

The Yolo County Office of Education will be a countywide and regional leader to support and advocate for equity and access to high-quality educational programs.

AGENDA
YOLO COUNTY BOARD OF EDUCATION
Regular Meeting, Tuesday, January 31, 2017, 3:30pm

BOARD MEMBERS

Matt Taylor, President
Cirenio A. Rodriguez, Vice President
Bill Owens
Carol Souza Cole
Shelton Yip

LOCATION

Yolo County Office of Education
Conference Center
1280 Santa Anita Court, Suite 120
Woodland, CA 95776-6127

1.0 OPENING PROCEDURES

- 1.1 Call to Order and Roll Call
- 1.2 Pledge of Allegiance
- 1.3 Approval of Agenda
- 1.4 Public Comment

Posted: January 26, 2017

Action

This item is placed on the agenda for the purpose of providing visitors the opportunity to address the Board on any item(s) of business that does not appear on the formal agenda. You may request recognition by completing the form provided at the door.

Visitors may also request recognition from the chairperson, to address the Board concerning an item on the agenda by completing the form provided at the door.

The Board reserves the right to establish a time limit on these discussions, or to refer them to the next regular meeting for further deliberation.

2.0 REPORTS

2.1 Board Member(s)/Superintendent/Superintendent's Advisory Team/Committee(s)

- a. Board Members
- b. Superintendent
 - 1) YCOE Employee of the Month
- c. Superintendent Advisory Team
- d. Committees

2.2 Associations *(This item provides an opportunity for YEA/CSEA/AFSCME representatives to address the Board and public.)*

THE BOARD HAS THE OPTION TO TAKE ACTION ON ANY ITEM(S) LISTED ON THE AGENDA FOR INFORMATION.

3.0 INFORMATION/DISCUSSION/ACTION

- | | | |
|----------------------------------|-------------|---|
| Action | 3.1 | Consent Agenda <ul style="list-style-type: none">a. Approval of Minutes: December 13, 2016 Regular Meetingb. Temporary County Certificates |
| Information | 3.2 | Report on Services for Foster Youth in Yolo County |
| Information | 3.3 | 2015-16 Audit Report |
| Information | 3.4 | P-1 ADA Report 2016-17 |
| Information | 3.5 | Attendance Reports <ul style="list-style-type: none">a. Alternative Educationb. Special Education |
| Information | 3.6 | Head Start/Early Head Start Reports <ul style="list-style-type: none">a. Enrollment Updateb. Programc. Financial Statusd. Standard Form 425 |
| Information | 3.7 | Quarterly Report of Investments for Period Ending September 30, 2016 |
| Information | 3.8 | Quarterly Report on Williams Uniform Complaints for YCOE Operated Schools Covering the Months of October, November, and December 2016 |
| Public Hearing 3:30PM | 3.9 | A public hearing will be conducted to receive comment from parents, teachers, members of the community, and bargaining unit leaders regarding the Yolo County Superintendent of Schools' Response to the Initial Proposal from the California School Employees Association (CSEA), Chapter #639, for 2016-17. |
| Information | 3.10 | Discuss Yolo County Board of Education Retreat Goals |
| Information | 3.11 | Suggested Future Agenda Item(s) |
| Action | 4.0 | ADJOURNMENT |

AGENDA PACKETS ARE AVAILABLE FOR REVIEW AT THE FOLLOWING LOCATIONS:

- *Four calendar days prior to the meeting, a full Board packet is available for review at the office of the Yolo County Office of Education Reception Desk, 1280 Santa Anita Court, Suite #100, Woodland (8:00 a.m. – 5:00 p.m., Monday through Friday – excluding County Office of Education holidays).*
- *Agenda documents distributed to the Board less than 72 hours before the meeting will be made available at the office of the Yolo County Office of Education Reception Desk, 1280 Santa Anita Court, Suite #100, Woodland (8:00 a.m. – 5:00 p.m., Monday through Friday – excluding County Office of Education holidays). [Government Code § 54957.5]*
- *Board agendas are posted outside the YCOE Administrative Office building at 1280 Santa Anita Court, Suite #100 and #120, in weather-protected glass cases.*
- *The Board agenda is posted on the County Office website: www.ycoe.org*

In compliance with the Americans with Disabilities Act, if you need special assistance to access the Board meeting room or to otherwise participate at this meeting, including auxiliary aids or services, please contact the Yolo County Office of Education at 530-668-3703. Notification at least 48 hours prior to the meeting will enable the office to make reasonable arrangements to ensure accessibility to the Board meeting. (Government Code § 54954.2)

YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|--|---|
| SUBJECT: Reports | AGENDA ITEM #: 2.0 |
| PER: <input checked="" type="checkbox"/> BOARD REQUEST <input type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Superintendent's Office |
| <u>BACKGROUND:</u> | DATE: January 31, 2017 |

Reports will be given as follows:

2.1 Board Member(s) / Superintendent / SAT / Committee(s)

- a. Board Members
- b. Superintendent
 - 1) YCOE Employee of the Month
- c. Superintendent Advisory Team (SAT)
- d. Committees

2.2 Associations

RECOMMENDATION/COMMENTS: For information.

YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|---|---|
| SUBJECT: Consent Agenda | AGENDA ITEM #: 3.1 |
| PER: <input checked="" type="checkbox"/> BOARD REQUEST <input checked="" type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| FOR BOARD: <input checked="" type="checkbox"/> ACTION <input type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Superintendent's Office |
| DATE: January 31, 2017 | |

BACKGROUND:

These items are expected to be routine and non-controversial. They will be acted upon by the Board at one time without discussion unless a Trustee or citizen requests that an item(s) be removed for discussion and separate consideration. In that case the designated item(s) will be considered following approval of the remaining items:

- a. Approval of the Minutes: December 13, 2016 Regular Meeting
- b. Temporary County Certificates: Temporary County Certificates (TCCs) are issued for up to a year throughout the county to certified employees whose credential applications are being processed by the California Commission on Teacher Credentialing.

RECOMMENDATION/COMMENTS: That one action is taken to approve above listed items.

YOLO COUNTY BOARD OF EDUCATION
Regular Meeting: December 13, 2016
DRAFT MINUTES

1.0 OPENING PROCEDURES

- 1.1 Call to Order and Roll Call. The Yolo County Board of Education met on December 13, 2016 at 3:33pm in Regular session in the Conference Center located at 1280 Santa Anita Court, Suite #120, Woodland, CA. Board Members present were: Carol Souza Cole, Matt Taylor, Bill Owens, Cirenio Rodriguez, and Shelton Yip. Board President Souza Cole presided. Dr. Jesse Ortiz, Superintendent of Schools, was also present. (Roll Call held)
- 1.2 Pledge of Allegiance. The pledge of allegiance was conducted.
- 1.3 Approval of Agenda. The agenda was approved as submitted.

MOTION: Yip. **SECOND:** Owens. **AYES:** Yip, Owens, Souza Cole, Taylor.
NOES: None. **ABSENT:** None.

- 1.4 Public Comment. There were no comments at this time.

2.0 CERTIFICATES OF ELECTION AND OATH OF OFFICE

Superintendent Ortiz issued the Oath of Office to Cirenio Rodriguez/Trustee Area #3; Trustee Rodriguez ran unopposed and was seated as if elected to serve a 4-year term.

3.0 REPORTS

3.1 Board Member(s)/Superintendent/SAT/Committee(s).

a. Board Members Reports:

- Trustee Taylor reported on a recent trip to Denver, CO, where he learned about teacher evaluation systems.
- Trustee Rodriguez shared that he is glad to be back on the Yolo County Board of Education.
- Trustee Owens attended the California School Boards Association (CSBA) Annual Education Conference in San Francisco and shared about some of the great presentations he attended which touched on the effect of trauma on education and the arts in education. He also shared about the Legislative awards presentation and appreciated the remarks made by State Senator Bill Dodd and Assemblymember Tony Thurman. They are very interested in working with California County Boards of Education (CCBE) which will benefit county offices of education throughout California.
- Trustee Yip agreed with Bill regarding the honoring of State Senator Bill Dodd and Assemblymember Tony Thurman. He also shared about some state funding issues affecting special education. He also mentioned how inspiring he found the CSBA Annual Education Conference to be and

- appreciated the opportunity to attend.
- Trustee Souza Cole reported that there will be an arts show on Thursday at Cesar Chavez Community School in West Sacramento.
- b. Superintendent:
- Superintendent Ortiz provided the following report:
 - o Requested to formalize Employee of the Month recognition. The Board asked to include a brief synopsis of what the employee's division does.
 - o Shared agreement with AFSCME. They reached an agreement approximately 6 weeks ago for 2% retroactive for 2016-17 commencing November 1st along with an increase for the health and welfare benefit cap.
 - o Shared the importance of celebrating equity and inclusion. Distributed draft of Be the Change Through Unity Programs events flyer and shared that these events are our way of trying to be more inclusive and bring more awareness. Invited the Board to attend the African American Youth Leadership on February 4 from 8:00am to 3:30pm at the West Sacramento Campus of Sacramento City College.
 - o Briefly mentioned the implementation of Arts in Education at Cesar Chavez Community School. An art studio has been developed on campus and an art show is being planned for April or May;
 - o Met with Edward James Olmos from the Latino Film Project in Sacramento and discussed the potential collaboration to benefit alternative education students in Yolo County; will keep the Board informed of progress with this partnership.
 - o Received resignation letter from newly elected trustee from Woodland Joint Unified School Board who has not been sworn in.
 - o Two CCCS students have been missing. One, from Esparto, has been missing for approximately six weeks and the other has been gone approximately two weeks. Garth Lewis shared that staff have been in contact with parents to check in and let them know the school is thinking about them. Law enforcement is actively investigating their disappearances. Trustee Rodriguez reported that there is an event scheduled this week at a church in town to bring awareness to the missing students.
- c. Superintendent's Advisory Team:
- Tami Ethier shared highlights for each department in Administrative Services including:
 - o Have been experiencing vandalism on YCOE vans stored at Greengate School. It has occurred several weekends so the vans have been moved to Santa Anita. Currently working on a contract with the County of Yolo to park the vans at their facility across the street from Greengate School.

