76

&DVK DQG LQYHVWPHQWV
&DVK LQ &RXQW\ 7UHDVXU\
&DVK RQ KDQG DQG LQ EDQNV
&DVK LQ UHYROYLQJ IXQG
&DVK ZLWK)LVFDO $JHQW
5HFHLYDEOHV
'XH IURP JUDQWRU JRYHUQPHQWV

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
5(&21&,/,$7,21 2) 7+(*29(510(17$/)81'6 %$/$1&(6+((7
72 7+(67$7(0(17 2) 1(7 326,7,21
-XQH

7RWDO IXQG EDODQFHV *RYHUQPHQWDO)XQGV

$PRXQWV UHSRUWHG IRU *RYHUQPHQWDO)XQGV DUH GLIIHUHQW EHFDXVH

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
67$7(0(17 2) 5(9(18(6 (;3(1',785(6 $1'
&+$1*(,1)81' %$/$1&(6
*29(510(17$/)81'6
)RU WKH <HDU (QGHG -XQH

%RQG
,QWHUHVW DQG $OO 7R

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
5(&21&,/,$7,21 2) 7+(67$7(0(17 2) 5(9(18(6 (;3(1',785(6 $1'
&+$1*(,1)81' %$/$1&(6 *29(510(17$/)81'6
72 7+(67$7(0(17 2) $&7,9,7,(6
)RU WKH <HDU (QGHG -XQH

1HW FKDQJH LQ IXQG EDODQFHV 7RWDO *RYHUQPHQWDO)XQGV

$PRXQWV UHSRUWHG DFURVV LQWHUQDO DQG H[WHUQDO VWDWHPHQW R
DFWLYLWLHV DUH GLIIHUHQW EHFDXVH

$FTXLVLWLRQ RI FDSLWDO DVVHWV LV DQ H[SHQGLWXUH LQ WK
JRYHUQPHQWDO IXQGV EXW LQFUHDVHV FDSLWDO DVVHWV LQ WK
VWDWHPHQW RI QHW SRVLWLRQ 1RWH

'HSUHFLDWLRQ RI FDSLWDO DVVHWV LV DQ H[SHQVH WKDW LV QR
UHFRUGHG LQ WKH JRYHUQPHQWDO IXQGV 1RWH

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
67$7(0(17 2))81' 1(7 326,7,21 35235,(7$5<)81'
6(/) ,1685$1&( )81'
-XQH

$66(76

&XUUHQW DVVHWV
&DVK DQG LQYHVWPHQWV
&DVK LQ &RXQW\ 7UHDVXU\
&DVK RQ KDQG DQG LQ EDQNV
&DVK ZLWK)LVFDO $JHQW
5HFHLYDEOHV

7RWDO FXUUHQW DVVHWV

/,$%,/,7,(6

&XUUHQW OLDELOLWLHV
$FFRXQWV SD\DEOH
'XH WR 2WKHU)XQGV
8QSDLG FODLPV DQG FODLP DGMXVWPHQW H[SHQVHV

7RWDO FXUUHQW OLDELOLWLHV

1(7 326,7,21

8QUHVWULFWHG

6HH DFFRPSDQ\LQJ QRWHV WR WKH ILQDQFLDO VWDWHP

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
67$7(0(17 2) &+$1*(,1
1(7 326,7,21 35235,(7$5<)81'
6(/) ,1685$1&( )81'
)RU WKH <HDU (QGHG -XQH

2SHUDWLQJ UHYHQXHV	
6HOI LQVXUDQFH SUHPLXPV	
2WKHU ORFDO UHYHQXH	
7RWDO RSHUDWLQJ UHYHQXHV	
2SHUDWLQJ H[SHQVHV	
&ODVVLILHG VDODULHV	
(PSOR\HH EHQHILWV	
%RRNV DQG VXSSOLHV	
&RQWUDFW VHUYLFHV	
7RWDO RSHUDWLQJ H[SHQVHV	
1HW RSHUDWLQJ LQFRPH	
1RQ RSHUDWLQJ LQFRPH	
,QWHUHVW LQFRPH	
&KDQJH LQ QHW SRVLWLRQ	
7RWDO QHW \SRVLWLRQ -XO	
7RWDO QHW SRVLWLRQ -XQH	

6HH DFFRPSDQ\LQJ QRWHV WR WKH ILQDQFLDO VWDWHP

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
67$7(0(17 2) &$6+)/2:6 35235,(7$5<)81'
6(/) ,1685$1&( )81'
)RU WKH <HDU (QGHG -XQH

&DVK IORZV IURP RSHUDWLQJ DFWLYLWLHV
&DVK UHFHLYHG IURP VHOI LQVXUDQFH SUHPLXPV
&DVK SDLG IRU HPSOR\HH EHQHILWV
&DVK SDLG IRU RWKHU H[SHQVHV

1HW FDVK SURYLGHG E\ RSHUDWLQJ DFWLYLWLHV

&DVK IORZV SURYLGHG E\ LQYHVWLQJ DFWLYLWLHV
,QWHUHVW LQFRPH UHFHLYHG

&KDQJH LQ FDVK DQG LQYHVWPHQWV

&DVK DQG LQYH\VWPHQWV -XO

&DVK DQG LQYHVWPHQWV -XQH

5HFRQFLOLDWLRQ RI QHW RSHUDWLQJ LQFRPH WR QHW FDVK SURYLGHG
RSHUDWLQJ DFWLYLWLHV
1HW RSHUDWLQJ LQFRPH
$GMXVWPHQWV WR UHFRQFLOH QHW RSHUDWLQJ LQFRPH WR QHW FDV
SURYLGHG E\ RSHUDWLQJ DFWLYLWLHV
,QFUHDVH LQ
5HFHLYDEOHV
'HFUHDVH LQFUHDVH LQ
8QSDLG FODLPV DQG FODLP DGMXVWPHQW H[SHQVHV
$FFRXQWV SD\DEOH
'XH WR RWKHU IXQGV

7RWDO DGMXVWPHQWV

1HW FDVK SURYLGHG E\ RSHUDWLQJ DFWLYLWLHV

6HH DFFRPSDQ\LQJ QRWHV WR WKH ILQDQFLDO VWDWHP

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
67$7(0(17 2)),'8&,$5< 1(7 326,7,21
75867 $1' $*(1&<)81'6
-XQH

	7UXVW)XQG 6FKRODU VKLS 7UXVW	$JHQF\ )XQGV 6WXGHQW %RG\ )XQGV	3DVV 7KURXJK)XQG	:DUUDQ
$66(76				
&DVK DQG LQYHVWPHQWV 1RWH &DVK LQ &RXQW\ 7UHDVXU\ &DVK RQ KDQG DQG LQ EDQNV				
5HFHLYDEOHV				
6WRUHV LQYHQWRU\				
7RWDO DVVHWV				
/,$%,/,7,(6				
'XH WR VWXGHQW JURXSV				
$FFRXQWV SD\DEOH				
7RWDO OLDELOLWLHV				
1(7 326,7,21				
5HVWULFWHG IRU VFKRODUVKLSV				

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
67$7(0(17 2) &+$1*(,1),'8&,$5< 1(7 326,7,21
75867)81'
)RU WKH <HDU (QGHG -XQH

6FKRODUVKLS
7UXVW

$GGLWLRQV
2WKHU ORFDO VRXUFHV _____

'HGXFWLRQV
&RQWUDFW VHUYLFHV DQG RSHUDWLQJ
H[SHQGLWXUHV _____

127(± 6800$5< 2) 6,*1,),&$17 $&&2817,1* 32/,&,(6

127(± 6800$5< 2) 6,*1,),&$17 $&&2817,1* 32/,&,(6 &RQWLQXHG

%DVLV RI 3UHVHQWDWLRQ 7KH)XQG DFFRXQWV FRQWDLQHG LQ WKH DFFRPSDQ\LQJ ILQDQFLDO VWDWHPHQWV KDV EHHQ GHVLJQDWHG WR ... WKH E

127(± 6800$5< 2) 6,*1,),&$17 $&&2817,1* 32/,&,(6 &RQWLQXHG

6WXGHQW %RG\ )XQGV DUH XVHG WR DFFRXQW IRU UHYHQXHV DQG WKHLU DFWLYLWLHV DQG
RUJDQL]DWLRQV \$OO DVVHWV DQG OLDELOLWLHV RI WKH
DFFRXQWHG IRU LQ 6WXGHQW %RG\ )XQGV 7KHUH
DJHQF\ IXQGV

%DVLV RI $FFRXQWLQJ ± %DVLV RI DFFRXQWLQJ UHIHUV WR ZKHQ
UHFRJQL]HG LQ WKH DFFRXQWV DQG UHSRUWHG LQ WKH

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± 6800$5< 2) 6,*1,),&$17 $&&2817,1* 32/,&,(6 &RQWLQXHG

1HW 3RVLWLRQ 1HW SRVLWLRQ LV GLVSOD\HG LQ WKUHH FRPSRQHQWV

1HW ,QYHVWPHQW LQ &DSLWDO $VVHWV ± &RQVLVWV RI FDSLWDO DVVHWV LQFOXGLQJ UHVWULFWHG FDSLWDO DVVHWV QHW RI
DFFXPXODWHG GHSUHFLDWLRQ DQG UHGXFHG E\ WKH RXWVWDQGLQJ EDODQFHV RI DQ\ ERQGV QRWHV RU RWKHU ERUURZLQJV WKDW DUH DWWULEXWDEOH WR WKH DFTXLVLWLRQ
SURFHHGV RI DQ\ ERQGV QRWHV RU RWKHU ERUURZLQJV WKDW DUH DWWULEXWDEOH WR WKH
FRQVWUXFWLRQ RU LPSURYHPHQW RI WKRVH DVVHWV

5HVWULFWHG 1HW 3RVLWLRQ ± 5HVWULFWLRQV RI WKH HQGLQJ QHW SRVLWLRQ LQGLFDWH WKH SRUWLRQV RI QHW SRVLWLRQ
DSSURSULDWH IRU H[SHQGLWXUH RU DPRXQWV OHJDOO\ VHSDUDWHG IRU D VSHFLILF IXWXUH XVH 7KH
IRU OHJDOO\ UHVWULFWHG SXUSRVHV SXUVXDQW WR WKH UHVWULFWLRQV LPSRVHG E\ H[WHUQDO
H[SHQGLWXUHV 7KH GLVWULFW UHVWULFWLRQ UHSUHVHQWV WKH SRUWLRQ RI QHW SRVLWLRQ
WKH 'LVWULFW SODQV WR H[SHQG RQ WKH 'LVWULFW IRU FD
UHSUHVHQWV WKH SRUWLRQ RI QHW SRVLWLRQ UHVWULFWHG IRU FDSLWDO SURMHFWV
UHSUHVHQWV WKH SRUWLRQ RI QHW SRVLWLRQ WKDW LV DYDLODEOH WR WKH 'LVWULFW
'LVWULFW ,W LV WKH 'LVWULFW V

