

NEW HAVEN UNIFIED SCHOOL DISTRICT

OF ALAMEDA COUNTY

UNION CITY, CALIFORNIA

JUNE 30, 2009

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Gertrude Gregorio	President	2010
Gwen Estes	Clerk	2010
Jonas Dino	Member	2012
Kevin Harper	Member	2012
Michelle Matthews	Member	2012

ADMINISTRATION

Kari McVeigh	Superintendent
Ted Hood	Chief Business Officer

NEW HAVEN UNIFIED SCHOOL DISTRICT

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FINANCIAL SECTION



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Governing Board
New Haven Unified School District
Union City, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Haven Unified School District (the "District") as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 2008-09*, issued by the California Education Audit Appeals Panel as regulations. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Haven Unified School District, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the Notes to the basic financial statements, the State of California continues to suffer the effects of a recessionary economy, which directly impacts the funding requirements of the State of California to the K-12 educational community.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2009, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information, such as management's discussion and analysis and budgetary comparison information and other postemployment information as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary 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 State, Local Governments, and Non-Profit Organizations*, the Combining Statements – Non-Major Governmental and Fiduciary Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The unaudited supplementary information listed in the table of contents, including the Assessed Valuation of Taxable Properties and Secured Tax Charges and Delinquencies within the New Haven Unified School District Boundaries is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 15, 2009



NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

This section of New Haven Unified School District's 2008-2009 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the New Haven Unified School District (the District) using the integrated approach as prescribed by GASB Statement Number 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, business-type, and fiduciary.

The *Governmental Activities* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Business-Type Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fiduciary Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The financial statements also include notes that explain some of the information in the statements and provide detailed data. The statements are followed by a section of required supplementary budget information that further explains and supports the financial statements.

The primary unit of the government is the New Haven Unified School District.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The *Statement of Net Assets* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. Net assets are the difference between assets and liabilities, one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Assets* and the *Statement of Activities*, we separate the District activities as follows:

Governmental activities - Most of the District's services are reported in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, state income taxes, user fees, interest income, federal, state and local grants, as well as general obligation bonds which finance these activities.

Business-type activities - The District charges fees to help it cover the costs of certain services it provides. The District's Kids First program is accounted for in the business-type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. and California Departments of Education.

Governmental funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary funds - When the District charges users for the services it provides to outside customers, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Assets* and the *Statement of Revenues, Expenses and Changes in Fund Net Assets*. The District operates one proprietary fund, Kids First, that is reported in the government-wide statements as business-type activities and provides more detail and additional information, such as cash flows.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for funds held on behalf of others, like our funds for associated student body activities, the New Haven Foundation Trust Fund and the Retiree Benefits Funds. The District's fiduciary activities are reported in the *Statement of Fiduciary Net Assets and Statement of Revenues, Expenses and Changes in Fund Net Assets*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Assets

The District's net assets were \$34.5 and \$42.4 million for the fiscal years ended 2009, and 2008, respectively. Of this amount, \$4.0 million and \$3.4 million were unrestricted for each respective year. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the District's governmental activities.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

Table 1

	2009		
	Governmental Activities	Business-Type Activities	School District Activities
Current and other assets	\$ 49,571,106	\$ 199,203	\$ 49,770,309
Capital assets	229,236,184	-	229,236,184
Total Assets	278,807,290	199,203	279,006,493
Current liabilities	26,346,742	717	26,347,459
Long-term obligations	218,159,592	-	218,159,592
Total Liabilities	244,506,334	717	244,507,051
Net assets			
Invested in capital assets, net of related debt	12,960,707	-	12,960,707
Restricted	17,509,265	-	17,509,265
Unrestricted	3,831,014	198,486	4,029,500
Total Net Assets	\$ 34,300,986	\$ 198,486	\$ 34,499,472
	2008		
	Governmental Activities	Business-Type Activities	School District Activities
Current and other assets	\$ 72,890,547	\$ 323,996	\$ 73,214,543
Capital assets	203,903,547	-	203,903,547
Total Assets	276,794,094	323,996	277,118,090
Current liabilities	14,283,123	37,448	14,320,571
Long-term obligations	220,358,223	-	220,358,223
Total Liabilities	234,641,346	37,448	234,678,794
Net assets			
Invested in capital assets, net of related debt	22,807,763	-	22,807,763
Restricted	16,259,463	-	16,259,463
Unrestricted	3,085,522	286,548	3,372,070
Total Net Assets	\$ 42,152,748	\$ 286,548	\$ 42,439,296

In 2009, the \$3.8 million in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills as of June 30, 2009, including all of our non-capital liabilities (compensated absences as an example); we would have \$3.8 million left. The unrestricted net assets increased from \$3,085,522 in 2008 to \$3,831,014, in 2009.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

Changes in Net Assets

The results of this year's operations for the District as a whole are reported in the *Statement of Activities*. Table 2 takes the information from the statement, and rearranges them slightly so you can see our total revenues and expenses for the year.

Table 2

	2009		
	Governmental Activities	Business-Type Activities	School District Activities
Revenues			
Program revenues:			
Charges for services	\$ 2,241,131	\$ 1,536,125	\$ 3,777,256
Operating grants and contributions	26,133,164	-	26,133,164
Capital grants and contributions	1,794,307	-	1,794,307
General revenues:			
Federal and state aid not restricted	58,432,293	-	58,432,293
Property taxes	31,005,682	-	31,005,682
Other general revenues	9,404,424	5,779	9,410,203
Total Revenues	129,011,001	1,541,904	130,552,905
Expenses			
Instruction	85,655,870	-	85,655,870
Instruction related activities	11,475,181	-	11,475,181
Pupil Services	9,557,378	-	9,557,378
General Administration	5,404,804	-	5,404,804
Plant Services	11,541,959	-	11,541,959
Ancillary & Community Services	949,023	-	949,023
Debt Service	10,961,594	-	10,961,594
Other	1,316,954	1,629,966	2,946,920
Total Expenses	136,862,763	1,629,966	138,492,729
Change in Net Assets	\$ (7,851,762)	\$ (88,062)	\$ (7,939,824)

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2009

Table 2 (Continued)

	2008		
	Governmental Activities	Business-Type Activities	School District Activities
Revenues			
Program revenues:			
Charges for services	\$ 2,880,088	\$ 1,610,604	\$ 4,490,692
Operating grants and contributions	28,355,929	-	28,355,929
General revenues:			
State revenue limit sources	61,612,261	-	61,612,261
Property taxes	28,242,561	-	28,242,561
Other general revenues	9,575,810	10,021	9,585,831
Total Revenues	130,666,649	1,620,625	132,287,274
Expenses			
Instruction	86,764,522	-	86,764,522
Instruction related activities	12,061,143	-	12,061,143
Pupil Services	9,896,448	-	9,896,448
General Administration	5,887,991	-	5,887,991
Plant Services	11,025,650	-	11,025,650
Ancillary & Community Services	887,523	-	887,523
Debt Service	11,484,222	-	11,484,222
Other	1,937,784	1,467,808	3,405,592
Total Expenses	139,945,283	1,467,808	141,413,091
Change in Net Assets	\$ (9,278,634)	\$ 152,817	\$ (9,125,817)

Governmental Activities

As reported in the Statement of Activities, the cost of all of our governmental activities was \$136,862,763 and \$139,945,283 for 2009 and 2008, respectively. The amount that taxpayers financed for these activities through local taxes was \$31,005,682 and \$28,242,561 for 2009 and 2008 respectively, because the cost was paid by those who benefited from the programs (\$2,241,131 and \$2,880,088 for 2009 and 2008, respectively) or by other governments and organizations who subsidized certain programs with grants and contributions (\$26,133,164 and \$28,355,929 for 2009 and 2008, respectively). We paid for the remaining “public benefit” portion of our governmental activities with State funds and with other revenues, like interest and general entitlements.

In Table 3, we have presented the expenditures of each of the District’s largest functions – instruction, instruction related activities, pupil services, general administration, plant services, ancillary & community services, debt services, and other. This table reports each program’s *net* cost (total cost less revenues generated by the activities). These costs show the financial burden that was placed on the District’s taxpayers by each of these functions. Providing this information allows our citizens to consider the expenditure of each function in comparison to the benefits they believe are provided by that function.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Table 3

	2009 Net Cost of Services	2008 Net Cost of Services
Instruction	\$ 67,524,235	\$ 69,326,666
Instruction related activities	8,321,256	8,532,756
Pupil Services	3,817,609	3,816,638
General administration	4,469,423	5,068,852
Plant services	10,778,540	10,121,564
Ancillary & community services	821,504	659,391
Debt Service	10,961,594	9,245,615
Other	-	1,937,784
Totals	\$ 106,694,161	\$ 108,709,266

THE DISTRICT’S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$29,385,425 million, which is a decrease of \$32,682,679 million from last year.

The primary reason for this change is the net reduction in Capital Outlay Funds of \$33,725,270 (\$36,477,231 in expenditures net of \$2,815,585 in revenues) as a result of the District’s ongoing facilities construction and modernization program. The General Fund Balance increased by \$1,334,579 million, while the Bond Interest and Redemption Fund increased by \$811,210 due to timing of bond payments in relation to collections of property taxes. All other funds remained relatively stable.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with changes in revenues and expenditures. The final amendment to the budget was approved in June 2009. (A schedule showing the District’s original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 55.