- IT and Business Office are working on equipment inventory.
- The audit will be included in the January 31st meeting packet and Jeff Nigro will be in attendance at that meeting.
- Garth Lewis reported the following in Ronda DaRosa's absence (she is at training in Oakland):
 - Attended California Collaboration for Educational Excellence (CCEE) LCAP training.
 - Have individuals from YCOE and the school districts in Yolo County participating in the multi-tiered system of support, "Scale Up" effort to learn ways to marry work across county from Mental Health standpoint, educational services interventions into a multi-tiered system of support.
 - Working with Empower Yolo and Yolo County District Attorney's Office to better coordinate services.
 - Talking with Yolo County Probation to bring positive behavior reinforcement to Juvenile Hall.
 - College and Career Readiness is continuing to work with the districts to bring hands-on training to the schools.
 - Continuing to partner with Friday Night Live.
 - Lori Perez distributed a photo collage that was created for a former Head Start student whose sister attends Greengate School. The creation of the collage has been a project to help teach other students the power and impact of giving back.
- Trustee Souza Cole asked about the Adult Living Skills Graduation on December 22 and Sharon Holstege shared that it will be at 10:00am at YCOE for one student.

d. Committees: No reports.

3.2 Associations. No reports.

4.0 INFORMATION/DISCUSSION/ACTION

4.1 Organizational Meeting for 2017

a. Election of Officers

- 1) President. Board President Souza Cole opened the nominations for President. Trustee Yip nominated Trustee Matt Taylor for President and requested future discussion about adopting the Board of Supervisors' rotation of leadership. The Board thanked Trustee Souza Cole for serving as President for 2016.

MOTION: Yip. **SECOND:** Rodriguez. **AYES:** Yip, Rodriguez, Owens, Taylor, Souza Cole. **NOES:** None. **ABSENT:** None.

Trustee Matt Taylor was unanimously elected President for 2017.

- 2) Vice President. Board President Taylor opened the nominations for Vice President. Trustee Yip nominated Trustee Bill Owens but he preferred not to serve this year. Trustee Yip then nominated Cirenio Rodriguez.

MOTION: Yip. **SECOND:** Souza Cole. **AYES:** Yip, Souza Cole, Rodriguez, Taylor, Owens, Yip. **NOES:** None. **ABSENT:** None.

Trustee Rodriguez was unanimously elected Vice President for 2017.

- b. Adopt the 2017 Board Calendar Meeting Dates. The Board reviewed the proposed meeting calendar. The following meeting dates and times were approved:

January 31, 2017, 3:30pm
February 28, 2017, 3:30pm
March 28, 2017, 3:30pm
April 25, 2017, 3:30pm
May 23, 2017, 3:30pm
June 6, 2017 – *Special Meeting [Budget Study Session, 9:00am-12:00pm]*
June 29, 2017, 3:30pm
July 25, 2017, 3:30pm
August 22, 2017, 3:30pm
September 26, 2017, 3:30pm
October 24, 2017, 3:30pm
November 28, 2017, 3:30pm
December 12, 2017, 3:30pm

MOTION: Souza Cole. **SECOND:** Yip. **AYES:** Souza Cole, Yip, Taylor, Rodriguez, Owens. **NOES:** None. **ABSENT:** None.

- c. Appointment of Board Committee Representatives. The following appointments were made:

- 1) YCSBA: **Shelton Yip**
- 2) Policies/Procedures/Bylaw Review: **Carol Souza Cole and Shelton Yip**
- 3) Superintendent's Compensation: **Matt Taylor and Cirenio Rodriguez**
- 4) Facilities: **Bill Owens and Matt Taylor**
- 5) Board Budget: **Cirenio Rodriguez and Bill Owens**

4.2 Consent Agenda.

- a. Approval of Minutes:
 - November 15, 2016 Regular Meeting
 - November 29, 2016 Special Meeting
- b. Temporary County Certificates

The Board took action to approve the Consent Agenda as submitted.

MOTION: Souza Cole. **SECOND:** Rodriguez. **AYES:** Souza Cole, Rodriguez, Yip, Taylor, Owens. **NOES:** None. **ABSENT:** None.

- 4.3 Public Hearing. At 4:37pm, Board President Taylor opened the public hearing to receive comments from parents, teachers, members of the community, and bargaining unit leaders regarding the Initial Proposal to the Yolo County Superintendent of Schools from the California School Employees Association (CSEA), Chapter #639 for 2016-17. The Public Hearing was closed at 4:38pm.
- 4.4 Superintendent's Response to the Initial Proposal from the California School Employees Association (CSEA), Chapter #639 for 2016-17. Superintendent Ortiz presented this item for information.
- 4.7 Head Start/Early Head Start Reports.
 - a. Enrollment Update
 - b. Program
 - c. Financial Status

Gail Nadal distributed copies of the Head Start enrollment update and shared some updates for the program as well as responded to questions of the Board.