127(± 6800$5< 2) 6,*1,),&$17 $&&2817,1*32/,&,(6 &RQWLQXHG

' $VVLJQHG)XQG %DODQFH

7KH DVVLJQHG IXQG EDODQFH UHSUHVHQWV WKH DPRXQW WKDW %RDUG RI (GX
DSSURYHG WR EH XVHG IRU VSHFLILF SXUSRVHV
SXUSRVHV 7KH %RDUG RI (GXFDWLRQ
KRZHYHU DV RI -XQH QR VXFK GHVLJQDWLRQ KDV RFFXUUHG

(8QDVVLJQHG)XQG %DODQFH

,Q WKH *HQHUDO)XQG RQO\ WKH XQDVVLJQHG
KDV QRW EHHQ DVVLJQHG WR RWKHU IXQGV
SXUSRVHV

,Q DQ\ IXQG RWKHU WKDQ WKH *HQHUDO
DPRXQWV LQ DQ\ RWKHU IXQG DUH DVVXPHG
+RZHYHU GHILFLWV
HOLPLQDWLQJ DPRXQWV DVVLJQHG WR

)XQG %DODQFH 3ROLF\ 7KH 'LVWULFW KDV DQ H[SHQGLWXUH
IXQG EDODQFH FODVVLILFDWLRQV H[SHQGLWXUH
RUGHU E\ FRPPLWWHG IXQG EDODQFH

:KLOH *$6% &RG 6HF DQG GR
SROLF\ RU D VWDELOL]DWLRQ DUUDQJHPHQW
PLQLPXP IXQG EDODQFH SROLF\ DQG
(GXFDWLRQ $W -XQH 'LVWULFW
HVWDEOLVKHG D VWDELOL]DWLRQ DUUDQJHPHQW

3URSHUW\ 7D[HV 6HFXUHG SURSHUW\ WD[HV DUH
7D[HV DUH GXH LQ WZR LQVWDOOPHQWV
GXH LQ RQH LQVWDOOPHQW RU
'LVWULFW 7D[UHYHQXHV DUH UHFRJQL]HG E\ WKH 'LVWULFW ZKHQ UH

(QFXPEUDQFHV (QFXPEUDQFH DFFRXQWLQJ LV XVHG
DSSURSULDWLRQV IRU ZKLFK FRPPLWPHQWV
RUGHUV FRQWUDFWV DUH OLTXL
-XQH

(OLPLQDWLRQV DQG 5HFODVVLILFDWLRQV
DQG WKH 6WDWHPHQW RI $FWLYLWLHV
JURVgLQJ

(VWÀ @p€`

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± &$6+ $1' ,19(670(176 &RQWLQXHG

&DVK ZLWK)LVFDO $JHQW &DVK ZLWK)LVFDO $JHQW LQ WKH *RYHUQPHQWDO)XQG
)LVFDO $JHQWV UHSUHVHQWV FDVK KHOG E\ ILVFDO DJHQWV IRU ERQG SD\PHQWV %RQGV 7
KHOG E\ WKH ILVFDO DJHQW LQ WKH 'HEW 6HUYLFH)XQG ` 0=•À€ p0

127(± ,17(5)81' 75$16$&7,216 &217,18('

7UDQVIHUV FRQVLVWV RI IXQGV WUDQVIHUUHG LQ DQG RXW WKH ZKLFK UHVRXUFHV DUH WR EH H[SHQGHG

7UDQVIHUV IRU WKH ILVFDO \HDU ZHUH DV IROORZV

7UDQVIHU IURP WKH *HQHUDO)XQG WR WKH &KDUWHU 6FKRROV)X VXVWDLQ 6DFUDPHQWR 1HZ 7HFK &KDUWHU 6FKRRO
7UDQVIHU IURP WKH *HQHUDO)XQG WR WKH &KDUWHU 6FKRRO)XQG GLVWULFW ZLGH VFKRRO FOLPDWH VXUYH\ LQFHQWLYH
7UDQVIHU IURP WKH *HQHUDO)XQG WR WKH &KDUWHU 6FKRRO)X UHYHQXH IURP FLYLF SHUPLWV JHQHUDWHG DW 1HZ -RVHSK %RQ &RPPXQLW\ &KDUWHU
7UDQVIHU IURP WKH *HQHUDO)XQG WR WKH $GXOW (GXFDWLRQ)X FRQWULEXWLRQ IRU SDUHQW HGXFDWLRQ IRU SUHVFKRRO FODVVHV
7UDQVIHU IURP WKH *HQHUDO)XQG WR WKH $GXOW (GXFDWLRQ)X FRQWULEXWLRQ WR JUDSKLF DUWV
7UDQVIHU IURP WKH *HQHUDO)XQG WR WKH &KLOG 'HYHORSPHQW) VXVWDLQ FKLOG GHYHORSPHQW SURJUDPV
7UDQVIHU IURP WKH *HQHUDO)XQG WR WKH &DIHWHULD)XQG WR U FKLOG QXWULWLRQ IRU EDG GHEW IRU QHJDWLYH PHDO DFFRXQWV
7UDQVIHU IURP WKH &KDUWHU 6FKRROV)XQG WR WKH *HQHUDO)X &KDUWHU)HHV
7UDQVIHU IURP WKH &KDUWHU 6FKRROV)XQG WR WKH *HQHUDO)X LQGLUHFW FRVWV
7UDQVIHU IURP WKH $GXOW (GXFDWLRQ)XQG WR *HQHUDO)XQG IRU FRVWV
7UDQVIHU IURP WKH &KLOG 'HYHORSPHQW)XQG WR WKH *HQHUDO) LQGLUHFW FRVWV
7UDQVIHU IURP WKH &DIHWHULD)XQG WR WKH *HQHUDO)XQG IRU FRVWV

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± &$3,7$/ $66(76

$ VFKHGXOH RI FKDQJHV LQ FDSLWDO DVVHWV DQG WKH WRWDO DPRXQW RI HDFK FODVV

	%DODQFH -XO\	7UDQVIHUV DQG $GGLWLRQV	7UDQVIHUV DQG 'HGXFWLRQV	%DODQFH -XQH
*RYHUQPHQWDO $FWLYLWLHV				
1RQ GHSUHFLDEOH				
/DQG				
:RUN LQ SURFHVV				
'HSUHFLDEOH				
%XLOGLQJV				
6LWH LPSURYHPHQWV				
(TXLSPHQW				
7RWDOV DW FRVW				
/HVV DFFXPXODWHG GHSUHFLDWLRQ				
%XLOGLQJV				
6LWH LPSURYHPHQWV				
(TXLSPHQW		[redacted]		
7RWDO DFFXPXODWHG GHSUHFLDWLRQ				
&DSLWDO DVVHWV QHW				

127(± 6(/) ,1685$1&(&/$,06

7KH 'LVWULFW KDV 6HOI,QVXUDQFH)XQG WR SD\ IRU FRVWV DQG WR DFFRXQW IRU DQ\ EHQHILWV GHQWDO EHQHILWV SODQV DQG ZRUNHUV FRPSHQVDWLRQ HPSOR\HHV SODQV DQG DFFRPPRGDWH WKH HPSOR\HHV DQG FRQWUDFW ZDLWLQJ SHULRG WKURXJK WKH VHOI LQVXUDQFH 8QWLO SUREDEO\ DQG IURP WKURXJK -XQH WKH ZRUNHUV FRPSHQVDWLRQ SURYLGHG SXUFKDVHG H[FHVV LQVXUDQFH IRU FODLPV LQ H[FHVV RI %HWZHHQ WKH 'LVWULFW DQG -XQH DQG DIWHU -XQH WKH 'LVWULFW SXUFKDVHG H[FHVV FRYHUDJH IRU LWV ZRUNHUV FRPSHQVDWLRQ FRYHUDJH

7KH OLDELOLW\ IRU XQSDLG FODLPV EDVHG RQ WKH HVWLPDWHG XOWLPDWH FRVW RI VHWWOLQJ WKH FODLPV LQFOXGLQJ FODLPV WKDW KDYH EHHQ UHSRUWHG DQG WKRVH WKDW KDYH EHHQ LQFXUUHG EXW QRW UHSRUWHG ZLOO EH SDLG LQ IXWXUH \HDUV 6HWWOHG FODLPV KDYH QRW H[FHHGHG LQVXUDQFH FRYHUDJH LQ DQ\ RI WKH SDVW WKUHH ILVFDO \HDUV 7KHUH LQVXUDQFH FRYHUDJH IURP FRYHUDJH LQ WKH SULRU \HDU

'LVWULFW PDQDJHPHQW EHOLHYHV WKH OLDELOLW\ IRU DFWXDULDOO\ FRPSXWHG FODLPV GDWD 'LVWULFW REWDLQV DQ DQQXDO DFWXDULDO VWXG\ WR HVWLPDWH WKH FODLPV OLDELOLW\ WR SURGXFH FXU WKDW FRQVLGHU FODLP WUHQGV IRU FRPSHQVDWLRQ LV EDVHG RQ DQ DFWXDULDO VWXG\ GDWHG 0DUFK WKH \HDUV HQGHG -XQH DQG -XQH UHVSHFWLYHO\

7KH OLDELOLWLHV IRU XQSDLG FODLPV DQG FODLP DGMXVWPHQW H[SHQVHV

	-XQH	-XQH
8QSDLG FODLP DQG FODLP DGMXVWPHQW H[SHQVHV EHJLQQLQJ RI \HDU		
7RWDO LQFXUUHG FODLPV DQG FODLP DGMXVWPHQW H[SHQVHV		
7RWDO SD\PHQWV		
7RWDO XQSDLG FODLPV DQG FODLP DGMXVWPHQW H[SHQVHV DW HQG RI \HDU		