- Significant revenue revisions made to the 2008-09 Budget were due to additional anticipated revenue for federal and state categorical programs.
- During the 2008-09 fiscal year, several State budget actions dramatically affected the District’s operating budget.
 - The first of these was the adoption of the State’s 2008-09 Adopted Budget. As the District’s budget was adopted prior to the State budget, our budget was revised to reflect the applicable provisions of the State budget.
 - In January, the Governor submitted his proposed budget for 2009-10, together with major proposed revisions to the existing 2008-09 budget. Our budget was adjusted to reflect these proposals at Second Interim.
 - In February, the State adopted a 2009-10 budget (4 months early) and made substantial revisions to the 2008-09 budget and again our budget was revised to reflect the new provisions.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2009

- In May 2009, the Governor presented his recommendations for revisions to the 2008-09 and 2009-10 State budgets. The District adjusted its budget in June 2009 to reflect these recommendations.
- Each of these four budget actions resulted in a reduction in available unrestricted resources to the District. Throughout these multiple revisions, the District has been able to maintain the reserves required by the State and has been able to implement budget strategies for the current and subsequent years to maintain the required reserves.
- In July 2009, the State made substantial revisions to the 2009-10 State budget. As these actions were made after the 2008-09 year end, the proposals for 2008-09 could not be implemented and therefore the provisions included in the May revise, on which our final budget was based, could not be implemented by the State. As a result, there are significant differences between the budgeted revenues and actual revenues reported in the General Fund Budgetary Comparison Schedule on page 55.
- Throughout all of these changes in budget, the District has been able to maintain reserves and maintain programs. While program reductions may be required in future years, they were not required in 2008-09 and current budget projections indicate they will not be required in 2009-10.

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the District had \$229,236,184 and \$203,903,547 in 2009 and 2008 respectively, in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase of \$25,332,637. There are no capital assets recorded in the business-type activities.

Table 4

	2009	2008
	Governmental Activities	Governmental Activities
Land & Land Improvements	\$ 47,395,934	\$ 46,694,713
Buildings & Improvements	205,962,111	205,365,648
Construction in Progress	66,713,115	34,528,749
Furniture & Equipment	14,600,114	14,484,845
Total Assets	<u>334,671,274</u>	<u>301,073,955</u>
Less Accumulated Depreciation	(105,435,090)	(97,170,408)
Total Assets after Depreciation	<u>\$ 229,236,184</u>	<u>\$ 203,903,547</u>

Expenditures were funded from proceeds from debt issued in the prior years, state capital projects funds, and grants. We present more detailed information about our capital assets in Note 4 to the financial statements.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

Long-Term Obligations

At the end of this year, the District's long-term obligations increased by \$84,348 or .04% from \$223,237,655 to \$223,322,003. Long-term obligations are only recorded in the governmental activities in the government-wide Statement of Net Assets. The Principal outstanding after refunding of the district bonds and inclusion of interest accretion is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Outstanding Principal End of Year
1998	2023	4.4-6.0%	\$ 10,999,274	\$ 18,258,097
1998	2024	3.9-5.35%	\$ 10,000,766	\$ 12,431,580
2002	2020	3.0-12.0%	\$ 53,785,000	\$ 45,060,000
2003	2030	2.25%	\$ 5,000,000	\$ 4,350,000
2003	2030	4.0-8.0%	\$ 29,999,985	\$ 39,577,586
2006	2030	4.6-6.0%	\$ 16,745,000	\$ 16,745,000
2006	2033	3.9-8.0%	\$ 29,999,346	\$ 32,562,110
2008	2031	3.9-8.0%	\$ 29,999,522	\$ 30,627,562

Table 5

	2009	2008
	Governmental Activities	Governmental Activities
General obligation bonds - Principal	\$ 199,611,935	\$ 197,810,020
General obligation bonds - Premium	22,316,997	24,240,022
Capitalized lease obligations	94,407	184,849
OPEB liability	623,900	323,800
Accumulated vacation	674,764	678,964
Totals	\$ 223,322,003	\$ 223,237,655

The District's most recent Standard & Poor's general obligation bond rating was "AAA". The State limits the amount of general obligation debt that Unified School Districts can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$199,611,935 as of June 30, 2009 is below this \$224,385,953 million statutorily - imposed limit.

Other long-term obligations include capital lease obligations and accumulated vacation. We present more detailed information regarding our long-term liabilities in Note 8 of the financial statements.

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2008-09 ARE NOTED BELOW:

1. Despite several changes in the State budget and the continuing decrease in available unrestricted revenues, the District has been able to adjust its budgets to absorb the negative impact of these revisions and in so doing has been able to maintain its State mandated reserve requirement and to maintain high quality District programs.
2. Construction of new special education classrooms, a new administrative office and a new media center at Alvarado Middle school was started.
3. Continued construction activities related to the modernization of the Cesar Chaves Middle School campus (opened in August 2009) and the James Logan High School Center for the Performing Arts (scheduled to open in February 2010).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:

In considering the District Budget for the 2009/10 year, the District Board and management used the following criteria:

The key assumptions in our adopted budget forecast are:

1. Revenue limit income will increase by 4.25%.
2. An 18.355% deficit factor has been applied to the revenue limit sources.
3. A one-time reduction in Revenue Limit of \$252.83 per ADA is included in the budget.
4. Enrollment is expected to remain stable.
5. Maximum use of state categorical program flexibility is included in the budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Official, Business Services, at New Haven Unified School District, 34200 Alvarado Niles Road, Union City, California, 94587.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Deposits and investments	\$ 31,975,904	\$ 180,066	\$ 32,155,970
Receivables	15,218,773	19,989	15,238,762
Internal balances (Due from other funds)	852	(852)	-
Stores inventories	62,144	-	62,144
Deferred charges	2,313,463	-	2,313,463
Capital assets not depreciated	87,505,363	-	87,505,363
Capital assets, net of accumulated depreciation	141,730,821	-	141,730,821
Total Assets	<u>278,807,320</u>	<u>199,203</u>	<u>279,006,523</u>
LIABILITIES			
Overdrafts	10,438,031	-	10,438,031
Accounts payable	6,798,274	717	6,798,991
Interest payable	3,425,241	-	3,425,241
Deferred revenue	522,785	-	522,785
Current portion of long-term obligations	5,162,411	-	5,162,411
Noncurrent portion of long-term obligations	218,159,592	-	218,159,592
Total Liabilities	<u>244,506,334</u>	<u>717</u>	<u>244,507,051</u>
NET ASSETS			
Invested in capital assets, net of related debt	12,960,707	-	12,960,707
Restricted for:			
Debt service	4,740,881	-	4,740,881
Capital projects	6,869,649	-	6,869,649
Educational programs	5,477,028	-	5,477,028
Other activities	421,707	-	421,707
Unrestricted	3,831,014	198,486	4,029,500
Total Net Assets	<u>\$ 34,300,986</u>	<u>\$ 198,486</u>	<u>\$ 34,499,472</u>

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 85,655,870	\$ 128,479	\$ 16,208,849	\$ 1,794,307
Instruction-related activities:				
Supervision of instruction	3,543,873	9,053	2,098,010	-
Instructional library, media, and technology	1,226,910	469	611,668	-
School site administration	6,704,398	27,699	407,026	-
Pupil services:				
Home-to-school transportation	2,425,445	174,430	1,378,160	-
Food services	3,189,269	1,614,715	1,574,554	-
All other pupil services	3,942,664	4,384	993,526	-
General administration:				
Data processing	1,015,808	-	99,074	-
All other general administration	4,388,996	77,471	758,836	-
Plant services	11,541,959	76,720	686,699	-
Ancillary services	721,185	21,223	17,400	-
Community services	227,838	-	88,896	-
Interest on long-term debt	10,961,594	-	-	-
Other outgo	1,316,954	106,488	1,210,466	-
Total Governmental-Type Activities	136,862,763	2,241,131	26,133,164	1,794,307
Business-Type Activities				
Enterprise services	1,629,966	1,536,125	-	-
Total School District	\$ 138,492,729	\$ 3,777,256	\$ 26,133,164	\$ 1,794,307
General revenues and subventions:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Taxes levied for other specific purposes				
Federal and State aid not restricted to specific purposes				
Interest and investment earnings				
Miscellaneous				
Subtotal, General Revenues				
Change in Net Assets				
Net Assets - Beginning				
Net Assets - Ending				

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

**Net (Expenses) Revenues and
Changes in Net Assets**

Governmental Activities	Business- Type Activities	Total
\$ (67,524,235)	\$ -	\$ (67,524,235)
(1,436,810)	-	(1,436,810)
(614,773)	-	(614,773)
(6,269,673)	-	(6,269,673)
(872,855)	-	(872,855)
-	-	-
(2,944,754)	-	(2,944,754)
(916,734)	-	(916,734)
(3,552,689)	-	(3,552,689)
(10,778,540)	-	(10,778,540)
(682,562)	-	(682,562)
(138,942)	-	(138,942)
(10,961,594)	-	(10,961,594)
-	-	-
(106,694,161)	-	(106,694,161)
-	(93,841)	(93,841)
(106,694,161)	(93,841)	(93,841)
19,579,701	-	19,579,701
11,410,612	-	11,410,612
15,369	-	15,369
58,432,293	-	58,432,293
400,101	5,779	405,880
9,004,323	-	9,004,323
98,842,399	5,779	98,848,178
(7,851,762)	(88,062)	(7,939,824)
42,152,748	286,548	42,439,296
\$ 34,300,986	\$ 198,486	\$ 34,499,472

NEW HAVEN UNIFIED SCHOOL DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2009**