- 4.5 Yolo County Office of Education 2016-17 First Interim Report. Mechele Coombs reviewed a PowerPoint presentation and responded to questions of the Board. She highlighted new funding, renewed funding and adjusted funding.
- 4.6 Yolo County Office of Education 2016-17 First Interim Budget Revision Report. Mechele Coombs highlighted the material contained in the Board packet and responded to questions of the Board.

The Board took action to approve the report.

MOTION: Owens. **SECOND:** Souza Cole. **AYES:** Owens, Souza Cole, Yip, Rodriguez, Taylor. **NOES:** None. **ABSENT:** None.

- 4.8 Attendance Reports.
 - a. Alternative Education
 - b. Special Education

The Board reviewed the attendance reports distributed by staff. Garth Lewis responded to questions of the Board regarding the Alternative Education reports. Superintendent Ortiz and Trustee Yip gave kudos to Garth Lewis for his work with Alternative Education. Superintendent Ortiz shared that a new Youth Advocate, Tony Lopez, will be on the Cesar Chavez Community School campus 15 hours per week.

4.9 Suggested Future Agenda Items. The Board reviewed the suggested future items list contained in the Board packet. Superintendent Ortiz shared that Jessica Larsen, the Program Specialist for Foster Youth is leaving YCOE. Garth Lewis will give the report on Foster Youth services at the January 31, 2017 Regular Meeting. Trustee Owens requested some possible discussion at the Board Workshop to discuss the procedure for Interdistrict Attendance Appeals. No items were added to the list.

5.0 **ADJOURNMENT.** The meeting adjourned at 5:22pm.

MOTION: Rodriguez. **SECOND:** Souza Cole. **AYES:** Rodriguez, Souza Cole, Yip, Taylor, Owens. **NOES:** None. **ABSENT:** None.

Jesse Ortiz, Ed.D.
Yolo County Superintendent of Schools and
Secretary to the Yolo County Board of Education

/db

YOLO COUNTY OFFICE OF EDUCATION
 TEMPORARY COUNTY CERTIFICATES
 FOR DISTRICTS

December 2016

Davis Joint Unified School District

| Applicant Name | Type of Credential/Permit/Certificate |
|----------------|---------------------------------------|
| Dora Bien | 30 Day Sub Permit |
| Tara Uliasz | Education Specialist |
| Jennifer Terra | Single Subject |
| | |

Esparto Unified School District

| Applicant Name | Type of Credential/Permit/Certificate |
|----------------|---------------------------------------|
| | |
| | |
| | |

Washington Unified School District

| Applicant Name | Type of Credential/Permit/Certificate |
|----------------|---------------------------------------|
| Isabel Soto | 30 Day Sub Permit |
| | |
| | |
| | |

Winters Joint Unified School District

| Applicant Name | Type of Credential/Permit/Certificate |
|----------------|---------------------------------------|
| Wesley Medina | 30 Day Sub Permit |
| | |

Woodland Joint Unified School District

| Applicant Name | Type of Credential/Permit/Certificate |
|----------------|---------------------------------------|
| Julia Gardiner | 30 Day Sub Permit |
| | |
| | |
| | |

Yolo County Office of Education

| Applicant Name | Type of Credential/Permit/Certificate |
|-------------------------|---------------------------------------|
| Michelle Taylor | CD Associate Teacher Permit |
| Mayra Hernandez Jimenez | CD Associate Teacher Permit |
| | |
| | |

Total TCC's for the Month of December 2016: 8

YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|--|---|
| SUBJECT: Report on Services for Foster Youth in Yolo County | AGENDA ITEM #: 3.2 |
| PER: <input checked="" type="checkbox"/> BOARD REQUEST <input type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Garth Lewis |
| | DATE: January 30, 2017 |

BACKGROUND:

As requested by the Board, Assistant Superintendent, Garth Lewis, will provide information on services for foster youth in Yolo County.

RECOMMENDATION/COMMENTS: For information.

YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|--|---|
| SUBJECT: 2015-16 Audit Report | AGENDA ITEM #: 3.3 |
| PER: <input type="checkbox"/> BOARD REQUEST <input checked="" type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Mechele Coombs |
| <u>BACKGROUND:</u> | DATE: January 31, 2017 |

Jeff Nigro from Nigro & Nigro will be present to review the Audit Report for the year ending June 30, 2016. Mechele Coombs will also be available to assist in answering any questions.

RECOMMENDATION/COMMENTS: For Information. No action is required.

**YOLO COUNTY
OFFICE OF EDUCATION
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2016**



YOLO COUNTY OFFICE OF EDUCATION
For the Fiscal Year Ended June 30, 2016
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**YOLO COUNTY OFFICE OF EDUCATION
AUDIT REPORT**

For the Fiscal Year Ended June 30, 2016

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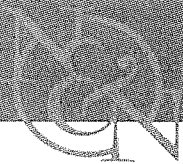
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Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Education
Yolo County Office of Education
Woodland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yolo County Office of Education, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Yolo County Office of Education, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

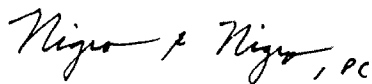
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, budgetary comparison information on pages 44 and 45, schedule of funding progress on page 46, schedule of proportionate share of the net pension liability on page 47, and schedule of contributions on page 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The supplementary information on pages 52 to 54 and the schedule of expenditures of federal awards on page 55 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The information on pages 51 and 56 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Murrieta, California
December 9, 2016

YOLO COUNTY OFFICE OF EDUCATION
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2016

This discussion and analysis of Yolo County Office of Education's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the County's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The County's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by \$1.8 million.
- Governmental expenses were approximately \$38.2 million. Revenues were approximately \$39.9 million.
- The County spent approximately \$370,000 in new capital assets during the year.
- The County increased its outstanding long-term debt by \$2.7 million. This was primarily due to an increase in net pension liability.
- Average daily attendance (ADA) in county programs increased by 17, or 31%. This was primarily due to the additional students in the Dan Jacobs School due to probations agreement with the Office of Refugee Resettlement.