&RQWLQXHG

127(± /21* 7(50 /,$%,/,7,(6

*HQHUDO 2EOLJDWLRQ %RQGV

$ VXPPDU\ RI *HQHUDO 2EOLJDWLRQ %RQGV RXWVWDQGLQJ LV DV IROORZV DV RI -XQH

6HULHV	,QWHUHVW 5DWH	0DWXULW\	%DODQFH 2ULJLQDO	-XO\ ,VVXDQFH	&XUUHQW <HDU 0DWXUHG	&XUUHQW <HDU 5HIXQGHG	%DODQFF
&							
$							
%							
&							
&							
(							
&							

7KH 6HULHV ULDDQ %RQGV VHDUH DXWKRUL]HG WKH (OHFWLRQ RI DQG (OHFWLRQ RSUURSHUW\ WD[HV SDLG IURP WKH 6DFUDPHQWR

7KH DQQXDO UHTXLUHPHQWV WR DPRUWL]H *HQHUDO 2EOLJDWLRQ C ;DWLX€p ð @ 0

127(± /21* 7(50 /,$%,/,7,(6 &RQWLQXHG

7KH /HDVH 5HYHQXH 5HIXQGLQJ %RQGV LQWHUHVW 6HULHV % ERQGV RI EHDUD
VFKHGXOHG WR PDWXUH WKURXJK DV IROORZV

<HDU (QGLQJ -XQH	3ULQFLSDO	,QWHUHVW	7RWDO

&DSLWDOL]HG /HDVH 7KH 'LVWULFW OHDVHV UHFHLYH FDSLWDO OHDVH HTXLSPHQW)XWXUH PLQLPXP OHDVH SD\PHQWV DUH DV IROORZV

[redacted]

<HDU (QGLQJ -XQH	/HDVH

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± /21* 7(50 /,$%,/,7<(QGWLQXHG

3D\PHQWV RQ WKH *HQHUDO 2EOLJDWLRQ %RQG HVWDEOLVKHG DW WKH EHJLQQLQJ RI WKH
3UHFLSDO DQG LQWHUHVW WKH SULQFLSDO DPRXQW RI WKH %RQGV GXH LQ HDFK \HDU
'HYHORSHU)HHV)XQG 3D\PHQWV RQ WKH FDSLWDOL]HG GHYHORSHU IHHV
3D\PHQWV RQ WKH 1HW 3HQVLRQ /LDELOLW\ DW WKH EHJLQQLQJ RI WKH HDUOLHVW
IXQG IRU ZKLFK WKH UHODWHG HPSOR\HH ZRUNHG

127(±)81' %$/$1&(6

)XQG EDODQFHV E\ FDWHJRU\ DW -XQH DQG RORZLQJ FRQVLVWHG RI WKH I

	*HQHUDO)XQG	%XLOGLQJ)XQG	%RQG ,QWHUHVW 5HGHPSWLRQ)XQGV	$OO 1RQ 0DMRU 7RWDO
1RQVSHQGDEOH				
5HYROYLQJ FDVK IXQG				
6WRUHV LQYHQWRU\				
3UHSDLG H[SHQGLWXUHV				
6XEWRWDO QRQVSHQGDEOH				
5HVWULFWHG				
/HJDOO\ UHVWULFWHG SURJUDPV				
&DSLWDO SURMHFWV				
'HEW VHUYLFH				
6XEWRWDO UHVWULFWHG				
$VVLJQHG				
&RYHU 'HILFLW 6SHQGLQJ LQ)XWXUH <HDUV				

€••À`À•™'&D,• 8h... iãa...€pˆD8 A

127(± 1(7 3(16,21 /,$%,/,7< ± 67$7(7($&+(56 5(7,5(0(17 3/$

General Information about the State Teachers' Retirement Plan

3ODQ 'HVFULSWLRQ

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± 1(7 3(16,21 /,$%,/,7< ± 67$7(7($&+(56 5(7,5(0(17 &RQWULEXWLRQ 3XQG

&RQWULEXWLRQV PHPEHU HPSOR\HH FRQWULEXWLRQ UDWH DV RI
/HJLVODWXUH DQG *RYHUQRU DQG GHWDLO &RQWULEXWLRQ UDWHV DV 5HVHUYHG
D OHYHO SHUFHQWDJH RI SD\UROO XVLQJ WKH HQWU\ DJH QRUPDO DFW

127(± 1(7 3(16,21 /,$%,/,7< ± 67$7(7($&+(56 5(7,5(0(17 3/$1 &RQWLQXHG

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

$W -XQH WKH 'LVWULFW UHSRUWHG D OLDELOLW\ IRU LWV SURSRUWLRQDWH VKDUH RI WKH QHW SH UHIOHFWHG D UHGXFWLRQ IRU 6WDWH SHQVLRQ VXSSRUW SURYLGHG WR WKH 'LVWULFW 7KH DPRXQW UHFRJQL]HG 'LVWULFW DV LWV SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\ WKH UHODWHG 6WDWH VXSSRUW SRUWLRQ RI WKH QHW SHQVLRQ OLDELOLW\ WKDW ZDV DVVRFLDWHG ZLWK

'LVWULFW¶V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\	[illegible]
6WDWH¶V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\ DVVRFLDWHG ZLWK WKH 'LVWULFW	[illegible]
7RWDO	[illegible]

7KH QHW SHQVLRQ OLDELOLW\ ZDV PHDVXUHG DV RI -XQH WKH WRWDO SHQVLRQ OLDELOLW\ XVHG WR FDOFXODWH WKH QHW SHQVLRQ OLDE

127(– 1(7 3(16,21 /,$%,/,7< – 67$7(7($&+(56' 5(7,5(0(17 6<67(0 (&RQWLQXHG)

UHSRUWHG DV GHIHUUHG RXWIORZV RI UHVRXUFHV UHODWHG WR SHQVLRQV UHVXOWLQJ IURP ... PDGH VXEVHTXHQW WR WKH PHDVXUHPHQW GDWH ZLOO EH UHFRJQL]HG DV D UHGXFWLRQ RI WKH QHW SHQVLRQ ... WKH \HDU HQGHG -XQH ... DPRXQWV UHSRUWHG DV GHIHUUHG RXWIORZV RI UHVRXUFHV DQG ... LQIORZV RI UHVRXUFHV UHODWHG WR SHQVLRQV ZLOO EH UHFRJQL]HG ...

<HDUV (QGHG
-XQH

'LIIHUHQFHV EHWZHHQ H[SHFWHG DQG DFWXDO H[SHULHQFH LQ WKH PHDVXUHPHQW RI WKH WRWDO SHQVLRQ OLDELOLW\ DQG ... DVVXPSWLRQV DUH DPRUWL]HG ...
FORVHG SHULRG HTXDO WR WKH DYHUDJH UHPDLQLQJ VHUYLFH OLIH RI DOO PHPEHUV ... ZKLFK LV ... \HDUV ...
-XQH ... PHDVXUHPHQW GDWH 'HIHUUHG RXWIORZV DQG LQIORZV EHWZHHQ ...
DQG DFWXDO HDUQLQJV RQ SODQ LQYHVWPHQWV DUH DPRUWL]HG ...

$FWXDULDO 0HWKRGV DQG $VVXPSWLRQV 7KH WRWDO SHQVLRQ OLDELOLW\ IRU 67563 ...
XSGDWH SURFHGXUHV WR D ILQDQFLDO UHSRUWLQJ DFWXDULDO YDOXDWLRQ ...
WRWDO SHQVLRQ OLDELOLW\ WR -XQH ... DFWXDULDO YDOXDWLRQ ...
XVHG WKH IROORZLQJ DFWXDULDO PHWKRGV DQG DVVXPSWLRQV ...
PHDVXUHPHQW

9DOXDWLRQ 'DWH	-XQH	
([SHULHQFH 6WXG\	-XO\	WKURXJK -XQH
$FWXDULDO &RVW 0HWKRG		(QWU\ DJH QRUPDO
,QYHVWPHQW 5DWH RI 5HWXUQ		
&RQVXPHU 3ULFH ,QIODWLRQ		
:DJH *URZWK		
3RVW UHWLUHPHQW %HQHILW ,QFUHDVHV		VLPSOH I...
	1RW DSSOLFDEOH IRU '%6 &%%	

&DO6756 XVHV D JHQHUDWLRQDO PRUWDOLW\ WDEOH ... EDVHG RQ ... ZKLFK ...
SURMHFWLRQ VFDOHV WR UHIOHFW H[SHFWHG DQQXDO ...
LQFUHDVHV LQ OLIH H[SHFWDQFLHV ... 7KH ...
WDEOHV GHULYHG WR EHVW ILW WKH ... 7KH ... SURMHFWLRQ ...
WR SHUFHQW RI WKH XOWLPDWH LPSURYHPHQW ... 6RFLHW\ RI 0...
LVVXHG E\ WKH 6RFLHW\ RI $FWXDULHV

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± 1(7 3(16,21 /,$%,/,7< ± 67$7(7($&+(56 5(7,5(0(17 3/$1 (Continued)

6HQVLWLYLW\ RI WKH 'LVWULFW¶V 3URSRUWLRQDWH 6KDUH RI WKH 1HW 3HQVLRQ /LDELOLW\ WR &KDQJHV LQ WKH 'LVFRXQW 5DWH
7KH IROORZLQJ SUHVHQWV WKH 'LVWULFW¶V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\ FDOFXODWHG XVLQJ
WKH GLVFRXQW UDWH DV ZHOO DV ZKDW WKH 'LVWULFW¶V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ
OLDELOLW\ ZRXOG EH LI LW ZHUH FDOFXODWHG XVLQJ D GLVFRXQW UDWH WKDW LV RQH SHUFHQWDJH SRLQW ORZHU
RU SHUFHQWDJH SRLQW KLJKHU WKDQ WKH FXUUHQW UDWH

	Decrease	Current Discount Rate	Increase
'LVWULFW¶V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\			

3HQVLRQ 3ODQ)LGXFLDU\ 1HW 3RVLWLRQ 'HWDLOHG LQIRUPDWLRQ DERXW WKH SHQVLRQ SODQ¶V ILGXFLDU\ QHW SRVLWLRQ
LV DYDLODEOH LQ WKH VHSDUDWHO\ LVVXHG &DO6756 ILQDQFLDO UHSRUW