	General Fund	Building Fund	Capital Facilities Fund
ASSETS			
Deposits and investments	\$ 203,192	\$ 11,470,189	\$ 6,914,987
Receivables	14,130,739	75,488	27,026
Due from other funds	2,605,922	-	-
Stores inventories	-	-	-
Total Assets	\$ 16,939,853	\$ 11,545,677	\$ 6,942,013
LIABILITIES AND FUND BALANCES			
Liabilities:			
Overdrafts	\$ 2,402,241	\$ 8,035,790	\$ -
Accounts payable	4,003,087	2,386,606	11,809
Due to other funds	53,092	383,715	1,481,956
Deferred revenue	522,785	-	-
Total Liabilities	6,981,205	10,806,111	1,493,765
Fund Balances:			
Reserved for:			
Legally restricted balances	5,477,028	-	-
Other reservations	48,000	-	-
Unreserved:			
Designated	4,433,620	-	-
Undesignated, reported in:			
Special revenue funds	-	-	-
Debt service funds	-	-	-
Capital projects funds	-	739,566	5,448,248
Total Fund Balance	9,958,648	739,566	5,448,248
Total Liabilities and Fund Balances	\$ 16,939,853	\$ 11,545,677	\$ 6,942,013

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

County School Facilities Fund	Bond Interest and Redemption Fund	Non Major Governmental Funds	Total Governmental Funds
\$ 4,100,449	\$ 7,951,630	\$ 1,335,457	\$ 31,975,904
15,785	41,347	776,348	15,066,733
-	-	437,628	3,043,550
-	-	62,144	62,144
<u>\$ 4,116,234</u>	<u>\$ 7,992,977</u>	<u>\$ 2,611,577</u>	<u>\$ 50,148,331</u>
\$ -	\$ -	\$ -	\$ 10,438,031
-	-	396,772	6,798,274
-	-	1,085,053	3,003,816
-	-	-	522,785
-	-	<u>1,481,825</u>	<u>20,762,906</u>
-	-	-	5,477,028
-	-	62,144	110,144
-	-	-	4,433,620
-	-	667,626	667,626
-	7,992,977	-	7,992,977
4,116,234	-	399,982	10,704,030
<u>4,116,234</u>	<u>7,992,977</u>	<u>1,129,752</u>	<u>29,385,425</u>
<u>\$ 4,116,234</u>	<u>\$ 7,992,977</u>	<u>\$ 2,611,577</u>	<u>\$ 50,148,331</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS JUNE 30, 2009

Total Fund Balance - Governmental Funds		\$ 29,385,425
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 334,671,274	
Accumulated depreciation is	<u>(105,435,090)</u>	
Net Capital Assets		229,236,184
In governmental funds, long term receivables for special education mandate settlements are not recognized, however it is recognized in governmental-wide financial statements.		113,158
Expenditures relating to issuance of debt were recognized on modified accrual basis, but are recorded as deferred charges on the accrual basis and amortized over the life of the bonds		2,313,463
In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term debt is recognized when it is incurred.		(3,425,241)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable	(199,611,935)	
Capital leases payable	(94,407)	
Other postemployment benefits (OPEB)	(623,900)	
Compensated absences (vacations)	(674,764)	
Premiums, net of amortization	<u>(22,316,997)</u>	
Total Long-Term Liabilities		<u>(223,322,003)</u>
Total Net Assets - Governmental Activities		<u><u>\$ 34,300,986</u></u>

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund	Building Fund	Capital Facilities Fund
REVENUES			
Revenue limit sources	\$ 71,385,152	\$ -	\$ -
Federal sources	8,567,114	-	-
Other state sources	18,725,059	-	-
Other local sources	8,505,550	588,125	374,248
Total Revenues	107,182,875	588,125	374,248
EXPENDITURES			
Current			
Instruction	74,200,310	-	-
Instruction-related activities:			
Supervision of instruction	3,542,404	-	-
Instructional library, media and technology	1,226,910	-	-
School site administration	6,226,385	-	-
Pupil services:			
Home-to-school transportation	2,425,445	-	-
Food services	-	-	-
All other pupil services	3,923,447	-	-
General administration:			
Data processing	1,015,808	-	-
All other general administration	3,884,913	-	-
Plant services	9,890,365	-	-
Facility acquisition and construction	-	33,434,099	43,132
Ancillary services	721,185	-	-
Community services	222,295	-	-
Other outgo	1,316,954	-	-
Debt service			
Principal	90,442	-	-
Interest and other	8,104	-	-
Total Expenditures	108,694,967	33,434,099	43,132
Excess (Deficiency) of Revenues Over Expenditures	(1,512,092)	(32,845,974)	331,116
Other Financing Sources (Uses):			
Transfers in	3,539,637	-	-
Transfers out	(692,966)	(1,488,632)	(1,574,992)
Net Financing Sources (Uses)	2,846,671	(1,488,632)	(1,574,992)
NET CHANGE IN FUND BALANCES	1,334,579	(34,334,606)	(1,243,876)
Fund Balance - Beginning	8,624,069	35,074,172	6,692,124
Fund Balance - Ending	\$ 9,958,648	\$ 739,566	\$ 5,448,248

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

County School Facilities Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 71,385,152
-	-	2,035,998	10,603,112
1,703,735	103,819	3,737,078	24,269,691
149,477	11,417,955	1,771,027	22,806,382
<u>1,853,212</u>	<u>11,521,774</u>	<u>7,544,103</u>	<u>129,064,337</u>
-	-	3,190,878	77,391,188
-	-	1,469	3,543,873
-	-	-	1,226,910
-	-	478,013	6,704,398
-	-	-	2,425,445
-	-	3,189,269	3,189,269
-	-	19,217	3,942,664
-	-	-	1,015,808
-	-	203,983	4,088,896
-	-	1,743,882	11,634,247
-	-	32,000	33,509,231
-	-	-	721,185
-	-	5,543	227,838
-	-	-	1,316,954
-	2,788,990	-	2,879,432
-	7,921,574	-	7,929,678
-	<u>10,710,564</u>	<u>8,864,254</u>	<u>161,747,016</u>
<u>1,853,212</u>	<u>811,210</u>	<u>(1,320,151)</u>	<u>(32,682,679)</u>
-	-	1,067,474	4,607,111
-	-	(850,521)	(4,607,111)
-	-	216,953	-
<u>1,853,212</u>	<u>811,210</u>	<u>(1,103,198)</u>	<u>(32,682,679)</u>
2,263,022	7,181,767	2,232,950	62,068,104
<u>\$ 4,116,234</u>	<u>\$ 7,992,977</u>	<u>\$ 1,129,752</u>	<u>\$ 29,385,425</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2009

Total Net Change in Fund Balances - Governmental Funds		\$ (32,682,679)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statements of activities.		
This is the amount by which capital outlays exceeds capital outlays in the period.		
Depreciation expense	\$ (8,264,682)	
Capital outlays	33,597,319	
Net Expense Adjustment		25,332,637
Special education mandate settlement received in current fiscal year was accrued in 2001-02 in the governmental funds, therefore it is excluded in the statement of activities.		(53,336)
In the statement of activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		4,200
Payment of principal on long-term liabilities, such as for bonds and capital leases, is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		2,879,432
The liability for postemployment benefits (OPEB) is not recorded in the governmental funds, but is an expense on the statement of activities.		(300,100)
Interest on long-term debt differs between the governmental funds and the statement of activities due to the following:		
Change in accrued interest	(236,487)	
Addition of accreted interest	(4,590,905)	
Amortization of bond premium	1,923,025	
Amortization of cost of issuance	(127,549)	
		(3,031,916)
Change in Net Assets of Governmental Activities		\$ (7,851,762)

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF NET ASSETS JUNE 30, 2009

	Business-Type Activities Enterprise Funds
	Kids
	First
ASSETS	
Current Assets	
Deposits and investments	\$ 180,066
Receivables	19,989
Total Assets	\$ 200,055
LIABILITIES	
Current Liabilities	
Accounts payable	717
Due to other funds	852
Total Current Liabilities	1,569
NET ASSETS	
Unrestricted	198,486
Total Net Assets	\$ 198,486

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities Enterprise Funds
	Kids First
	<hr/>
OPERATING REVENUES	
Local and intermediate sources	\$ 1,536,125
Total Operating Revenues	<hr/> 1,536,125 <hr/>
OPERATING EXPENSES	
Payroll costs	1,390,476
Supplies and materials	30,918
Other operating cost	208,572
Total Operating Expenses	<hr/> 1,629,966 <hr/>
Operating Income	<hr/> (93,841) <hr/>
NONOPERATING REVENUES (EXPENSES)	
Interest income	5,779
Total Nonoperating Revenues (Expenses)	<hr/> 5,779 <hr/>
Change in Net Assets	(88,062)
Total Net Assets - Beginning	<hr/> 286,548 <hr/>
Total Net Assets - Ending	<hr/> \$ 198,486 <hr/>

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	Business-Type Activities Enterprise Funds
	Kids First
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from user charges	\$ 1,538,269
Cash payments to employees for services	(1,427,207)
Cash payments to suppliers for goods and services	(239,490)
Net Cash Used by Operating Activities	(128,428)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	6,450
Net Cash Provided (Used) from Investing Activities	6,450
Net Change in Cash and Cash Equivalents	(121,978)
Cash and Cash Equivalents - Beginning	302,044
Cash and Cash Equivalents - Ending	\$ 180,066
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating loss	\$ (93,841)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Receivables	2,144
Accrued liabilities	(36,731)
NET CASH USED BY OPERATING ACTIVITIES	\$ (128,428)

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009**

	Retiree Benefits Trusts	Agency Funds
ASSETS		
Deposits and investments	\$ 425,192	\$ 225,350
Receivables	247,264	-
Total Assets	<u>672,456</u>	<u>\$ 225,350</u>
LIABILITIES		
Overdrafts	\$ 243,679	-
Due to student groups	-	225,350
Due to other funds	38,883	-
Total Liabilities	<u>282,562</u>	<u>\$ 225,350</u>
NET ASSETS		
Held in trust	<u>389,894</u>	
Total Net Assets	<u>\$ 389,894</u>	

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	Retiree Benefits Trusts
ADDITIONS	
District contributions	\$ 686,242
Interest and investment earnings	250,064
Total Additions	<u>936,306</u>
DEDUCTIONS	
Other expenditures	1,056,785
Total Deductions	<u>1,056,785</u>
Change in Net Assets	(120,479)
Net Assets - Beginning	510,373
Net Assets - Ending	<u>\$ 389,894</u>

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The New Haven Unified School District was unified in 1965 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K – 12 as mandated by the State and/or Federal agencies. The District operates eight elementary, three middle, one comprehensive high school, one continuation school, one opportunity school, an adult school and a regional occupational program.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For New Haven Unified School District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no component units.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into three broad fund categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all Districts. It is used to account for the ordinary operations of a District. All transactions except those required or permitted by law to be in another fund are accounted for in this fund.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Building Fund The Building Fund exists primarily to account separately for proceeds from sale of bonds and acquisition of major governmental capital facilities and buildings.