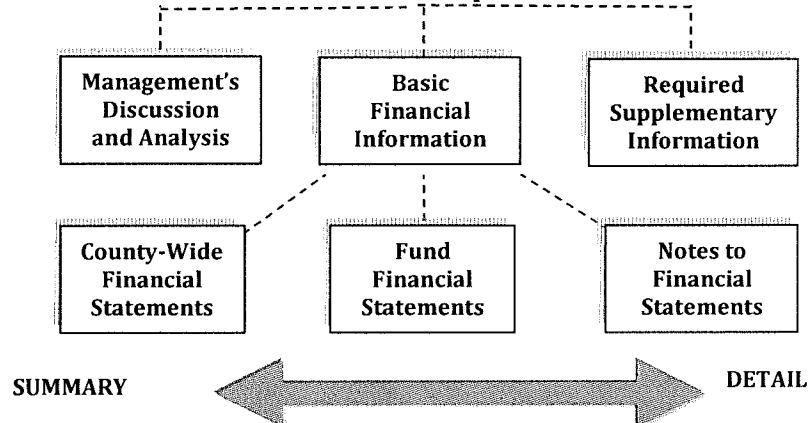
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
 - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
 - Short and long-term financial information about the activities of the County that operate like businesses (self-insurance funds) are provided in the *proprietary funds statements*.
 - *Fiduciary funds* statement provides information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1. Organization of Yolo County Office of Education's Annual Financial Report

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



YOLO COUNTY OFFICE OF EDUCATION
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities they cover and the types of information they contain.

Figure A-2. Major Features of the County-Wide and Fund Financial Statements

| Type of Statements | County-Wide | Governmental Funds | Proprietary Fund | Fiduciary Fund |
|---|--|--|--|---|
| <i>Scope</i> | Entire county, except fiduciary activities | The activities of the County that are not proprietary or fiduciary, such as special education and building maintenance | Activities of the County that operate like a business, such as self-insurance funds | Instances in which the County administers resources on behalf of someone else, such as scholarship programs and student activities monies |
| <i>Required financial statements</i> | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, & Changes in Net Position • Statement of Cash Flows | <ul style="list-style-type: none"> • Statement of Fiduciary Net Position |
| <i>Accounting basis and measurement focus</i> | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| <i>Type of asset/liability information</i> | All assets and liabilities, both financial and capital, short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both short-term and long-term; The County's funds do not currently contain nonfinancial assets, though they can | All assets and liabilities, both short-term and long-term; The County's funds do not currently contain nonfinancial assets, though they can |
| <i>Type of inflow/outflow information</i> | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid | All revenues and expenses during the year, regardless of when cash is received or paid |

YOLO COUNTY OFFICE OF EDUCATION
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

County-Wide Statements

The county-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the County's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two county-wide statements report the County's net position and how it has changed. Net position – the difference between the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the County's financial health, or *position*.

- Over time, increases and decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the County, you need to consider additional nonfinancial factors such as changes in the County's demographics and the condition of school buildings and other facilities.
- In the county-wide financial statements, the County's activities are categorized as *Governmental Activities*. Most of the County's basic services are included here, such as regular and special education and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds – not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The County establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that is properly using certain revenues.

The County has three kinds of funds:

- 1) **Governmental funds** – Most of the County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

YOLO COUNTY OFFICE OF EDUCATION
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2016

Fund Financial Statements (continued)

- 2) **Proprietary funds** – When the County charges other County funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the County's internal service fund is included within the governmental activities reported in the County-wide statements but provide more detail and additional information, such as cash flows. The County uses the internal service fund to report activities that relate to the County's program for dental insurance benefits.
- 3) **Fiduciary funds** – The County is the trustee, or fiduciary, for assets that belong to others, such as the Payroll Clearing Account Fund. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the County-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position. The County's combined net position was higher on June 30, 2016, than it was the year before – increasing to \$1.2 million (See Table A-1).