127(± 1(7 3(16,21 /,$%,/,7< ± 38%/,& (03/2<(5¶6 5(7,5(0(17)81' %

General Information about the Public Employer's Retirement Fund B

3ODQ 'HVFULSWLRQ 7KH VFKRROV FRVW VKDULQJ PXOWLSOH HPSOR\HU 3XEOLF (PSOR\HU¶V 5HWLUHPHQW)XQG % 3(5) % RI WKH &DOLIRUQLD 3XEOLF (PSOR\HHV¶
6\VWHP &DO3(56 3ODQ PHPEHUVKLS FRQVLVWV RI QRQ WHDFKLQJ DQG QRQ FHUWLILFDWHG HPSOR\HHV
VFKRROV . FRPPXQLW\ FROOHJH RIILFHV RI HGXFDWLRQ DQG SULYDWH VFKRROV
WKH 6WDWH RI &DOLIRUQLD

7KH 3ODQ ZDV HVWDEOLVKHG WR SURYLGH UHWLUHPHQW GLVDELOLW\ DQG GHDWK EHQHILWV WR
QRQFHUWLILHG HPSOR\HHV LQ VFKRROV EHQHILW SURYLVLRQV DUH HVWDEOLVKHG E\ VWDWXWH
&DO3(56 LVVXHV D SXEOLFO\ DYDLODEOH ILQDQFLDO UHSRUW WKDW FDQ EH REWDLQHG DW

KWWSV ZZZ FDOSHUV FD JRY GRFV IRUPV SXEOLFDWLRQV FDIU

%HQHILWV 7KH EHQHILWV IRU WKH 3(5) % DUH HVWDEOLVKHG E\ WKH 3XEOLF (PSOR\HHV¶ 5HWLUHPHQW /DZ
DJH ILQDQFLDO HOLJLELOLW\ \HDUV RI VHUYLFH DW DJH
HOLJLEOH PHPEHUV RU EHQHILFLDULHV
GDWH DIWHU ILYH \HDUV \HDUV IRU VFKRRO PHPEHUV

&RQWULEXWLRQV

127(± 1(7 3(16,21 /,$%,/,7< ± 38%/,& (03/2<(5¶6 5(7,5(0(17 %(1(),7 3/$1 &RQWLQXHG

5HTXLUHG FRQWULEXWLRQ UDWHV IRU DFWLYH SODQ PHPEHUV DQG HPSOR\HUV IRU \HDU HQGHG -XQH ZHUH DV IROORZV

Members 7KH PHPEHU FRQWULEXWLRQ UDWH ZDV DSSOLFDEOH WR PHPEHUV IRU WKH ILVFDO \HDU

Employers 7KH HPSOR\HU FRQWULEXWLRQ UDWH ZDV SHUFHQW RI DSSOLFDEOH PHPEHU HDUQLQJV

7KH 'LVWULFW FRQWULEXWHG \HDU HQGHG -XQH IRU WKH ILVFDO

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

$W -XQH WKH 'LVWULFW UHSRUWHG D OLDELOLW\ IRU LWV SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\ 7KH QHW SHQVLRQ OLDELOLW\ ZDV PHDVXUHG DV RI DQG WKH WRWDO SHQVLRQ OLDELOLW\ XVHG WR FDOFXODWH WKH QHW SHQVLRQ OLDELOLW\ ZDV GHWHUPLQHG E\ DQ DFWXDULDO YDOXDWLRQ 7KH 'LVWULFW RI SURSRUWLRQ RI WKH QHW SHQVLRQ OLDELOLW\ ZDV EDVHG RQ WKH 'LVWULFW V FRQWULEXWLRQV WR WKH SHQVLRQ SODQ UHODWLYH WR WKH FRQWULEXWLRQV RI DOO SDUWLFLSDWLQJ VFKRRO -XQH WKH 'LVWULFW¶V SURSRUWLRQ ZDV D GHFUHDVH RI SHUFHQW IURP LWV SURSRUWLRQ PHDVXUHG DV RI -XQH

)RU WKH \HDU HQGHG -XQH WKH 'LVWULFW UHFRJQL]HG SHQVLRQ $W -XQH WKH 'LVWULFW UHSRUWHG GHIHUUHG RXWIORZV RI UHVRXUFHV DQG GHIHUUHG LQIORZV RI UHVRXUFHV UHODWHG WR SHQVLRQV IURP WKH IROORZLQJ VRXUFHV

	'HIHUUHG 2XWIORZV RI 5HVRXUFHV	'HIHUUHG ,QIORZV RI 5HVRXUFHV
'LIIHUHQFH EHWZHHQ H[SHFWHG DQG DFWXDO H[SHULHQFH		
&KDQJHV RI DVVXPSWLRQV		
1HW GLIIHUHQFHV EHWZHHQ SURMHFWHG DQG DFWXDO HDUQLQJV RQ LQYHVWPHQWV		
&KDQJHV LQ SURSRUWLRQ DQG GLIIHUHQFHV EHWZHHQ 'LVWULFW FRQWULEXWLRQV DQG SURSRUWLRQDWH VKDUH RI FRQWULEXWLRQV		
&RQWULEXWLRQV PDGH VXEVHTXHQW WR PHDVXUHPHQW GDWH		
7RWDO		

127(± 1(7 3(16,21 /,$%,/,7< ± 38%/,& (03/2<(5¶6 5(7,5(0(17 &RQWLQXHG

UHSRUWHG DV GHIHUUHG RXWIORZV RI UHVRXUFHV UHODWHG
VXEVHTXHQW WR WKH PHDVXUHPHQW GDWH
\HDU HQGHG -XQH
LQIORZV RI UHVRXUFHV UHODWHG WR SHQVLRQV ZLOO EH UHFRJQL]HG

<HDUV (QGHG
-XQH

'LIIHUHQFHV EHWZHHQ H[SHFWHG DQG DFWXDO H[SHULHQFH DUH DPRUWL
FORVHG SHULRG HTXDO WR WKH DYHUDJH UHPDLQLQJ VHUYLFH OLIH RI SDUWLFLSDQWV LV \HDUV
-XQH PHDVXUHPHQW GDWH 'HIHUUHG RXWIORZV
SURMHFWHG DQG DFWXDO HDUQLQJV RQ SHQVLRQ SODQ LQYHVWPHQWV

$FWXDULDO 0HWKRGV 7KH DFWXDULDO DVVXPSWLRQV IRU WKH 3ODQ
XSGDWH SURFHGXUHV WR D ILQDQFLDO UHSRUWLQJ DFWXDULDO YDOXDWLRQ
WRWDO SHQVLRQ OLDELOLW\ WR -XQH DFWXDULDO PHWKRGV
XVHG WKH IROORZLQJ DFWXDULDO PHWKRGV DQG DVVXPSWLRQV
PHDVXUHPHQW

9DOXDWLRQ 'DWH -XQH
([SHULHQFH 6WXG\ -XQH WKURXJK -XQH
$FWXDULDO &RVW 0HWKRG (QWU\ DJH QRUPDO
,QYHVWPHQW 5DWH RI 5HWXUQ
&RQVXPHU 3ULFH ,QIODWLRQ
:DJH *URZWK 9DULHV E\ HQWU\ DJH DQG VHUYLFH
3RVW UHWLUHPHQW %HQHILW ,QFUHDVHV O 3XUFKDVLQJ &2/$
3RZHU 3URWHFWLRQ $OORZDQFH)ORRU
3XUFKDVLQJ 3RZHU DSSOLHV WK

7KH PRUWDOLW\ WDEOH XVHG ZDV GHYHORSHG EDVHG RQ &DO3(56 VSHFLILF GDWD
PRUWDOLW\ LPSURYHPHQW XVLQJ 6RFLHW\ RI $FWXDULHV 6FDOH %%
WR WKH H[SHULHQFH VWXG\ UHSRUW

$OO RWKHU DFWXDULDO DVVXPSWLRQV XVHG LQ WKH -XQH YDOXDWLRQ ZHUH EDVHG RQ WKH UHVXOWV RI DQ
DFWXDULDO H[SHULHQFH VWXG\ IRU WKH SHULRG WR VDODU\
PRUWDOLW\ DQG UHWLUHPHQW GDWD IRU &DO3(56 FDQ EH IRXQG DW &DO3(56
ZHEVLWH

'XULQJ WKH PHDVXUHPHQW SHULRG WKH 3ODQ
IURP SHUFHQW WR SHUFHQW

127(± 1(7 3(16,21 /,$%,/,7< ± 38%/,& (03/2<(5¶6 5(7,5(0(17)81' &RQWLQXHG

7KH WDEOH EHORZ UHIOHFWV WKH ORQJ WHUP H[SHFWHG UHDO UDWHV RI UHWXUQ 7KH UDWH RI UHWXUQ ZDV FDOFXODWHG XVLQJ WKH FDSLWDO PDUNHW DVVXPSWLRQV DSSOLHG WR GHWHUPLQH WKH GLVFRXQW UDWH DQG DVVHW DOORFDWLRQ

$VVHW &ODVV	$VVXPHG $VVHW $OORFDWLRQ	/RQJ 7HUP ([SHFWHG 5HDO 5DWH RI 5HWXUQ <HDUV	([SHFWHG 5HDO 5DWH RI 5HWXUQ <HDUV
*OREDO (TXLW\			
)L[HG ,QFRPH			
,QIODWLRQ $VVHWV			
3ULYDWH (TXLW\			
5HDO (VWDWH			
,QIUDVWUXFWXUH)RUHVWODQG			
/LTXLGLW\			

\HDU JHRPHWULF DYHUDJH
$Q H[SHFWHG LQIODWLRQ UDWH RI XVHG IRU WKLV SHULRG
$Q H[SHFWHG LQIODWLRQ UDWH RI XVHG IRU WKLV SHULRG

'LVFRXQW 5DWH

127(± 1(7 3(16,21 /,$%,/,7< ± 38%/,& (03/2<(5¶6 &RQWLQXHG

6HQVLWLYLW\ RI UWKSHR 'LVWULFW¶V 6K3DQVHLRQ ... 1HW 3HW R &KDQJHV LQ
5DWH 7KH IROORZLQJ SUHVHQWV WKH 'LVWULFW¶V SURSRUWLRQDWH VKDUH RI OLDELOLW\ F
WKH GLVFRXQW UDWH DV ZHOO DV ZKDW WKH 'LVWULFW¶V SURSRUWLRQDWH VKDUH RI WK
OLDELOLW\ ZRXOG EH LI LW ZHUH FDOFXODWHG XVLQJ D GLVFRXQW UDWH WKDW LV
RU SHUFHQWDJH SRLQW KLJKHU WKH SHUFHQW WKDQ WKH FXUUHQW U