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development (Education Code Sections 17620-17626. Expenditures are restricted to the purposes specified in Government Code Sections 65970-65981 or to the items specified in agreements with the developer (Government Code Section 66006).

County School Facilities Fund The County School Facilities Fund is established pursuant to Education Code Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (Education Code Section 17070 et seq.).

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used to account for the accumulation or resources for, and the repayment of, district bonds, interest, and related costs.

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts or for major capital projects) that are restricted to the financing of particular activities:

Adult Education Fund The Adult Education Fund is used to account separately for federal, State, and local revenues for adult education programs and is to be expended for adult education purposes only.

Child Development Fund The Child Development Fund is used to account separately for federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

Cafeteria Fund The Cafeteria Fund is used to account separately for federal, State, and local resources to operate the food service program (Education Code sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (Education Code Sections 38091 and 38100).

Deferred Maintenance Fund The Deferred Maintenance Fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (Education Code Sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

Special Reserve Fund for Other Than Capital Outlay Projects The Special Reserve for Other Than Capital Outlay Projects is used primarily to provide for the accumulation of General Fund monies for general operating purposes other than for capital outlay (Education Code Section 42840).

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Capital Project Funds The Capital Project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (Education Code Section 42840).

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. 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. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary funds:

Enterprise Fund Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the District accounts for the financial transactions related to the child care services of the District operated under the name of Kids First.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the District's own programs. The District's trust funds are the three Retiree Benefit Trusts.

The three retiree benefits trusts are as follows:

- New Haven Retired Employee Health and Welfare Benefit Trust for Certificated and Management Employees
- New Haven Retired Employee Health and Welfare Benefit Trust for Classified Employees
- New Haven Retired Employee Health and Welfare Benefit Trust for Board and Superintendent

The trustees of the New Haven Retired Employee Health and Welfare Benefit Trust for Certificated and Management Employees and the New Haven Retired Employee Health and Welfare Benefit Trust for Classified Employees are comprised of separate boards not controlled by the District Board of Education. Although these two trusts are not controlled by the District, the District does act as the administrator for processing transactions for these two trusts under an administrative agreement with the trusts' boards. As administrator for these two trusts the district reports only the activity of the funds it manages, and does not include the funds held by the investment custodian.

The trustee for the New Haven Retired Employee Health and Welfare Benefit Trust for the Board and Superintendent is the District. Therefore, this trust is both controlled by, and administered by, the District.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student body activities (ASB). Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the District and for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other activities result from special revenue funds and the restrictions on their net asset use.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Governmental Funds All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Proprietary Funds Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net assets. The statement of changes in fund net assets presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Fiduciary Funds Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 45 or 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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 balance sheet and revenue is recognized.

Certain grants received before the eligibility requirements are met are recorded as deferred revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Investments

Investments held at June 30, 2009, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary funds when used.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net assets. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 30 to 50 years; improvements/infrastructure, 10 to 40 years; equipment, 5 to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Compensated Absences

Accumulated unpaid vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net assets. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term obligations are recognized as liabilities in the governmental fund financial statements when due.

Deferred Issuance Costs, Premiums and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

Fund Balance Reserves and Designations

The District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for revolving cash accounts, stores inventories, prepaid expenditures (expenses), and legally restricted grants and entitlements.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Designations of fund balances consist of that portion of the fund balance that has been designated (set aside) by the governing board to provide for specific purposes or uses. Fund balance designations have been established for economic uncertainties and other purposes.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are fees collected from the child care centers. Operating expenses are necessary costs incurred to provide the child care services, which is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Transfers between governmental and business-type activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental and business-type activities columns of the statement of activities, except for the net residual amounts transferred between governmental and business-type activities.

Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1st of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 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 Alameda bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

New Accounting Principles

In March 2009, the GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for the financial statements for periods beginning after June 15, 2010. Early implementation is encouraged.

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2009, are classified in the accompanying financial statements as follows:

Governmental activities	\$31,975,904
Business-type activities	180,066
Fiduciary funds	406,863
Total Deposits and Investments	<u>\$32,562,833</u>

Deposits and investments as of June 30, 2009, consist of the following:

Cash on hand and in banks	\$ 370,826
Cash in revolving	50,500
Investments	32,141,507
Total Deposits and Investments	<u>\$32,562,833</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the county pool and LAIF.

The District monitors the interest rate risk inherent in its portfolio by depositing most of its funds in the County Treasury Pool. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Fair Value	Weighted Average Maturity in Years
County Pool	\$ 13,655,747	0.83
State Investment Pool	18,485,760	0.64
Total	\$ 32,141,507	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool, LAIF, and Certificates of Deposit are not required to be rated, nor have they been rated as of June 30, 2009.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2009, approximately \$1,479,000 of the District's bank balances were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2009, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total	Proprietary Funds	Fiduciary Funds
Federal Government									
Categorical aid	\$ 1,503,004	\$ -	\$ -	\$ -	\$ -	\$ 95,138	\$ 1,598,142	\$ -	\$ -
State Government									
Apportionment	3,552,231	-	-	-	-	15,971	3,568,202	-	-
Categorical aid	602,639	-	-	-	-	382,773	985,412	-	-
Lottery	-	-	-	-	-	-	-	-	-
Local Government									
Interest	-	-	-	-	-	-	-	-	-
Other Local Sources	8,472,865	75,488	27,026	15,785	41,347	282,466	8,914,977	19,989	247,264
Total	<u>\$ 14,130,739</u>	<u>\$ 75,488</u>	<u>\$ 27,026</u>	<u>\$ 15,785</u>	<u>\$ 41,347</u>	<u>\$ 776,348</u>	<u>\$ 15,066,733</u>	<u>\$ 19,989</u>	<u>\$ 247,264</u>

Long term receivables consist of the Special Education mandated settlement in the amount of \$99,395, which will be received at a rate of \$53,336 (including interest component) each year for the next two years.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 20,792,248	\$ -	\$ -	\$ 20,792,248
Construction in Progress	34,528,749	32,184,366	-	66,713,115
Total Capital Assets Not Being Depreciated	55,320,997	32,184,366	-	87,505,363
Capital Assets Being Depreciated:				
Land Improvements	25,902,465	701,221	-	26,603,686
Buildings and Improvements	205,365,648	596,463	-	205,962,111
Furniture and Equipment	14,484,845	115,269	-	14,600,114
Total Capital Assets Being Depreciated	245,752,958	1,412,953	-	247,165,911
Total Capital Assets	301,073,955	33,597,319	-	334,671,274
Less Accumulated Depreciation:				
Land Improvements	19,108,848	1,623,867	-	20,732,715
Buildings and Improvements	72,245,014	5,952,950	-	78,197,964
Furniture and Equipment	5,816,546	687,865	-	6,504,411
Total Accumulated Depreciation Governmental Activities Capital Assets, Net	97,170,408	8,264,682	-	105,435,090
	<u>\$ 203,903,547</u>	<u>\$ 25,332,637</u>	<u>\$ -</u>	<u>\$ 229,236,184</u>

Depreciation expense of \$8,264,682 was charged as a direct expense to the instruction function.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

NOTE 5 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2009, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

Due From	Due To		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 53,092	\$ 53,092
Building Fund	-	383,715	383,715
Capital Facilities	1,481,956	-	1,481,956
Non-Major Governmental funds	1,085,053	-	1,085,053
Proprietary funds	-	851	851
Fiduciary funds	38,883	-	38,883
Total	<u>\$2,605,892</u>	<u>\$ 437,658</u>	<u>\$3,043,550</u>

All balances resulted from lag time between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Operating Transfers

Interfund transfers for the year ended June 30, 2009, consisted of the following:

Transfer To	Transfer From		Total
	General Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 692,966	\$ 692,966
Building Fund	1,114,124	374,508	1,488,632
Capital Facilities Fund	1,574,992	-	1,574,992
Non-Major Governmental funds	850,521	-	850,521
Total	<u>\$3,539,637</u>	<u>\$ 1,067,474</u>	<u>\$4,607,111</u>

The General Fund transferred to the Building Fund for District contributions to projects.	\$ 1,114,124
The Capital Facilities Fund transferred to the General Fund for debt service payments.	98,546
The Capital Facilities Fund transferred to the General Fund for contribution to restricted maintenance.	1,476,446
The General Fund transferred to the Deferred Maintenance Fund for District match.	656,966
The Special Reserve Non Capital Outlay Fund transferred to the General Fund for copier purchase.	36,000
The Building Fund transferred to Special Reserve Fund to close resource 9821.	373,695
The Building Fund transferred to Special Reserve Fund to establish the Special Reserve Fund.	813
The Adult Education Fund transferred to the General Fund for flexibility transfers.	265,199
The Deferred Maintenance Fund transferred to the General Fund for flexibility transfers.	585,322
Total	<u>\$4,607,111</u>