Table A-1

| | Governmental Activities | | Variance Increase (Decrease) |
|----------------------------------|--------------------------------|-----------------|---|
| | (In millions) | | |
| | 2016 | 2015 | |
| Current assets | \$ 21.5 | \$ 16.4 | \$ 5.1 |
| Capital assets | 10.6 | 10.8 | (0.2) |
| Total assets | 32.1 | 27.2 | 4.9 |
| Total deferred outflows | 3.3 | 1.5 | 1.8 |
| Current liabilities | 8.9 | 5.6 | 3.3 |
| Long-term liabilities | 22.0 | 19.3 | 2.7 |
| Total liabilities | 30.9 | 24.9 | 6.0 |
| Total deferred inflows | 3.3 | 4.4 | (1.1) |
| Net Position | | | |
| Net investment in capital assets | 4.5 | 4.5 | - |
| Restricted | 3.0 | 3.0 | - |
| Unrestricted | (6.3) | (8.1) | 1.8 |
| Total net position | \$ 1.2 | \$ (0.6) | \$ 1.8 |

Changes in net position, governmental activities. The County's total revenues increased 8.1% to \$39.9 million (See Table A-2). The increase is due primarily to increased property taxes.

The total cost of all programs and services increased 8.2% to \$38.1 million. The County's expenses are predominantly related to educating and caring for students, 44.7%. The purely administrative activities of the County accounted for just 10.1% of total costs. A significant contributor to the increase in costs was increased salaries and benefits.

YOLO COUNTY OFFICE OF EDUCATION
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2016

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (continued)

Table A-2

| | Governmental Activities | | Variance Increase (Decrease) |
|-------------------------------------|--------------------------------|---------------|---|
| | (In millions) | | |
| | 2016 | 2015 | |
| Total Revenues | \$ 39.9 | \$ 36.9 | \$ 3.0 |
| Total Expenses | 38.1 | 35.2 | 2.9 |
| Increase (decrease) in Net Position | <u>\$ 1.8</u> | <u>\$ 1.7</u> | <u>\$ 0.1</u> |

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The financial performance of the County as a whole is reflected in its governmental funds as well. As the County completed this year, its governmental funds reported a combined fund balance of \$12.6 million, which is above last year's ending fund balance of \$10.9 million. The primary cause of the increased fund balance is increased LCFF funding.

County School Services Fund Budgetary Highlights

Over the course of the year, the County revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased by \$7.9 million primarily to reflect federal and state budget actions.
- Salaries and benefits – increased \$1.7 million due to negotiated salary increases.
- Other non-personnel expenses – increased \$2.3 million to re-budget carryover funds and revise operational cost estimates.

While the County's final budget for the General Fund anticipated that revenues would exceed expenditures by about \$0.8 million, the actual results for the year show that revenues exceeded expenditures by roughly \$1.5 million. Actual revenues were \$1.7 million less than anticipated, and expenditures were \$2.4 million less than budgeted. That amount consists primarily of restricted categorical program dollars that were not spent as of June 30, 2016, that will be carried over into the 2016-17 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2015-16 the County had invested \$371,843 in new capital assets. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$529,245.

Table A-3: Capital Assets at Year-End, Net of Depreciation

| | Governmental Activities | | Variance Increase (Decrease) |
|--------------------------|--------------------------------|----------------------|---|
| | 2016 | 2015 | |
| Land | \$ 808,908 | \$ 808,908 | \$ - |
| Improvement of sites | 1,307,511 | 1,312,833 | (5,322) |
| Buildings | 7,819,696 | 7,999,224 | (179,528) |
| Equipment | 674,292 | 650,515 | 23,777 |
| Construction in progress | 15,764 | 6,047 | 9,717 |
| Total | <u>\$ 10,626,171</u> | <u>\$ 10,777,527</u> | <u>\$ (151,356)</u> |

YOLO COUNTY OFFICE OF EDUCATION
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-Term Debt

At year-end the County had \$22 million in certificates of participation, the net pension liability, compensated absences, and post-employment benefits – an increase of 14% from last year – as shown in Table A-4. (More detailed information about the County's long-term liabilities is presented in Note 7 to the financial statements).

Table A-4: Outstanding Long-Term Debt at Year-End

| | Governmental Activities | | Variance Increase (Decrease) |
|-------------------------------|--------------------------------|----------------------|---|
| | 2016 | 2015 | |
| Certificates of participation | \$ 6,173,181 | \$ 6,273,627 | \$ (100,446) |
| Compensated absences | 125,064 | 97,138 | 27,926 |
| Other postemployment benefits | 200,980 | 129,918 | 71,062 |
| Net pension liability | 15,522,630 | 12,824,887 | 2,697,743 |
| Total | \$ 22,021,855 | \$ 19,325,570 | \$ 2,696,285 |

FACTORS BEARING ON THE COUNTY'S FUTURE

Evolution of the Budget

The Legislature passed the final budget package on June 15, 2016. Total reserves in the final budget package were lower by only \$36 million compared to the Governor's proposal in May. Various choices were made to shift spending priorities compared to the Governor's proposal. Budget savings resulted from (1) reduced spending on state office buildings, (2) shifting funding for the construction of local jails from General Fund to bond funds, and (3) reduced retiree health spending due to lower than expected healthcare costs. Correspondingly, the final budget deal reflected higher spending for affordable housing programs, repealing the MFG policy, and various public safety programs.

The Governor signed the *2016-17 Budget Act* and 14 budget-related bills on June 27, 2016 and July 1, 2016. The Governor did not veto any appropriations.