	'HFUHDVH	&XUUHQW 'LVFRXQW 5DWH	,QFUHDVH
'LVWULFW¶V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\			

3HQVLRQ 3ODQ)LGXFLDU\ 1HW 3RVLWLRQ 'HWDLOHG LQIRUPDWLRQ DERXW WKH SHQVLRQ SO

127(± 27+(5 3267(03/2<0(17 %(1(),76 &RQWLQXHG

7KH 'LVWULFW¶V *RYHUQLQJ %RDUG KDV WKH DXWKRULW\ WR DPHQG WKH EHQHILW WHUPV RI WKH 3ODQ. 7KH 'LVWULFW¶V *RYHUQLQJ %RDUG KDV WKH DXWKRULW\ WR HVWDEOLVK RU WKH UHTXLUHPHQWV WKH 3ODQ EHQHILWV DV WKH\ FRPH GXH

(PSOR\HHV &RYHUHG E\ 7KH IROORZLQJ LV D WDEOH RI SODQ SDUWLFLS

	1XPEHU RI 3DUWLFLSDQWV
,QDFWLYH 3ODQ PHPEHUV FRYHUHG VSRXVHV RU EHQHILFLDULHV FXUUHQWO\ UHFHLYLQJ EHQHILWV	
,QDFWLYH HPSOR\HHV GHSHQGHQWV HQWLWOHG WR EXW QRW \HW UHFHLYLQJ EHQHILWV	
$FWLYH HPSOR\HHV	

&RQWULEXWLRQV 7KH FRQWULEXWLRQ UHTXLUHPHQWV RI WKH 3ODQ PHPEHUV DQG WKH 'LVWULFW DUH HVWDEOLVKHG DQG PD\ EH DPHQGHG E\ WKH

&RQWULEXWLRQV WR WKH 3ODQ IURP WKH 'LVWULFW ZHUH IRU WKH \HDU HQGHG -XQH IR

23(% 3ODQ ,QYHVWPHQWV 7KH GLVFRXQW UDWH DVVXPSWLRQ DQG DVVXPHG UDWH RI UHWXUQ

$VVHW &ODVV	/RQJ 7HUP $VVXPHG $VVHW $OORFDWLRQ <HDU	([SHFWHG 5HDO 5DWH RI 5HWXUQ <HDU	([SHFWHG 5DWH
*OREDO (TXLW\			
)L[HG ,QFRPH			
7UHDVXU\ ,QIODWLRQ 3URWHFWHG 6HFXULWLHV			
5HDO (VWDWH ,QYHVWPHQW 7UXVWV			
&RPPRGLWLHV			
*HRPHWULF DYHUDJH			

5ROOLQJ SHULRGV RI WLPH IRU DOO DVVHW FODVVHV ZHUH XVHG WR FRPSXWH WKH DYHUDJH UHWXUQ EHWZHHQ DVVHW FODVVHV. 7KLV PHDQV WKDW WKH FRUUHODWLRQ EHWZHHQ DVVHW FODVVHV UHIOHFW WKH DYHUDJHV RYHU WLPH. $GGLWLRQDOO\ WKH KLVWRULFDO FRUUHODWLRQV DVVXPHG ORQJ WHUP LQIODWLRQ DVVXPSWLRQV RIIVHW E\ DVVXPHG LQYHVWPHQW H[SHQVHV WKH SODQ ZRXOG EH VXIILFLHQW

0RQH\ ZHLJKWHG UDWH RI UHWXUQ RQ 23(% SODQ LQYHVWPHQWV

7KH PRQH\ ZHLJKWHG UDWH RI UHWXUQ H[SUHVVHV 23(% SODQ LQYHVWPHQW H[SHQVHV DGMXVWHG IRU WKH FKDQJLQJ DPRXQWV DFWXDOO\ LQYHVW

&RQWLQXHG

127(± 27+(5 3267(03/2<0(17 %(1(),76 &RQWLQXHG

$FWXDULDO $VVXPSWLRQV 7KH 23(% OLDELOLW\ LQ WKH -XQH DFWXDULDO YDOXDWLRQ ZDV GHWHUPLQHG
XVLQJ WKH IROORZLQJ DFWXDULDO DVVXPSWLRQV DSSOLHG WR DOO SHULRGV LQFOXGHG LQ WKH PHDVXUHPHQW XQOHVV
RWKHUZLVH VSHFLILHG

9DOXDWLRQ GDWH	-XQH
0HDVXUHPHQW GDWH	-XQH
)XQGLQJ 0HWKRG	(QWU\ DJH QRUPDO OHYHO
*HQHUDO ,QIODWLRQ 5DWH	
/RQJ 7HUP 5HWXUQ RQ $VVHWV	DV RI -XQH QHW RI SODQ LQYHVWPHQW DQG LQFOXGLQJ LQIODWLRQ
'LVFRXQW UDWH	DV RI -XQH DV RI -XQH XVH RI)LGHOLW\ \HDU $$ *2 0X %RQG ,QGH[
6DODU\ LQFUHDVH	SHU \HDU XVHG RQO FRVW RI EHQHILWV EHWZHHQ VHUY

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± 27+(5 3267(03/2<0(17 %(1(),76 &RQWLQXHG

&KDQJHV LQ WKH 1HW 23(% /LDELOLW\

	7RWDO 23(% /LDELOLW\		7RWDO)LGXFLDU\ 1HW 3RVLWLRQ		1HW /LD
	D	E	D	E	
%DODQFH -XQH					
&KDQJHV IRU WKH \HDU					
6HUYLFH FRVW					
,QWHUHVW					
$VVXPSWLRQ FKDQJHV					
(PSOR\HU FRQWULEXWLRQV					
,QWHUHVW LQFRPH					
,QYHVWPHQW JDLQV					
$GPLQLVWUDWLYH H[SHQVH					
%HQHILW SD\PHQWV					
1HW FKDQJH					
%DODQFH -XQH					

7KH FKDQJHV LQ DVVXPSWLRQV LQFOXGHG HIIHFWV RI KDQJHV LQ LQWHUHVW UDWHV FRQWULEXWLRQV
LQ WKH FXUUHQW YDOXDWLRQ

7KHUH ZHUH QR FKDQJHV LQ DVVXPSWLRQV RU PHWKRGV GXULQJ WKH \HDU ZKLFK KDG D
VLJQLILFDQW HIIHFW RQ WKH 'LVWULFW¶V WRWDO 23(% OLDELOLW\

6HQVLWLYLW\ RI WKH 1HW 23(% /LDELOLW\ WR RWKHU $VVXPSWLRQV
FDOFXODWHG XVLQJ WKH GLVFRXQW
7KH VFKHGX

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± 27+(5 3267(03/2<0(17 %(1(),76 &23(% &RQWLQXHG

7KH IROORZLQJ WDEOH SUHVHQWV WKH QHW 23(% OLDELOLW\ FDOFXODWHG XVLQJ
SHUFHQW   7KH VFKHGXOH DOVR VKRZV ZKDW WKH QHW 23(% OLDELOLW\
KHDOWK FDUH FRVW WUHQG UDWH WKDW LV   SHUFHQW KLJKHU   SHU

	'HFUHDVH	+HDOWKFDUH &RVW 7UHQG 5DWHV 5DWH	,QFUHDVH
1HW 23(% OLDELOLW\			

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

)RU WKH \HDU HQGHG -XQH   WKH 'LVWULFW UHFRJQL]HG 23(% H[SHQVH RI $W -XQH
WKH 'LVWULFW UHSRUWHG GHIHUUHG RXWIORZV RI UHVRXUFHV DQG

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± 27+(5 3267(03/2<0(17 %(1(),76 &RQWLQXHG

'LIIHUHQFHV EHWZHHQ DFWXDO HDUQLQJV RI WKH -XQH VXUHPHQW GDWH &RQWULEXWLRQV DQG RWKHU D FORVHG \HDUV DV RI WKH -XQH PHDVXUHPHQW GDWH SHULRG RI \HDUV DV RI WKH -XQH PHDVXUHPHQW GDWH

127(± -2,17 32:(56 $*5((0(176

6FKRROV ,QVXUDQFH $XWKRULW\ LV D PHPEHU ZLWK LQGHSHQGHQW 6FKRRO
$XWKRULW\

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72),1$1&,$/ 67$7(0(176
-XQH

127(± 68%6(48(17 (9(17

2Q -XO\ WKH HVWDEOLVKPHQW RI WKH 2EOLJDWLRQ %RQGV 0HDVXUH 4
6HULHV) WR WDOLQJ IRU WKH SXUSRVH RI ZLWKGUDZLQJ WKH RXWVWDQGLQJ
0HDVXUH 4 7KH EOLJDWLRQ 2% RQGV DXWKRUL]HG E\ WKH V
\HDU WKURXJK $XJXVW ZLWK DQ LQWHUHVW UDWH RI

5(48,5(' 6833/(0(17$5< ,1)250$7,21

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
*(1(5$/)81'
%8'*(7$5< &203$5,621 6&+('8/(
)RU WKH <HDU (QGHG -XQH

	%XGJHW		9DULDQFH)DYRUDEOH	
	2ULJLQDO	)LQDO	$FWXDO	8QIDYRUDEOH
5HYHQXHV				
/&))				
6WDWH DSSRUWLRQPHQW				
/RFDO VRXUFHV				
7RWDO /&))				
)HGHUDO VRXUFHV				
2WKHU VWDWH VRXUFHV				
2WKHU ORFDO VRXUFHV				
7RWDO UHYHQXHV				
([SHQGLWXUHV				
&XUUHQW				
&HUWLILFDWHG VDODULHV				
&ODVVLILHG VDODULHV				
(PSOR\HH EHQHILWV				
%RRNV DQG VXSSOLHV				
&RQWUDFW VHUYLFHV DQG RSHUDWLQJ H[SHQGLWXUHV				
2WKHU RXWJR				
&DSLWDO RXWOD\				
'HEW VHUYLFH				
3ULQFLSDO UHWLUHPHQW				
,QWHUHVW				
7RWDO H[SHQGLWXUHV				
'HILFLHQF\ RI UHYHQXHV XQGHU H[SHQGLWXUHV				

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) &+$1*(6 ,1 1(7 23(% /,$%,/,7< $1' 5(/$7(' 5$7,26
)RU WKH <H-XQH G