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2009, consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
Vendor payables	\$ 1,253,315	\$ 2,386,606	\$ 11,809	\$ 390,160	\$ 4,041,890
Salaries and benefits	2,724,978	-	-	6,612	2,731,590
Other	24,794	-	-	-	24,794
Total	<u>\$ 4,003,087</u>	<u>\$ 2,386,606</u>	<u>\$ 11,809</u>	<u>\$ 396,772</u>	<u>\$ 6,798,274</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2009, consists of the following:

	General Fund
Federal financial assistance	\$ 469,413
State categorical aid	11,477
Other local	41,895
Total	<u>\$ 522,785</u>

NOTE 8 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the year consisted of the following:

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due in One Year
General obligation bonds	\$ 197,810,020	\$ 4,590,905	\$ 2,788,990	\$ 199,611,935	\$ 3,144,979
Add: Premium	24,240,022	-	1,923,025	22,316,997	1,923,025
Subtotal general obligation bonds	222,050,042	4,590,905	4,712,015	221,928,932	5,068,004
Accumulated vacation - net	678,964	-	4,200	674,764	-
Capital leases	184,849	-	90,442	94,407	94,407
OPEB Liability	323,800	523,800	223,700	623,900	-
	<u>\$ 223,237,655</u>	<u>\$ 5,114,705</u>	<u>\$ 5,030,357</u>	<u>\$ 223,322,003</u>	<u>\$ 5,162,411</u>

Payments on the general obligation bonds are made by the bond interest and redemption fund with local revenues. Payments on the capital leases are made by the General Fund. The accrued vacation and OPEB liability will be paid by the fund for which the employee worked.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds	
				Outstanding July 1, 2008	Issued	Interest Accretion	Redeemed	Outstanding June 30, 2009
1998	2023	4.4-6.0%	10,999,274	\$ 17,506,414	\$ -	\$ 875,673	\$ 123,990	\$ 18,258,097
1998	2024	3.9-5.35%	10,000,766	11,805,957	-	625,623	-	12,431,580
2002	2020	3.0-12.0%	53,785,000	47,335,000	-	-	2,275,000	45,060,000
2003	2030	2.25%	5,000,000	4,600,000	-	-	250,000	4,350,000
2003	2030	4.0-8.0%	29,999,985	37,993,969	-	1,583,617	-	39,577,586
2006	2030	4.6-6.0%	16,745,000	16,745,000	-	-	-	16,745,000
2006	2033	3.9-8.0%	29,999,346	31,801,748	-	900,362	140,000	32,562,110
2008	2031	3.9-8.0%	29,999,522	30,021,932	-	605,630	-	30,627,562
				<u>\$ 197,810,020</u>	<u>\$ -</u>	<u>\$ 4,590,905</u>	<u>\$ 2,788,990</u>	<u>\$ 199,611,935</u>

Debt Service Requirements to Maturity

The bonds mature through 2034 as follows:

Fiscal Year	Principal	Interest to Maturity	Accreted Interest	Total
2010	\$ 3,144,979	\$ 7,923,588	\$ 76,010	\$ 11,144,577
2011	3,764,979	7,855,857	345,021	11,965,857
2012	3,871,816	7,519,548	388,184	11,779,548
2013	4,794,705	7,451,879	745,295	12,991,879
2014	5,530,753	7,138,080	924,247	13,593,080
2015-2019	34,920,223	33,277,580	10,554,777	78,752,580
2020-2024	40,498,883	38,447,714	27,881,117	106,827,714
2025-2029	30,230,644	66,384,341	58,569,356	155,184,341
2030-2034	47,093,293	39,787,983	37,166,709	124,047,985
Total	<u>173,850,274</u>	<u>\$ 215,786,571</u>	<u>\$ 136,650,717</u>	<u>\$ 526,287,562</u>
Accreted Interest	<u>25,761,661</u>			
	<u>\$ 199,611,935</u>			

Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2009, amounted to \$674,764.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

Capital Leases

The District has entered into various capital lease arrangements. The District's liability on lease agreements with options to purchase are summarized below:

	<u>Buses</u>	<u>Buses</u>	<u>Total</u>
Balance, July 1, 2008	\$ 86,128	\$ 98,721	\$ 184,849
Payments	42,041	48,401	90,442
Balance, July 1, 2009	<u>\$ 44,087</u>	<u>\$ 50,320</u>	<u>\$ 94,407</u>

The capital leases have minimum lease payments as follows:

<u>Year Ending</u> <u>June 30,</u> <u>2010</u>	<u>Lease</u> <u>Payment</u>
	\$ 98,546
Less: Amount Representing Interest	4,139
Present Value of Minimum Lease Payments	<u>\$ 94,407</u>

NOTE 9 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

Plan Description

The New Haven Retired Employee Health and Welfare Benefits Plan and Trust for Board and Superintendent (the "Plan") is a single-employer defined benefit healthcare plan administered by the New Haven Unified School District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of eight retirees and beneficiaries currently receiving benefits and five active plan members. The Plan is presented in these financial statements as the New Haven Retired Employee Health and Welfare Benefit Plan Trust for Board and Superintendent Fund. Separate financial statements are not prepared for the Trust.

Contribution Information

The contribution requirements of the District are established and may be amended by the District and the eligible plan members. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. For fiscal year 2008-09, the District contributed \$223,700 to the plan, the majority of which was used for current premiums.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	\$ 523,800
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>523,800</u>
Contributions made	<u>(223,700)</u>
Increase in net OPEB obligation	300,100
Net OPEB obligation, beginning of year	<u>323,800</u>
Net OPEB obligation, end of year	<u><u>\$ 623,900</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 was as follows:

Year Ended <u>June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 523,800	57%	\$ 300,100

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is the first year of implementation, only the current year information is presented.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

In the July 1, 2007, actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 3.25 percent investment rate of return (net of administrative expenses). Healthcare cost trend rates ranged from an initial 15% percent to an ultimate rate of 5 percent. The cost trend rate used for the Dental program was 0 percent for the initial year increasing to a rate of 5 percent each year. The UAAL is being amortized at a level dollar method over a static 20 years. The remaining amortization period at July 1, 2007, was 20 years.

NOTE 10 - FUND BALANCES

Fund balances with reservations and designations are composed of the following elements:

	General	Building	Capital Facilities	County School Facilities Fund	Bond Interest and Redemption	Non-Major Governmental Funds	Total	Fiduciary Funds
Reserved								
Revolving cash	\$ 48,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,000	\$ -
Stores inventory	-	-	-	-	-	62,144	62,144	-
Restricted programs	5,477,028	-	-	-	-	-	5,477,028	-
Total Reserved	5,525,028	-	-	-	-	62,144	5,587,172	-
Unreserved								
Designated								
Economic uncertainties	3,120,239	-	-	-	-	-	3,120,239	-
Other designation	1,313,381	-	-	-	-	-	1,313,381	-
Total Designated	4,433,620	-	-	-	-	-	4,433,620	-
Undesignated								
	-	739,566	5,448,248	4,116,234	7,992,977	1,067,608	19,364,633	389,894
Total Unreserved	4,433,620	739,566	5,448,248	4,116,234	7,992,977	1,067,608	23,798,253	389,894
Total	\$ 9,958,648	\$ 739,566	\$ 5,448,248	\$ 4,116,234	\$ 7,992,977	\$ 1,129,752	\$ 29,385,425	\$ 389,894

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2009, the District purchased commercial insurance for property and liability and general liability insurance coverage. The District also contracted with Schools Excess Property and Liability Fund (SELF) for excess property and liability insurance coverage. Settled claims have not exceeded coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

<u>Insurance Program / Company Name</u>	<u>Type of Coverage</u>	<u>Limits</u>
Alameda County Schools Insurance Group	Workers' Compensation	State Statutory
American Guarantee & Liability	Property and Liability	\$ 249,928,636
American Guarantee & Liability	General Liability	\$ 3,000,000
CAN Insurance Companies	Boiler and machinery	\$ 3,000,000
Schools Excess Liability Fund (SELF)	Excess General Liability	\$ 25,000,000

Workers' Compensation

For fiscal year 2009, the District participated in the Alameda County Schools Insurance Group (ACSIG), an insurance purchasing pool. The intent of the ACSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the ACSIG. The workers' compensation experience of the participating Districts is calculated as one experience and a common premium rate is applied to all Districts in the ACSIG. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participated school districts. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ACSIG. Participation in the ACSIG is limited to Districts that can meet the ACSIG selection criteria.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

CalSTRS

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2008-2009 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ending June 30, 2009, 2008, and 2007, were \$5,101,751, \$5,183,666, and \$4,966,049, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor 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, California 95811.

Funding Policy

Active plan members are required to contribute 7.0 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 the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2008-2009 was 9.428 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2009, 2008, and 2007, were \$1,641,024, \$1,687,715, and \$1,600,176, respectively, and equal 100 percent of the required contributions for each year.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Tax Deferred Annuity/Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the TDA as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 3.75 percent of an employee's gross earnings. An employee is required to contribute 3.75 percent of his or her gross earnings to the pension plan.