Proposition 98

State budgeting for schools and community colleges is based primarily on Proposition 98, approved by voters in 1988 and amended in 1990. Below, we provide an overview of Proposition 98 funding and spending changes under the enacted budget package. We then highlight Proposition 98 spending changes specifically for K-12 education.

YOLO COUNTY OFFICE OF EDUCATION
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2016

FACTORS BEARING ON THE COUNTY'S FUTURE (continued)

Minimum Guarantee

Proposition 98 Funding Revised Upward Across Three-Year Period

Proposition 98 establishes a minimum funding requirement commonly called the minimum guarantee. Compared with the estimates from June 2015, the 2014-15 and 2015-16 guarantees have increased by \$843 million and \$641 million, respectively. These upward revisions are due primarily to increases in state revenue relative to the amounts assumed in last year's budget package. The estimate of the 2016-17 minimum guarantee is \$3.5 billion (5.1 percent) higher than the *2015-16 Budget Act* level.

Two Key Drivers of Increase in 2016-17

Total funding for all segments in 2016-17 is \$71.9 billion, a \$2.8 billion (4.1 percent) increase above the revised 2015-16 level. This change in the guarantee reflects 3.6 percent growth in the "Test 3 factor" combined with a supplemental appropriation of \$502 million. The Test 3 factor consists of 3.1 percent growth in per capita General Fund plus an additional 0.5 percent increase set forth in the State Constitution. The supplemental appropriation ensures that the minimum guarantee grows at least as quickly as the rest of the state budget.

Increase Covered About Evenly From Higher State General Fund and Local Property Tax Revenue

Of total Proposition 98 funding in 2016-17, \$51.1 billion is state General Fund and \$20.8 billion is local property tax revenue. From 2015-16 to 2016-17, state General Fund increases by \$1.3 billion (accounting for slightly less than half of the \$2.8 billion increase in the guarantee) and local property tax revenue increases by \$1.5 billion (accounting for slightly more than half of the increase in the guarantee). The primary factor explaining the growth in property tax revenue is the strong 6.2 percent increase in assessed property values. In addition, the budget plan assumes property tax revenue increases by \$419 million due to the triple flip ending, thereby completing the shift of revenue from cities, counties, and special districts to school districts and community colleges.

New Maintenance Factor Created in 2016-17

In 2014-15, General Fund tax revenue increased by 11 percent over the prior-year level, resulting in a maintenance factor payment of \$5.7 billion—the largest payment the state has ever made. In 2015-16, the budget assumes the state makes an additional maintenance factor payment of \$379 million, reducing the total outstanding obligation to \$155 million. In 2016-17, the budget assumes the state creates \$746 million in new maintenance factor. The amount of new maintenance factor created is based on the difference between the Proposition 98 Test 2 and Test 3 factors. In 2016-17, growth in the Test 2 factor (per capita personal income) is strong (5.4 percent) relative to growth in the Test 3 factor (3.6 percent).

K-12 Education

\$63.3 Billion Proposition 98 Funding for K-12 Education and Preschool Combined

This 2016-17 level is \$2.5 billion (4.1 percent) more than revised 2015-16 funding and \$3.7 billion (6.3 percent) more than the *2015-16 Budget Act* level. The budget increases funding per student by \$440 (4.3 percent) over the *2015-16 Budget Act* level, bringing Proposition 98 funding per student up to \$10,657.

YOLO COUNTY OFFICE OF EDUCATION
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2016

FACTORS BEARING ON THE COUNTY'S FUTURE (continued)

New Spending

Large Increase for LCFF

The \$2.9 billion augmentation brings total funding for implementing LCFF for school districts and charter schools up to \$55.8 billion, a 5.7 percent increase over the revised 2015-16 level. The administration estimates this funding will close 54 percent of the gap between current funding levels and LCFF target rates, bringing LCFF to 96 percent of its full implementation cost. School districts and charter schools may use LCFF monies for any educational purpose.

Significant Discretionary One-Time Funding

The largest one-time augmentation for K-12 education is \$1.3 billion that LEAs may use for any locally determined purpose. Funding would be distributed based on average daily attendance. If an LEA has unpaid mandate claims, funding would pay all or a portion of those claims. As many LEAs do not have any unpaid claims, we estimate only about half (\$617 million) of the funding provided would reduce the K-12 mandates backlog. We estimate the outstanding K-12 mandates backlog will be \$987 million at the end of 2016-17.

All of these factors were considered in preparing the Yolo County Office of Education budget for the 2016-17 fiscal year.

CONTACTING THE YOLO COUNTY OFFICE OF EDUCATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Yolo County Office of Education's finances and to demonstrate the Yolo County Office of Education's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Yolo County Office of Education, 1280 Santa Anita Court, Woodland, CA 95776, (530) 668-3728.