/DVW)LVFDO <HDUV

727$/ 23(% /,$%,/,7<
6HUYLFH FRVW
,QWHUHVW RQ WRWDO 23(% OLDELOLW\
&KDQJHV RI DVVXPSWLRQV
%HQHILW SD\PHQWV

1HW FKDQJH LQ WRWDO 23(% OLDELOLW\

7RWDO 23(% OLDELOLW\ EHJLQQLQJ RI \HDU D

7RWDO 23(% OLDELOLW\ HQG RI \HDU E

3/$1),'8&,$5< 1(7 326,7,21
&RQWULEXWLRQV HPSOR\HU
1HW LQYHVWPHQW LQFRPH
$GPLQLVWUDWLYH H[SHQVHV
%HQHILW SD\PHQWV ' Hð)"<$PÀ0ð°u0€P ... pÀ@PÀðÀpÀ0 0P€ À À 0)0‰i"0
HQWV

2WKHU 3RVWHPSOR\PHQW %HQHILWV
/DVW)LVFDO <HDUV

$FWXDULDOO\ GHWHUPLQHG FRQWULEXWLRQ

&RQWULEXWLRQV LQ UHODWLRQ WR WKH DFWXDULDOO\ GHWHUPLQHG FRQWULEXWLRQ

&RQWULEXWLRQ GHILFLHQF\ H[FHVV

&RYHUHG HPSOR\HH SD\UROO

&RQWULEXWLRQV DV D SHUFHQWDJH RI FRYHUHG HPSOR\HH SD\UROO

7KH $'& IRU WKH 'LVWULFW V ILVFDO WHHDUUP LHQQHGG -XDQVH SDUW RZI DWKH -XQH XVLQJ D GLVFRXQW UDWH

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

/DVW)LVFDO <HDUV

0RQH\ ZHLJKWHG UDWH RI UHWXUQ RQ 23(% SODQ LQYHVWPHQWV

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) 7+(',675,&7¶6 3523257,21$7(
6+$5(2) 7+(1(7 3(16,21 /,$%,/,7<
)RU WKH <HDU (QGHG -XQH

6WDWH 7HDFKHUV 5HWLUHPHQW 3ODQ
/DVW)LVFDO <HDUV

'LVWULFW V SURSRUWLRQ RI WKH QHW SHQVLRQ OLDELOLW\

'LVWULFW V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\

6WDWH V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\ DVVRFLDWHG ZLWK WKH 'LVWULFW

7RWDO QHW SHQVLRQ OLDELOLW\

'LVWULFW V FRYHUHG SD\UROO

'LVWULFW V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\ DV D SHUFHQWDJH RI LWV FRYHUHG SD\UROO

3ODQ ILGXFLDU\ QHW SRVLWLRQ DV D SHUFHQWDJH RI WKH WRWDO SHQVLRQ OLDELOLW\

7KH DPRXQWV SUHVHQWHG IRU HDFK ILVFDO \HDU ZHUH GHWHUPLQHG EDVHG RQ PHDVXUHPHQWV GR

$OO \HDUV SULRU WR DUH QRW DYDLODEOH

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) 7+(',675,&7¶6 3523257,21$7(
6+$5(2) 7+(1(7 3(16,21 /,$%,/,7<
)RU WKH <HDU (QGHG -XQH

3XEOLF (PSOR\HU V 5HWLUHPHQW)XQG %
/DVW)LVFDO <HDUV

'LVWULFW V SURSRUWLRQ RI WKH QHW SHQVLRQ OLDELOLW\

'LVWULFW V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\

'LVWULFW V FRYHUHG SD\UROO

'LVWULFW V SURSRUWLRQDWH VKDUH RI WKH QHW SHQVLRQ OLDELOLW\ DV D SHUFHQWDJH RI LWV FRYHUHG SD\UROO

3ODQ ILGXFLDU\ QHW SRVLWLRQ DV D SHUFHQWDJH RI WKH WRWDO SHQVLRQ OLDELOLW\

7KH DPRXQWV SUHVHQWHG IRU HDFK ILVFDO \HDU ZHUH GHWHUPLQHG EDVHG RQ

$OO \HDUV SULRU WR DUH QRW DYDLODEOH

6HH DFFRPSDQ\LQJ QRWH WR UHTXLUHG VXSSOHPHQWDU\ L

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) 7+(',675,&7¶6 &2175,%87,216
)RU WKH <HDU (QGHG -XQH

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) 7+(',675,&7¶6 &2175,%87,216
)RU WKH <HDU (QGHG -XQH

3XEOLF (PSOR\HU V 5HWLUHPHQW)XQG %
/DVW)LVFDO <HDUV

____	____	____	____

&RQWUDFWXDOO\ UHTXLUHG FRQWULEXWLRQ

&RQWULEXWLRQV LQ UHODWLRQ WR WKH FRQWUDFWXDOO\ UHTXLUHG FRQWULEXWLRQ

_____	_____	_____	_____

&RQWULEXWLRQ GHILFLHQF\ H[FHVV

_____	_____	_____	_____

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$ <u>%XGJHWDU\ &RPSDU</u>LVRQ 6FKHGXOH

7KH 'LVWULFW HPSOR\V EXGJHW FRQWURO E\ REMHFW FRGHV DQG E\ LQGLYLGXDO DSSURSULDWLRQ DFFRX

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
127(6 72 5(48,5(' 6833/(0(17$5< ,1)250$7,21
&RQWLQXHG
-XQH

127(± 385326(2) 6&+('8/(6 &RQWLQXHG

+ &KDQJHV RI $VVXPSWLRQV

7KH GLVFRXQW UDWH IRU WKH 1HW 2SHUDWLQJ % OLDELOLWLHV \LHOG DSSOLFDEOH WR WKH SHQVLRQ DFWXDULDO UHSRUWV UHVSHFWLYHO\

7KH GLVFRXQW UDWH IRU 3XEOLF (PSOR\HU V 5HWLUHPHQW %HQHILW 3ODQ DQG DFWXDULDO UHSRUWV UHVSHFWLY -XQH

7KH IROORZLQJ DUH WKH DVVXPSWLRQV XVHG WR GHWHUPLQH 7HDFKHUV 5HWLUH

0HDVXUHPHQW SHULRG
$V RI -XQH $V RI -XQH $V RI -XQ
$VVXPSWLRQ

&RQVXPHU SULFH LQIODWLRQ
,QYHVWPHQW UDWH RI UHWXUQ
:DJH JURZWK

6833/(0(17$5< ,1)250$7,21

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
&20%,1,1* %$/$1&(6+((7
$// 121 0$-25)81'6
-XQH

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
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)RU WKH <HDU (QGHG -XQH

%DODQFH -XO\ $GGLWLRQV %DODQFH -XQH

6WXGHQW %RG\ )XQGV

& . 0F&ODWFK\ +LJK 6FKRRO

$VVHWV
&DVK RQ KDQG DQG LQ EDQNV
5HFHLYDEOHV
6WRUHV LQYHQWRU\
2WKHU DVVHWV

7RWDO DVVHWV

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$FFRXQWV SD\DEOH

1 ’– . %†À Cqh 0VR aD•• 0uR

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6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
&20%,1,1* 67$7(0(17 2) &+$1*(6
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678'(17 %2'<)81'6
)RU WKH <HDU (QGHG -XQH

%DODQFH -XO\ $GGLWLRQV

%DODQFH -XQH

5RVHPRQW +LJK 6FKRRO

$VVHWV
&DVK RQ KDQG DQG LQ EDQNV
5HFHLYDEOHV
6WRUHV LQYHQWRU\
2WKHU DVVHWV

	%DODQFH -XO\	$GGLWLRQV	'HGXFWLRQV	%DODQFH -XQH

&KDUOHV $ -RQHV 6NLOOV DQG (GXFDWLRQ &HQWHU

$VVHWV				
&DVK RQ KDQG DQG LQ EDQNV				
5HFHLYDEOHV				
6WRUHV LQYHQWRU\				
2WKHU DVVHWV				
7RWDO DVVHWV				
/LDELOLWLHV				
$FFRXQWV SD\DEOH				
'XH WR VWXGHQW JURXSV				
7RWDO OLDELOLWLHV				

$:DUUHQ 0F&ODVNH\ $GXOW &HQWHU

$VVHWV				
&DVK RQ KDQG DQG LQ EDQNV				
5HFHLYDEOHV				
6WRUHV LQYHQWRU\				
2WKHU DVVHWV				
7RWDO DVVHWV				
/LDELOLWLHV				
$FFRXQWV SD\DEOH				
'XH WR VWXGHQW JURXSV				
7RWDO OLDELOLWLHV				

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
&20%,1,1* 67$7(0(17 2) &+$1*(6
,1 $66(76 $1' /,$%,/,7,(6
678'(17 %2'<)81'6
)RU WKH <HDU (QGHG -XQH

	%DODQFH -XO\	$GGLWLRQV	'HGXFWLRQV	%DODQFH -XQH
(OHPHQWDU\ DQG 0LGGOH 6FKRROV				
$VVHWV				
&DVK RQ KDQG DQG LQ EDQNV				
5HFHLYDEOHV				
6WRUHV LQYHQWRU\				
2WKHU DVVHWV				
7RWDO DVVHWV				
/LDELOLWLHV				
$FFRXQWV SD\DEOH				
'XH WR VWXGHQW JURXSV				
7RWDO OLDELOLWLHV				
7RWDO 6WXGHQW %RG\ )XQGV				
$VVHWV				
&DVK RQ KDQG DQG LQ EDQNV				
5HFHLYDEOHV				
6WRUHV LQYHQWRU\				
2WKHU DVVHWV				
7RWDO DVVHWV				
/LDELOLWLHV				
$FFRXQWV SD\DEOH				
'XH WR VWXGHQW JURXSV				
7RWDO OLDELOLWLHV				

6DFUDPHQWR&LW\8QLILHG 6FKRRO 'LVWULFW D SRORLW&LDFDLIRVUXQELGL YZLDYLRHQVWDD
RQ -XO\ 7KH WHUULWRU\ GFRRHYVHQURHWG LEQFOWKHH F'HLUWWDULQ FDWUHD
6DFUDPHQWR EXW GPRHHVRLQQWFLJXGRHXVVRVHRUXULWLGH EHWDWEROQGDULHV
6DFUDPHQWR &RXQW\ EHRXQGGDFULHVSHU7KHWHHGHQRWDU\RQHKROOV JUGHV
HOHPHQWDU\ PLGGOH .VFKRROVIVPLJUGGDGHHWGFKROOV WJZURD PLGGOH KLJK V
JUGHV VHYHQ KLJK VFKROOV LJYUHDGVHFKROOV WWKZURHDGXOWHUHGXWD
WZR VSHFLDO HGXFDWRLRQ\ FRXQWHKVLOODQGSUHVHQWVHFKRRO VHUYLQJ LQI
DJH a° ‹ 0,• LIUHH