The District also allows employees to participate in the New Haven Unified School District 4 403(b) Tax Deferred Annuity Plan (TDA), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,792,416 (4.517 percent of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budget amounts reported in the General Fund Budgetary Comparison Schedule.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2009.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2009.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

Construction Commitments

As of June 30, 2009, the District had the following commitments with respect to the unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
James Logan High Theater	\$ 8,166,306	Feb-09
Cesar Chavez Middle School Gym	2,015,593	Aug-09
Cesar Chavez Middle Classroom Modernization	1,495,703	Aug-09
Alvarado Middle School Building Replacement	4,436,916	Jan-09
	<u>\$ 16,114,518</u>	

NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWER AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The District is a member of the Schools Excess Fund (SELF), and the Alameda County School s Insurance Group (ACSIG) public entity risk pools and the Mission Valley Regional Occupational Program (MVROP), the Mission Valley SELPA, and the South County Transportation Group (SCTG) joint powers authorities (JPA's). The District pays an annual premium to the applicable entity for its workers' compensation, and property liability coverage. Payments for transportation services are paid to the SCTG. Regional Occupational apportionments are passed through to MVROP. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

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

The District has appointed one board member to the Governing Board of ACSIG and two board members to the Governing Board of MVROP.

During the year ended June 30, 2009, the District made payments of \$102,976, \$1,663,592 and \$1,244,771, to SELF, ACSIG, and MVROP, respectively for risk management for excess liability, workers compensation, and occupational training.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

NOTE 15 – FISCAL ISSUES RELATING TO BUDGET REDUCTIONS

The State of California continues to suffer the effects of a recessionary economy. California school districts are reliant on the State of California to appropriate the funding necessary to continue the level of educational services expected by the State constituency. With the implementation of education trailer bill Senate Bill 4 of the 2009-10 Third Extraordinary Session (SBX3 4) (Chapter 12, Statutes of 2009), 14 percent of current year appropriations have now been deferred to a subsequent period, creating significant cash flow management issues for districts in addition to requiring substantial budget reductions, ultimately impacting the ability of California school districts to meet their goals for educational services.

NOTE 16 - SUBSEQUENT EVENTS

ABX4 3 State Funding Shift

On July 28, 2009, Governor Schwarzenegger signed a package of bills amending the 2008-09 and 2009-10 California State budgets. The budget amendments were designed to address the State's budget gap of \$24 billion that had developed as a result of the deepening recession since the State's last budget actions in February 2009. The July budget package reduced, on a State-wide basis, \$1.6 billion in 2008-09 Proposition 98 funding through a reversion of undistributed categorical program balances. The budget language identified 51 specific programs and required the amounts associated with these programs that were "unallocated, unexpended, or not liquidated as of June 30, 2009" to revert to the State's General Fund. The July budget package also provided an appropriation in 2009-10 to backfill \$1.5 billion of these cuts to repay the 2008-09 reversion of the undistributed categorical program balances.

The District recorded the revenue and related receivables associated with its portion of the unallocated, unexpended or unliquidated categorical program balances identified in the July 2009 State Budget package prior to notification of by the State that the 2009-10 re-appropriation should not be accrued. In accordance with Governmental Accounting Standards Board Statement No. 33, an adjustment to reduce revenue and the related receivable has been included in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

NEW HAVEN UNIFIED SCHOOL DISTRICT

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variations -
	(GAAP Basis)			Positive
	Original	Final		(Negative) Final to Actual
REVENUES				
Revenue limit sources	\$ 73,016,306	\$ 68,661,478	\$ 71,385,152	\$ 2,723,674
Federal sources	5,172,357	7,289,764	8,567,114	1,277,350
Other state sources	16,983,069	16,407,345	18,725,059	2,317,714
Other local sources	8,692,317	8,584,194	8,505,550	(78,644)
Total Revenues¹	103,864,049	100,942,781	107,182,875	6,240,094
EXPENDITURES				
Current				
Instruction	70,375,114	73,376,802	74,200,310	(823,508)
Instruction-related activities:				
Supervision of instruction	3,737,137	3,643,867	3,542,404	101,463
Instructional library, media, and technology	750,036	1,234,256	1,226,910	7,346
School site administration	6,296,124	6,284,118	6,226,385	57,733
Pupil services:				
Home-to-school transportation	2,494,374	2,565,547	2,425,445	140,102
All other pupil services	3,918,559	3,975,089	3,923,447	51,642
General administration:				
Data processing	1,083,469	1,016,143	1,015,808	335
All other general administration	4,138,122	3,884,985	3,884,913	72
Plant services	9,377,711	10,070,000	9,890,365	179,635
Ancillary services	485,382	722,011	721,185	826
Community services	181,076	222,295	222,295	-
Other outgo	1,565,407	1,316,954	1,316,954	-
Enterprise services	-	8,104	-	8,104
Debt service				
Principal	-	8,104	90,442	(82,338)
Interest and other	-	90,443	8,104	82,339
Total Expenditures¹	104,402,511	108,418,718	108,694,967	(276,249)
Excess (Deficiency) of Revenues Over Expenditures	(538,462)	(7,475,937)	(1,512,092)	5,963,845
Other Financing Sources (Uses):				
Transfers in	2,003,029	4,083,919	3,539,637	(544,282)
Other sources	-	841,083	-	(841,083)
Transfers out	(622,423)	(692,966)	(692,966)	-
Net Financing Sources (Uses)	1,380,606	4,232,036	2,846,671	(1,385,365)
NET CHANGE IN FUND BALANCES	842,144	(3,243,901)	1,334,579	4,578,480
Fund Balance - Beginning	8,624,069	8,624,069	8,624,069	-
Fund Balance - Ending	\$ 9,466,213	\$ 5,380,168	\$ 9,958,648	\$ 4,578,480

¹ On behalf payments of \$2,792,416 are included in the actual revenues and expenditures, but have not been included in the budget amounts.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING
PROGRESS
FOR THE YEAR ENDED JUNE 30, 2009**

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Percent of Payroll (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
July 1, 2007	\$ 419,200	\$ 7,734,600	\$ 7,315,400	5%	\$ 423,500	1727%

SUPPLEMENTARY INFORMATION

NEW HAVEN UNIFIED SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Elementary and Secondary School Counseling Demonstration Program	84.215E	n/a	\$ 320,568
Elementary and Secondary School Counseling & Emergency Program	84.184E	n/a	35,495
Passed through California Department of Education (CDE):			
Adult Education - State Grant Programs			
Adult Basic Education and ESL	84.002	14508	206,355
Adult Secondary Education	84.002	13978	25,725
English Literacy and Civics Education	84.002	14109	116,007
No Child Left Behind			
Title I - Basic Grants-Low Income	84.010	14329	1,414,422
Title I - Migrant Education - Regular and Summer	84.011	14326	229,416
Title I - Even Start Family Literacy	84.213	14331	124,035
Title I - Even Start Migrant Education	84.011	14768	26,500
Title II - Enhancing Education Through Technology	84.318	14334	7,386
Title II - Education Technology Competitive Grants	84.318	14368	1,315
Title II - Improving Teacher Quality Local Grants	84.367	14341	337,416
Title III - Limited English Proficiency (LEP)	84.365	10084	262,383
Title III - Limited English Proficiency (LEP) Student Program	84.365	14346	47,429
Title IV - Safe and Drug Free Schools	84.186	14347	21,190
Title V - Innovative Education Strategies	84.298	14354	1,514
Special Education IDEA (PL 94-142)			
Basic Local Assistance Entitlement	84.027	13379	1,869,678
Preschool Staff Development	84.173A	13431	384
Preschool Local Entitlement, Part B, Sec 611	84.027A	13682	98,013
Preschool Grants	84.173	13430	63,187
Vocational Educational (Carl Perkins Act)			
Vocational Programs	84.048	13924	65,550
Total U.S. Department of Education			<u>5,273,968</u>

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2009

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Education (CDE):			
Medical Assistance Program - Medi-Cal Billing Option	93.778	10013	<u>196,220</u>
Total U.S. Department of Health and Human Services			<u>196,220</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Passed through California Department of Education (CDE):			
Aerospace Education Services Program - NASA Explorer	43.001	¹	<u>3,631</u>
DEPARTMENT OF COMMERCE			
Passed through California Department of Education (CDE):			
Educational Partnership Program - NOAA B-WET	11.429	¹	<u>88,345</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education (CDE):			
Child Nutrition			
Child Nutrition School Programs	10.553	13390	1,670,912
Child Care Food Program (CCFP)	10.558	13666	16,999
Fair Market Value of Commodities	10.565	13396	<u>159,163</u>
Total U.S. Department of Agriculture			<u>1,847,074</u>
Total Expenditures of Federal Awards			<u>\$ 7,409,238</u>

¹ Pass-Through Entity Identifying Number not available

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2009

ORGANIZATION

The New Haven Unified School District was established in 1965 and encompasses approximately 18 square miles within Union City and 7.5 square miles within the City of Hayward for a total of 25.5 square miles. The District operates eight elementary schools, three middle schools, one comprehensive high school, one continuation school, one opportunity school, an adult school and a regional occupational program. There were no District boundary changes during the year.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Gertrude Gregorio	President	2010
Gwen Estes	Clerk	2010
Jonas Dino	Member	2012
Kevin Harper	Member	2012
Michelle Matthews	Member	2012

ADMINISTRATION

<u>NAME</u>	<u>TITLE</u>
Kari McVeigh	Superintendent
Ted Hood	Chief Business Officer

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2009

	Second Period Report	Annual Report
ELEMENTARY		
Kindergarten	897	915
First through third	2,612	2,631
Fourth through sixth	2,656	2,648
Seventh and eighth	1,861	1,849
Opportunity schools	10	9
Special education	289	282
Total Elementary	8,325	8,334
SECONDARY		
Regular classes	3,746	3,730
Continuation education	148	149
Opportunity schools	16	14
Home and hospital	-	7
Special education	150	145
Total Secondary	4,060	4,045
Total K-12	12,385	12,379
REGIONAL OCCUPATIONAL PROGRAM CLASSES FOR ADULTS		
Concurrently enrolled	16	20
Not concurrently enrolled	616	631
Total Classes for Adults	632	651
Grand Total	13,530	13,541
		<u>Hours of Attendance</u>
SUMMER SCHOOL		
Elementary		101,384
High school		151,685
Total Hours		253,069

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME FOR THE YEAR ENDED JUNE 30, 2009

Grade Level	1982-83	1986-87	2008-2009	Number of Days		Status
	Actual Minutes	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	32,415	36,000	36,000	180	Not Applicable	In Compliance
Grade 1	46,004	52,156 ¹	52,380	180	Not Applicable	In Compliance
Grade 2	46,004	52,156 ¹	52,380	180	Not Applicable	In Compliance
Grade 3	46,004	52,156 ¹	52,380	180	Not Applicable	In Compliance
Grade 4	46,004	52,156 ¹	52,380	180	Not Applicable	In Compliance
Grade 5	46,004	52,156 ¹	52,380	180	Not Applicable	In Compliance
Grade 6	55,580	54,000	56,626	180	Not Applicable	In Compliance
Grade 7	55,580	54,000	56,626	180	Not Applicable	In Compliance
Grade 8	55,580	54,000	56,626	180	Not Applicable	In Compliance
Grade 9	55,580	54,000	64,811	180	Not Applicable	In Compliance
Grade 10	55,580	54,000	64,811	180	Not Applicable	In Compliance
Grade 11	55,580	54,000	64,811	180	Not Applicable	In Compliance
Grade 12	55,580	54,000	64,811	180	Not Applicable	In Compliance

¹The required minutes for grades 1-3 are 50,400 and grade 4-5 are 54,000. Grades 1-5 are combined on the same campus and operates under the same bell schedule. Therefore, a weighted average is used to determine the 1982-83 and 1986-87 minutes requirement for grades 1-5.

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

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

	<u>General Fund</u>
FUND BALANCE	
Balance, June 30, 2009, Unaudited Actuals	\$ 10,419,005
Decrease in:	
Accounts receivable	(460,357)
Balance, June 30, 2009, Audited Financial Statement	<u>\$ 9,958,648</u>

The District recorded the revenue and related receivables associated with its portion of the 2008-09 reverted unallocated, unexpended or un-liquidated categorical program balances identified in the 2009-10 re-appropriation in the July 2009 State Budget package prior to notification by the State that the 2009-10 re-appropriation should not be accrued. In accordance with Governmental Accounting Standards Board Statement No. 33, an adjustment to reduce revenues and the related receivables have been included in these financial statements. See Note 16 regarding the subsequent events.

Summarized below are the Form Asset and Debt reconciliations between the Unaudited Actual Financial Report, and the audited financial statements:

	<u>Form Asset</u>
FORM ASSET	
Total Capital Assets, June 30, 2009, Unaudited Actuals	\$ 245,765,548
Increase in:	
Accumulated depreciation	(16,529,364)
Total Capital Assets, June 30, 2009, Audited Financial Statement	<u>\$ 229,236,184</u>
	<u>Form Debt</u>
FORM DEBT	
Total Liabilities, June 30, 2009, Unaudited Actuals	\$ 189,983,433
Increase in:	
Bond interest accretion	10,397,653
Postemployment benefit liability (OPEB)	623,900
Bond premium, net of amortization	22,317,017
Total Liabilities, June 30, 2009, Audited Financial Statement	<u>\$ 223,322,003</u>

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

	(Budget) 2010 ¹	2009	2008	2007
GENERAL FUND				
Revenues	\$ 101,737,167	107,182,875	\$ 108,819,434	\$ 109,477,919
Other sources	1,958,411	3,539,637	1,429,709	1,800,318
Total Revenues and Other Sources	103,695,578	110,722,512	110,249,143	111,278,237
Expenditures	103,971,978	108,694,967	111,682,781	106,504,252
Other uses and transfers out	36,000	692,966	626,423	592,640
Total Expenditures and Other Uses	104,007,978	109,387,933	112,309,204	107,096,892
INCREASE (DECREASE) IN FUND BALANCE	\$ (312,400)	\$ 1,334,579	\$ (2,060,061)	\$ 4,181,345
ENDING FUND BALANCE	\$ 9,646,248	\$ 9,958,648	\$ 8,624,070	\$ 10,684,131
AVAILABLE RESERVES ²	\$ 3,120,240	\$ 3,888,659	\$ 3,371,028	\$ 4,451,190
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO ³	3.00%	3.65%	3.08%	4.26%
LONG-TERM DEBT	\$ 218,159,593	\$ 223,322,003	\$ 223,237,655	\$ 190,289,857
K-12 AVERAGE DAILY ATTENDANCE AT P-2	12,355	12,385	12,458	12,560

The General Fund balance has increased by \$725,483 over the past two years. The fiscal year 2009-2010 budget projects a decrease of \$312,400 (3.14 percent). For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in one of the past three years and anticipates incurring an operating deficit during the 2009-2010 fiscal year. Total long-term debt has increased by \$33,032,146 over the past two years.

Average daily attendance has decreased by 175 over the past two years. A decrease of 30 ADA is anticipated during fiscal year 2009-2010.

1 Budget 2010 is included for analytical purposes only and has not been subjected to audit.

2 Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund and Special Reserve Fund (other than capital outlay), and the ABX 4 3 adjustments of \$460,357.

3 On-behalf payments of \$2,792,416, \$2,836,972, \$2,717,847, respectively, have been excluded from the calculation of available reserves for fiscal years ending June 30, 2009, 2008, and 2007.

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	Adult Education Fund	Child Development Fund	Cafeteria Fund
ASSETS			
Deposits and investments	\$ 78,741	\$ 1,056	\$ 389,416
Receivables	278,934	383,256	111,822
Due from other funds	3,402	-	9,469
Stores inventories	-	-	62,144
Total Assets	\$ 361,077	\$ 384,312	\$ 572,851
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 11,157	\$ 371,985	\$ 13,630
Due to other funds	349,920	12,327	137,514
Total Liabilities	361,077	384,312	151,144
Fund Balances:			
Reserved for:			
Other reservations	-	-	62,144
Unreserved:			
Undesignated, reported in:			
Special revenue funds	-	-	359,563
Capital projects funds	-	-	-
Total Fund Balance	-	-	421,707
Total Liabilities and Fund Balances	\$ 361,077	\$ 384,312	\$ 572,851

See accompanying note to supplementary information.

Deferred Maintenance Fund	Special Reserve Non-Capital Fund	Special Reserve Capital Outlay Fund	Total Non-Major Governmental Funds
\$ 584,128	\$ 270,961	\$ 11,155	\$ 1,335,457
1,194	1,102	40	776,348
-	36,000	388,757	437,628
-	-	-	62,144
<u>\$ 585,322</u>	<u>\$ 308,063</u>	<u>\$ 399,952</u>	<u>\$ 2,611,577</u>
\$ -	\$ -	\$ -	\$ 396,772
585,322	-	(30)	1,085,053
<u>585,322</u>	<u>-</u>	<u>(30)</u>	<u>1,481,825</u>
-	-	-	62,144
-	308,063	-	667,626
-	-	399,982	399,982
<u>-</u>	<u>308,063</u>	<u>399,982</u>	<u>1,129,752</u>
<u>\$ 585,322</u>	<u>\$ 308,063</u>	<u>\$ 399,952</u>	<u>\$ 2,611,577</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009**

	Adult Education Fund	Child Development Fund	Cafeteria Fund
REVENUES			
Federal sources	\$ 348,087	\$ -	\$ 1,687,911
Other state sources	1,242,699	1,914,580	118,164
Other local sources	111,091	-	1,621,638
Total Revenues	<u>1,701,877</u>	<u>1,914,580</u>	<u>3,427,713</u>
EXPENDITURES			
Current			
Instruction	1,276,298	1,914,580	-
Instruction-related activities:			
Supervision of instruction	1,469	-	-
School site administration	478,013	-	-
Pupil services:			
Food services	-	-	3,189,269
All other pupil services	19,217	-	-
General administration:			
All other general administration	67,026	-	136,957
Plant services	194,401	-	139,332
Facility acquisition and construction	-	-	-
Ancillary services	-	-	-
Community services	5,543	-	-
Total Expenditures	<u>2,041,967</u>	<u>1,914,580</u>	<u>3,465,558</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(340,090)</u>	<u>-</u>	<u>(37,845)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	(265,199)	-	-
Net Financing Sources (Uses)	<u>(265,199)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(605,289)</u>	<u>-</u>	<u>(37,845)</u>
Fund Balance - Beginning	<u>605,289</u>	<u>-</u>	<u>459,552</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,707</u>

See accompanying note to supplemental information.