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
25*$1,=$7,21
-XQH

$'0,1,675$7,21
&RQWLQXHG

&DQF\ 0F$UQ
&KLHI +XPDQ 5HVRXUFHV 2IILFHU

,ULV 7D\ORU (G '
&KLHI $FDGHPLF 2IILFHU

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) $9(5$*('$,/< $77(1'$1&(
)RU WKH <HDU (QGHG -XQH

	6HFRQG 3HULRG 5HSRUW	5HYLVHG 6HFRQG 3HULRG 5HSRUW	$QQXDO 5HSRUW
&HUWLILFDWH 1XPEHU	&	)&	&(
(OHPHQWDU\			
7UDQVLWLRQDO .LQGHUJDUWHQ WKURXJK 7KLUG			
)RXUWK WKURXJK 6L[WK			
6HYHQWK DQG (LJKWK			
6SHFLDO (GXFDWLRQ			
&RPPXQLW\ 'D\ 6FKRRO			
6HFRQGDU\			
1LQWK WKURXJK 7ZHOIWK			
6SHFLDO (GXFDWLRQ			
7RWDO 6HFRQGDU\			
'LVWULFW $'$ 7RWDOV			
&KDUWHU 6FKRROV			
&HUWLILFDWH 1XPEHU	(&		%%
%RZOLQJ *UHHQ (OHPHQWDU\ &ODVVURRP %DVHG			
7UDQVLWLRQDO .LQGHUJDUWHQ WKURXJK 7KLUG			
)RXUWK WKURXJK 6L[WK			
7RWDO %RZOLQJ *UHHQ (OHPHQWDU\ &KDUWHU			
&HUWLILFDWH 1XPEHU	)%& %)		&
*HRUJH :DVKLQJWRQ &DUYHU 6FKRRO RI $UWV DQG			
6FLHQFH &ODVVURRP %DVHG			
1LQWK WKURXJK 7ZHOIWK			
&HUWLILFDWH 1XPEHU	''$ &		))(
1HZ -RVHSK %RQQKHLP &ODVVURRP %DVHG			
7UDQVLWLRQDO .LQGHUJDUWHQ WKURXJK 7KLUG			
)RXUWK WKURXJK 6L[WK			
7RWDO 1HZ -RVHSK %RQQKHLP &KDUWHU			
&HUWLILFDWH 1XPEHU	& '(		%)
1HZ 7HFKQRORJ\ +LJK &ODVVURRP %DVHG			
1LQWK WKURXJK 7ZHOIWK			
&HUWLILFDWH 1XPEHU	(& &		')
7KH 0HW 6DFUDPHQWR +LJK 6FKRRO			
1RQ &ODVVURRP %DVHG			
1LQWK WKURXJK 7ZHOIWK			
7RWDO &KDUWHU 6FKRROV			

7KH &KDUWHU 6FKRROV GLG QRW VXEPLW UHYLVHG VHFRQG SHULRG UHSR

6HH DFFRPSDQ\LQJ QRWHV WR VXSSOHPHQWDU\ LQIRUPD

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) ,16758&7,21$/ 7,0(
)RU WKH <HDU (QGHG -XQH

*UDGH /HYHO	6WDWXWRU\ 0LQXWHV 5HTXLUH PHQW	$FWXDO 0LQXWHV	1XPEHU RI 'D\V &DOHQGDU 6WDWXV	7UDGLWLRQDO
'LVWULFW				
.LQGHUJDUWHQ				,Q &RPSOL
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
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*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
%RZOLQJ *UHHQ &KDUWHU 6FKRRO		&ODVVURRP %DVHG		
.LQGHUJDUWHQ				,Q &RPSOL
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*HRUJH :DVKLQJWRQ &DUYHU 6FKRRO RI %XVLQHVV DQG 6FLHQFH		&ODVVUR		
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
1HZ -RVHSK %RQQKHLP &KDUWHU 6FKRRO		&ODVVURRP %DVHG		
.LQGHUJDUWHQ				,Q &RPSOL
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
1HZ 7HFKQRORJ\ +LJK 6FKRRO		&ODVVURRP %DVHG		
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF
*UDGH				,Q &RPSOLDQF

6HH DFFRPSDQ\LQJ QRWHV WR VXSSOHPHQWDU\ LQIRUPD

3DVV
7KURXJK
)HGHUDO (QWLW\ )HGHUDO
&DWDORJ)HGHUDO *UDQWRU 3DVV 7KURXJK ,GHQWL
1XPEHU *UDQWRU 3URJUDP RU &OXVWHU 1DPH $VVLVWDQFH /LVWLQJ

8 6 'HSDUWPHQW RI (GXFDWLRQ 3DVV7KURXJK &ROLIRUQLD 'HSDU
RI (GXFDWLRQ

6SHFLDO (GXFDWLRQ &OXVWHU
,'($ %DVLF DQG /RFDO $VVLVWDQFH
(QWLWOHPHQW 3DUW % 6HF
,'($ 3ULYDWH 6FKRRO ,63
,'($ 3UHVFKRRO *UDQWV 3DUW %
6HFWLRQ $JH
$,'($ 3UHVFKRRO /RFDO (QWLWOHPHQW
3DUW % 6HF $JH
$,'($ 0HQWDO +HDOWK 6HUYLFHV
3DUW % 6HF
$,'($ 3UHVFKRRO 6WDII 'HYHORSPHQW
3DUW % 6HF
$ $OWHUQDWLYH 'LVSXWH 5HVROXWLRQ
3DUW % 6HF

6XEWRWDO 6SHFLDO (GXFDWLRQ &OXVWHU

$GXOW (GXFDWLRQ 3URJUDP
$ $GXOW (GXFDWLRQ $GXOW %DVLF (GXFDWLRQ (6/
6HFWLRQ
$GXOW (GXFDWLRQ $GXOW %DVLF 6HFRQGDU\ (GXFDWLRQ
6HFWLRQ
$ $GXOW (GXFDWLRQ (QJOLVK /LWHUDF\ DQG &LYLFV
(GXFDWLRQ /RFDO *UDQW

6XEWRWDO $GXOW (GXFDWLRQ 3URJUDP

&DUO ' 3HUNLQV 3URJUDP
9RFDWLRQDO 3URJUDPV 9RF $SSOLHG 6LQJOH 3DUHQW ,
&DUO 3HUNLQV $FW
&DUO ' 3HUNLQV &DUHHU DQG 7HFKQLFDO (GXFDWLRQ $G
6HF 9RFDWLRQDO (GXFDWLRQ
&DUO ' 3HUNLQV &DUHHU DQG 7HFKQLFDO (GXFDWLRQ
6HFRQGDU\ 6HF 9RFDWLRQDO (GXFDWLRQ

6XEWRWDO &DUO ' 3HUNLQV 3URJUDP

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) (;3(1',785(2))('(5$/ $:$5'6
)RU WKH <HDU (QGHG -XQH

3DVV
7KURXJK
)HGHUDO (QWLW\ )HGHUDO
&DWDORJ)HGHUDO *UDQWRU 3DVV 7KURXJK ,GHQWL
1XPEHU *UDQWRU 3URJUDP RU &OXVWHU RI 3URJUDPV

8 6 'HSDUWPHQW RI (GXFDWLRQ 3DVV7KURXJK &ROLIRUQLD 'HSDU
RI (GXFDWLRQ

(6($ 7LWOH , 3DUW $ %DVLF *UDQWV /RZ ,QFRPH
DQG 1HJOHFWHG
(6($ 7LWOH ,, 3DUW $,PSURYLQJ 7HDFKHU 4XDOLW\
/RFDO *UDQWV
'HSDUWPHQW RI 5HKDELOLWDWLRQ :RUNDELOLW\ ,, 7UDQVL
3DUWQHUVKLS 3URJUDP
6SHFLDO (GXFDWLRQ (DUO\ ,QWHUYHQWLRQ *UDQWV 3DUW

3DVV
7KURXJK

)HGHUDO &DWDORJ 1XPEHU	)HGHUDO *UDQWRU 3DVV 7KURXJK *UDQWRU 3URJUDP RU &OXVWHU	(QWLW\ 1XPEHU	)HGHUDO ,GHQWL WLHV

8 6 'HSDUWPHQW RI $JULFXOWXUH 3DVVHG WKURXJK
&DOLIRUQLD 'HSDUWPHQW RI (GXFDWLRQ

&KLOG 1XWULWLRQ &OXVWHU
1DWLRQDO 6FKRRO /XQFK 3URJUDP
&KLOG 1XWULWLRQ 6XPPHU)RRG 6HUYLFH 3URJUDP
2SHUDWLRQV

6XEWRWDO &KLOG 1XWULWLRQ &OXVWHU

&KLOG 1XWULWLRQ &KLOG &DUH)RRG 3URJUDP
&KLOG 1XWULWLRQ)UHVK)UXLW DQG 9HJHWDEOH 3URJUDP

7RWDO 8 6 'HSDUWPHQW RI $JULFXOWXUH

6XEVWDQFH $EXVH DQG 0HQWDO +HDOWK 6HUYLFHV $GPLQLVWUDWLRQ

0HDGRZYLHZ 3URMHFW $ZDUH *UDQW

8 6 'HSDUWPHQW RI -XVWLFH

0LVVLQJ &KLOGUHQ V $VVLVWDQFH

8 6 'HSDUWPHQW RI 'HIHQVH

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8 6 'HSDUWPHQW RI /DERU

:RUNIRUFH ,QQRYDWLRQ DQG 2SSRUWXQLW\ $FW &OXVWHU
:RUNIRUFH ,QYHVWPHQW $FW <RXWK $FWLYLWLHV
:RUNIRUFH ,QYHVWPHQW $FW $GXOW $FWLYLWLHV

7RWDO 8 6 'HSDUWPHQW RI /DERU

7RWDO)HGHUDO 3URJUDPV

'LVWULFW LV XQDEOH WR SURYLGH 3&$ QXPEHUV

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
5(&21&,/,$7,21 2) 81$8',7(' $&78$/),1$1&,$/ 5(3257
:,7+ $8',7('),1$1&,$/ 67$7(0(176
)RU WKH <HDU (QGHG -XQH