Deferred Maintenance Fund	Special Reserve Non-Capital Fund	Special Reserve Capital Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 2,035,998
461,635	-	-	3,737,078
7,096	5,728	25,474	1,771,027
<u>468,731</u>	<u>5,728</u>	<u>25,474</u>	<u>7,544,103</u>
-	-	-	3,190,878
-	-	-	1,469
-	-	-	478,013
-	-	-	3,189,269
-	-	-	19,217
-	-	-	203,983
1,410,149	-	-	1,743,882
32,000	-	-	32,000
-	-	-	-
-	-	-	5,543
<u>1,442,149</u>	<u>-</u>	<u>-</u>	<u>8,864,254</u>
<u>(973,418)</u>	<u>5,728</u>	<u>25,474</u>	<u>(1,320,151)</u>
656,966	36,000	374,508	1,067,474
<u>(585,322)</u>	<u>-</u>	<u>-</u>	<u>(850,521)</u>
<u>71,644</u>	<u>36,000</u>	<u>374,508</u>	<u>216,953</u>
<u>(901,774)</u>	<u>41,728</u>	<u>399,982</u>	<u>(1,103,198)</u>
<u>901,774</u>	<u>266,335</u>	<u>-</u>	<u>2,232,950</u>
<u>\$ -</u>	<u>\$ 308,063</u>	<u>\$ 399,982</u>	<u>\$ 1,129,752</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

**WELFARE BENEFIT PLANS
STATEMENTS OF PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Certificated and Management Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Classified Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Board and Superintendent		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
ASSETS								
Investments	\$ -	\$ -	\$ 87,606	\$ 38,694	\$ 337,586	\$ 474,955	\$ 425,192	\$ 513,649
Plan sponsor receivable	243,679	166,543	622	399	2,963	4,005	247,264	170,947
Total Assets	<u>243,679</u>	<u>166,543</u>	<u>88,228</u>	<u>39,093</u>	<u>340,549</u>	<u>478,960</u>	<u>672,456</u>	<u>684,596</u>
LIABILITIES								
Overdrafts	243,679	149,103	-	-	-	-	243,679	149,103
Accounts payable	-	-	-	6,880	-	800	-	7,680
Due to other funds	31,106	17,440	5,833	-	1,944	-	38,883	17,440
Total Liabilities	<u>274,785</u>	<u>166,543</u>	<u>5,833</u>	<u>6,880</u>	<u>1,944</u>	<u>800</u>	<u>282,562</u>	<u>174,223</u>
Net assets held in trust for OPEB	<u>\$ (31,106)</u>	<u>\$ -</u>	<u>\$ 82,395</u>	<u>\$ 32,213</u>	<u>\$ 338,605</u>	<u>\$ 478,160</u>	<u>\$ 389,894</u>	<u>\$ 510,373</u>

See accompanying note to supplemental information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

**WELFARE BENEFIT PLANS
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Certificated and Management Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Classified Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Board and Superintendent		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
ADDITIONS TO NET ASSETS								
Employer contributions	\$ 299,296	\$ 319,706	\$ 163,247	\$ 193,707	\$ 223,700	\$ 200,000	\$ 686,243	\$ 713,413
Transfers from investments	244,873	166,542	-	-	-	-	244,873	166,542
Investment income (loss)	(7,443)	145	630	1,685	12,003	12,323	5,190	14,153
Total Additions	<u>536,726</u>	<u>486,393</u>	<u>163,877</u>	<u>195,392</u>	<u>235,703</u>	<u>212,323</u>	<u>936,306</u>	<u>894,108</u>
DEDUCTIONS FROM NET ASSETS								
Benefits paid to participants	529,481	451,553	107,863	176,910	372,330	137,529	1,009,674	765,992
Transfer to investments	-	-	-	-	-	-	-	-
Administrative costs	38,351	34,840	5,832	17,219	2,928	15,800	47,111	67,859
Total Deductions	<u>567,832</u>	<u>486,393</u>	<u>113,695</u>	<u>194,129</u>	<u>375,258</u>	<u>153,329</u>	<u>1,056,785</u>	<u>833,851</u>
Net Increase	<u>(31,106)</u>	<u>-</u>	<u>50,182</u>	<u>1,263</u>	<u>(139,555)</u>	<u>58,994</u>	<u>(120,479)</u>	<u>60,257</u>
NET ASSETS HELD IN TRUST FOR OPEB								
Beginning of Year	-	-	32,213	30,950	478,160	419,166	510,373	450,116
End of Year	<u>\$ (31,106)</u>	<u>\$ -</u>	<u>\$ 82,395</u>	<u>\$ 32,213</u>	<u>\$ 338,605</u>	<u>\$ 478,160</u>	<u>\$ 389,894</u>	<u>\$ 510,373</u>

See accompanying note to supplemental information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2009

NOTE 1 - PURPOSE OF SCHEDULES

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 financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciliation amounts represent expenditures reported on the Schedule of Expenditure of Federal Awards. The reconciliation amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2009. The unspent balances are reported as legally restricted ending balances within the General Fund.

Description	CFDA Number	Amount
Total Federal Revenues Statement of Revenues, Expenditures and Changes in Fund Balance:		\$ 10,603,112
ARRA: State Fiscal Stabilization Fund	84.394	(3,353,037)
Commodities Received	10.555	159,163
Total Schedule of Expenditures of Federal Awards		<u>\$ 7,409,238</u>

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

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 apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 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.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION (CONTINUED) JUNE 30, 2009

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 Unaudited Actual Financial Report to the audited financial statements.

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.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

Combining Statements – Fiduciary Trust Funds – Plan Net Assets and Changes in Plan Net Assets

The Welfare Benefits Plans Statements of Plan Net Assets and Statement of Changes in Plan Net Assets is included to provide information regarding the individual Trust that have been included in the Welfare Benefits Plans columns on the Net Assets and Changes in Plan Net Assets Statements.

SUPPLEMENTARY INFORMATION
UNAUDITED

NEW HAVEN UNIFIED SCHOOL DISTRICT

ASSESSED VALUATION OF TAXABLE PROPERTIES AND SECURED TAX CHARGES AND DELINQUENCIES WITHIN THE NEW HAVEN UNIFIED SCHOOL DISTRICT BOUNDARIES - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2009

The total assessed valuation of taxable properties with the New Haven Unified School District boundaries are:

Secured (including utilities)	\$ 8,843,219,206
Unsecured	505,875,720
Utility	2,300,434
Total 2008-2009 Assessed Valuation	<u>\$ 9,351,395,360</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION - UNAUDITED JUNE 30, 2009

NOTE 1 - PURPOSE OF SCHEDULES - UNAUDITED

Assessed Valuation of Taxable Properties and Secured Tax Charges and Delinquencies Within the New Haven Unified School District Boundaries

As part of the District's continuing disclosure certification for reporting to official depositories, the assessed valuation of taxable properties and secured tax charges and delinquencies within the New Haven Unified School District boundaries have been presented. This information was prepared by the Auditor/Controller's Office of Alameda County. We have not audited, and therefore do not express an opinion on this information.

INDEPENDENT AUDITORS' REPORTS



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

Governing Board
New Haven Unified School District
Union City, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Haven Unified School District as of and for the year ended June 30, 2009, which collectively comprise New Haven Unified School District's basic financial statements and have issued our report thereon dated December 15, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered New Haven Unified School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the New Haven Unified School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the New Haven Unified School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of New Haven Unified School District in a separate letter dated December 15, 2009.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 15, 2009



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

Governing Board
New Haven Unified School District
Union City, California

Compliance

We have audited the compliance of New Haven Unified School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2009. New Haven Unified School District's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of New Haven Unified School District's management. Our responsibility is to express an opinion on New Haven Unified School District's compliance based on our audit.

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

In our opinion, New Haven Unified School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of New Haven Unified School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered New Haven Unified School District's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 New Haven Unified School District's internal control over compliance.

A *control deficiency* in a district's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal program on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Navrinek, Time, Day & Co., LLP

Pleasanton, California
December 15, 2009



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board
New Haven Unified School District
Union City, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Haven Unified School District as of and for the year ended June 30, 2009, and have issued our report thereon dated December 15, 2009. 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 the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2008-09*, issued by the California Education Audit Appeals Panel as regulations. 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 opinions.

Compliance with the requirements of laws, regulations, contracts, and grants listed below is the responsibility of New Haven Unified School District's management. In connection with the audit referred to above, we selected and tested transactions and records to determine the New Haven Unified School District's compliance with the State laws and regulations applicable to the following items:

	Procedures in Audit Guide	Procedures Performed
Attendance Accounting:		
Attendance reporting	8	Yes
Independent study	23	Yes
Continuation education	10	Yes
Instructional Time:		
School districts	6	Yes
County offices of education	3	Not Applicable
Community day schools	3	Not Applicable
Instructional Materials:		
General requirements	8	Yes, see below
Ratios of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes
Early retirement incentive	4	Not Applicable

	Procedures in Audit Guide	Procedures Performed
Gann limit calculation	1	Yes
School Accountability Report Card	3	Yes
Class Size Reduction Program (including in Charter Schools):		
General requirements	7	Yes
Option one classes	3	Yes
Option two classes	4	Not Applicable
District or charter schools with only one school serving K-3	4	Not Applicable
After School Education and Safety Program		
General requirements	4	Not Applicable
After school	4	Not Applicable
Before school	5	Not Applicable
Charter Schools:		
Contemporaneous records of attendance	1	Not Applicable
Mode of instruction	1	Not Applicable
Non classroom-based instruction/independent study	15	Not Applicable
Determination of funding for non classroom-based instruction	3	Not Applicable
Annual instruction minutes classroom based	3	Not Applicable

We performed testing of procedure (a) only for Instructional Materials general requirements, as additional procedures were not determined to be required.

Based on our audit, we found that for the items tested, the New Haven Unified 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 New Haven Unified School District had not complied with the laws and regulations. Our audit does not provide a legal determination on New Haven Unified School District's compliance with the State laws and regulations referred to above.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, the California Department of Finance, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Narvinek, Time, Day & Co., LLP

Pleasanton, California
December 15, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEW HAVEN UNIFIED SCHOOL DISTRICT

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2009**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.002</u>	<u>Adult Education Cluster</u>
<u>84.010</u>	<u>Title I - Basic Grants</u>
<u>84.367</u>	<u>Title II - Improving Teacher Quality</u>
<u>84.365</u>	<u>Title III - Limited English Proficiency</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unqualified</u>

NEW HAVEN UNIFIED SCHOOL DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

FINANCIAL STATEMENT FINDINGS

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDING

There were no prior year findings.