7KHUH ZHUH QR DGMXVWPHQWV SURSRVHG WR DQ\ IXQGV RI WKH 'LVWU

6HH DFFRPSDQ\LQJ QRWHV WR VXSSOHPHQWDU\ LQIRUPD

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2)),1$1&,$/ 75(1'6 $1' 1/<6,6
)RU WKH <HDU (QGHG -XQH
81$8',7('

%XGJHW

*HQHUDO)XQG			
5HYHQXHV DQG RWKHU ILQDQFLQJ VRXUFHV			
([SHQGLWXUHV			
2WKHU XVHV DQG WUDQVIHUV RXW			

,QFOXGHG LQ 'LVWULFW
&KDUWHU)LQDQFLDO 6WDWHPHQ
1R &KDUWHU 6FKRROV &KDUWHUHG E\ 6WDWH %RDUG 5HSRUW

$VSLUH &DSLWRO +HLJKWV $FDGHP\ 6HSDUD
%RZOLQJ *UHHQ &KDUWHU (OHPHQWDU\ )XQG
&DOLIRUQLD 0RQWHVVRUL 3URMHFW &DSLWRO &DPSXV
&DSLWRO &ROOHJLDWH $FDGHP\ 6HSDUDW
*HRUJH :DVKLQJWRQ &DUYHU 6FKRRO RI $UW &KDUWHU 6HKRRO
*URZWK 3XEOLF 6FKRROV 6HSDUDWH 5
/DQJXDJH $FDGHP\ RI 6DFUDPHQWR 6HSDUDWH
7KH 0HW 6DFUDPHQWR +LJK 6FKRRO ,QFOXGHG DV
1HZ -RVHSK %RQQKHLP &KDUWHU 6FKRRO ,QFOXGHG D
1HZ 7HFKQRORJ\ +LJK 6FKRRO ,QFOXGHG DV &KD
2DN 3DUN 3UHSDUDWRU\ $FDGHP\ 6HSDUDWH
6DFUDPHQWR &KDUWHU +LJK 6FKRRO 6HSDUD
6RO $XUHXV &ROOHJH 3UHSDUDWRU\ 6HSDU
6W +23(3XEOLF 6FKRROV 6HSDUDWH 5H
<DY 3HP 6XDE $FDGHP\ 6HSDUDWH 5HSR

	$FDGHPLF DQG 6XSSRUW 6HUYLFHV	&KLOG &DUH
5HYHQXHV		
2WKHU ORFDO VRXUFHV	_____	_____
([SHQGLWXUHV		
&HUWLILFDWHG VDODULHV		
&ODVVLILHG VDODULHV		
(PSOR\HH EHQHILWV		
%RRNV DQG VXSSOLHV		
&RQWUDFW VHUYLFHV DQG RSHUDWLQJ H[SHQGLWXUHV		
,QGLUHFW FRVWV	_____	_____
7RWDO H[SHQGLWXUHV	_____	_____
&KDQJH LQ IXQG EDODQFH		
)XQG EDODQFH -XO\	_____	_____
)XQG EDODQFH -XQH	_____	_____

5HYHQXHV DQG H[SHQGLWXUHV IRU WKH \HDU VWDUWLQJ -XO\ DQG HQGLQJ -XQH
)XQG 6HH SDJHV WR RI WKH ILQDQFLDO VWDWHPHQWV IRU RUGHU
'HYHORSPHQW)XQG

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SXUSRVH RI DWWHQGDQFH DFFRXQWLQJ IRU SURYLGLQJ HGXFDWLRQ IRU WKH VFKRRO GLVWULFW
DSSRUWLRQPHQWV RI VWDWH IXQGV DUH FDOFXODWHG XSRQ VWDWH GLVWULFW IRUPXODV
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% 6FKHGXOH RI ,QVWUXFWLRQDO 7LPH

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IRU /RQJHU ,QVWUXFWLRQDO 'D\ DQG 'LVWULFW WLPH LQFHQWLYH WDUJHW IXQGLQJ 7
SUHVHQWV LQIRUPDWLRQ RQ WKH DPRXQW RI LQVWUXFWLRQ WLPH RIIHUHG E\ WKH 'LVWULFW DQG ZKHWKH
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8QLILHG 6FKRRO 'LVWULFW SUHVHQWHG RQ WKH PRGLILHG DFFUXDO EDVLV 7KH LQIRUPDWLRQ LQ WKLV
VFKHGXOH LV SUHVHQWHG LQ DFFRUGDQFH ZLWK WKH UHTXLUHPHQWV RI 7LWOH &RGH RI)HGHUDO 5HJXODWLRQV
3DUW Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal
Awards (Uniform Guidance) ([SHQGLWXUHV DUH UHFRJQL]HG IROORZLQJ WKH FRVW SULQFLSOHV LQ WKH
8QLIRUP *XLGDQFH ZKHUHLQ FHUWDLQ W\SHV RI H[SHQGLWXUHV DUH QRW DOORZDEOH RU DUH OLPLWHG DV WR
UHLPEXUVHPHQW 7KH 'LVWULFW KDV QRW HOHFWHG WR XVH WKH WHQ SHUFHQW GH PLQLPLV LQGLUHFW FRVW UDWH DOORZHG
XQGHU WKH 8QLIRUP *XLGDQFH

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Report on Compliance with State Laws and Regulations

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Other Matter

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7KH SXUSRVH RI WKLV UHSRUW RQ FRPSOLDQFH DQG RQ LQWHUQDO FRQWURO RYHU FRPSOLDQFH LV VROHO\ WR GHVFULEH WKH VFRSH RI RXU WHVWLQJ RI FRPSOLDQFH DQG WKH UHVXOWV RI WKDW WHVWLQJ LQ DFFRUGDQFH ZLWK *RYHUQPHQW $XGLWLQJ 6WDQGDUGV LVVXHG E\ WKH &RPSWUROOHU *HQHUDO RI WKH 8QLWHG 6WDWHV DQG WKH 7H[DV (GXFDWLRQ $JHQF\ V $QQXDO Audits of K-12 Local Education Agencies and State Compliance Reporting $FFRUGLQJO\ WKLV UHSRUW LV VXLWDEOH IRU DQ\ RWKHU SXUSRVH

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
San Ramon Valley Unified School District
San Ramon, California

Report on Compliance for Each Major Federal Program

We have audited San Ramon Valley Unified School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the 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, 2017.

Report on Internal Control over Compliance

Management of the 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 the 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 15, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

Sacramento, California
December 15, 2017

Report on Internal Control Over Compliance

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$V FHUWLILHG RQ &DO3$'6				
$XGLW DGMXVWPHQWV				
$GMXVWHG FRXQWV				

2DN 5LGJH (OHPHQWDU\

	8QGXSOLFDWHG SXSLO FRXQW			
	)UHH 5HGXFHG (QJOLVK			
	0HDO 3URJUDP /HDUQHUV		%RWK)530	
(QUROOPHQW)530	(/$6	(/$6	7RWDO	
$V FHUWLILHG RQ &DO3$'6				
$XGLW DGMXVWPHQWV				
$GMXVWHG FRXQWV				

3DUNZD\ (OHPHQWDU\

	8QGXSOLFDWHG SXSLO FRXQW			
	)UHH 5HGXFHG (QJOLVK			
	0HDO 3URJUDP /HDUQHUV		%RWK)530	
(QUROOPHQW)530	(/$6	(/$6	7RWDO	
$V FHUWLILHG RQ &DO3$'6				
$XGLW DGMXVWPHQWV				
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6(&7,21 ,9 67$7($:$5'),1',1*6 $1' 48(67,21(' &2676

'(),&,(1&< ± 81'83/,&$7(' /2&$/ &21752/)81',1*)2508/$ 383,/

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7
6&+('8/(2) $8',7),1',1*6 $1' 48(67,21(' &2676
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6(&7,21 ,9 67$7($:$5'),1',1*6 $1' 48(67,21(' &2676

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6XWWHUYLOOH (OHPHQWDU\

	8QGXSOLFDWHG SXSLO FRXQW			
	)UHH 5HGXFHG (QJOLVK			
	0HDO 3URJUDP	/HDUQHUV	%RWK)530	
(QUROOPHQW)530	(/$6	(/$6	7RWDO	
$V FHUWLILHG RQ &DO3$'6				
$XGLW DGMXVWPHQWV				
$GMXVWHG FRXQWV				

7DKRH (OHPHQWDU\

	8QGXSOLFDWHG SXSLO FRXQW			
	)UHH 5HGXFHG (QJOLVK			
	0HDO 3URJUDP	/HDUQHUV	%RWK)530	
(QUROOPHQW)530	(/$6	(/$6	7RWDO	
$V FHUWLILHG RQ &DO3$'6				
$XGLW DGMXVWPHQWV				
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7KHRGRUH -XGDK (OHPHQWDU\

	8QGXSOLFDWHG SXSLO FRXQW			
	)UHH 5HGXFHG (QJOLVK			
	0HDO 3URJUDP	/HDUQHUV	%RWK)530	
(QUROOPHQW)530	(/$6	(/$6	7RWDO	
$V FHUWLILHG RQ &DO3$'6				
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:DVKLQJWRQ (OHPHQWDU\

	8QGXSOLFDWHG SXSLO FRXQW			
	)UHH 5HGXFHG (QJOLVK			
	0HDO 3URJUDP /HDUQHUV		%RWK)530	
(QUROOPHQW)530	(/$6	(/$6	7RWDO	
$V FHUWLILHG RQ &DO3$'6				
$XGLW DGMXVWPHQWV				
$GMXVWHG FRXQWV				

:LOO & :RRG 0LGGOH

	8QGXSOLFDWHG SXSLO FRXQW			
	)UHH 5HGXFHG (QJOLVK			
	0HDO 3URJUDP /HDUQHUV		%RWK)530	
(QUROOPHQW)530	(/$6	(/$6	7RWDO	
$V FHUWLILHG RQ &DO3$'6				
$XGLW DGMXVWPHQWV				
$GMXVWHG FRXQWV				

:LOOLDP /DQG (OHPHQWDU\

	8QGXSOLFDWHG SXSLO FRXQW			
	)UHH 5HGXFHG (QJOLVK			
	0HDO 3URJUDP /HDUQHUV		%RWK)530	
(QUROOPHQW)530	(/$6	(/$6	7RWDO	
$V FHUWLILHG RQ &DO3$'6				
$XGLW DGMXVWPHQWV				
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6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7

67$786 2) 35,25 <($5
),1',1*6 $1' 5(&200(1'$7,216

6$&5$0(172 &,7< 81,),(' 6&+22/ ',675,&7