YOLO COUNTY OFFICE OF EDUCATION*Statement of Net Position**June 30, 2016*

| | Governmental Activities |
|--|------------------------------------|
| ASSETS | |
| Cash | \$ 11,772,639 |
| Accounts receivable | 9,548,829 |
| Inventories | 42,571 |
| Prepaid expenses | 106,583 |
| Capital assets: | |
| Non-depreciable assets | 824,672 |
| Depreciable assets | 15,650,805 |
| Less accumulated depreciation | <u>(5,849,306)</u> |
| Total assets | <u>32,096,793</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred amounts on refunding | 191,460 |
| Deferred outflows related to pensions | <u>3,167,425</u> |
| Total deferred outflows of resources | <u>3,358,885</u> |
| LIABILITIES | |
| Accounts payable | 8,433,849 |
| Unearned revenues | 507,845 |
| Long-term debt: | |
| Portion due or payable within one year | 120,446 |
| Portion due or payable after one year | <u>21,901,409</u> |
| Total liabilities | <u>30,963,549</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to pensions | <u>3,323,169</u> |
| NET POSITION | |
| Net investment in capital assets | 4,503,902 |
| Restricted for: | |
| Capital projects | 311,877 |
| Educational programs | 2,725,773 |
| Unrestricted | <u>(6,372,592)</u> |
| Total net position | <u>\$ 1,168,960</u> |

YOLO COUNTY OFFICE OF EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2016

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenues and Changes in Net Position |
|--|----------------------|----------------------|------------------------------------|--|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental Activities: | | | | |
| Instructional Services: | | | | |
| Instruction | \$ 9,425,025 | \$ 515,422 | \$ 6,597,284 | \$ (2,312,319) |
| Instruction-Related Services: | | | | |
| Supervision of instruction | 2,806,776 | 281,259 | 1,366,882 | (1,158,635) |
| Instructional library, media and technology | 4,384 | (17) | - | (4,401) |
| School site administration | 930,821 | 33,741 | 586,934 | (310,146) |
| Pupil Support Services: | | | | |
| Home-to-school transportation | 3,139 | 304 | 1,754 | (1,081) |
| Food services | 327,894 | 1,479 | 191,543 | (134,872) |
| All other pupil services | 3,542,793 | 289,146 | 3,074,038 | (179,609) |
| General Administration Services: | | | | |
| Data processing services | 1,244,739 | - | - | (1,244,739) |
| Other general administration | 2,618,781 | 76,537 | 994,392 | (1,547,852) |
| Plant services | 1,792,179 | 68,430 | 1,036,244 | (687,505) |
| Community services | 10,860 | - | - | (10,860) |
| Enterprise activities | 314 | - | - | (314) |
| Interest on long-term debt | 208,896 | - | - | (208,896) |
| Other outgo | 15,229,727 | 860,093 | 11,392,832 | (2,976,802) |
| Total governmental activities | \$ 38,146,328 | \$ 2,126,394 | \$ 25,241,903 | (10,778,031) |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property taxes | | | | 8,156,820 |
| Federal and state aid not restricted to specific purpose | | | | 2,893,600 |
| Interest and investment earnings | | | | 115,504 |
| Miscellaneous | | | | 1,382,472 |
| Total general revenues | | | | 12,548,396 |
| Change in net position | | | | 1,770,365 |
| Net position - July 1, 2015 | | | | (601,405) |
| Net position - June 30, 2016 | | | | \$ 1,168,960 |

YOLO COUNTY OFFICE OF EDUCATION*Balance Sheet – Governmental Funds**June 30, 2016*

| | County School Service Fund | Special Education Pass-Through Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|-------------------------------|---|------------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash | \$ 10,071,606 | \$ 773,887 | \$ 905,391 | \$ 11,750,884 |
| Accounts receivable | 3,156,455 | 6,066,614 | 321,310 | 9,544,379 |
| Due from other funds | 99,094 | - | 357,224 | 456,318 |
| Inventories | 42,571 | - | - | 42,571 |
| Prepaid expenditures | 106,583 | - | - | 106,583 |
| Total Assets | \$ 13,476,309 | \$ 6,840,501 | \$ 1,583,925 | \$ 21,900,735 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 1,341,409 | \$ 6,830,719 | \$ 187,246 | \$ 8,359,374 |
| Due to other funds | 367,031 | 9,782 | 92,352 | 469,165 |
| Unearned revenue | 254,496 | - | 253,349 | 507,845 |
| Total Liabilities | 1,962,936 | 6,840,501 | 532,947 | 9,336,384 |
| Fund Balances | | | | |
| Nonspendable | 154,295 | - | - | 154,295 |
| Restricted | 2,480,135 | - | 1,050,978 | 3,531,113 |
| Committed | 1,084,769 | - | - | 1,084,769 |
| Assigned | 7,112,700 | - | - | 7,112,700 |
| Unassigned | 681,474 | - | - | 681,474 |
| Total Fund Balances | 11,513,373 | - | 1,050,978 | 12,564,351 |
| Total Liabilities and Fund Balances | \$ 13,476,309 | \$ 6,840,501 | \$ 1,583,925 | \$ 21,900,735 |

YOLO COUNTY OFFICE OF EDUCATION

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2016

| | | | | |
|--|---|--------------------|----|---------------------|
| Total fund balances - governmental funds | | | \$ | 12,564,351 |
| <p>In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.</p> | | | | |
| | Capital assets at historical cost | 16,475,477 | | |
| | Accumulated depreciation | <u>(5,849,306)</u> | | |
| | Net: | | | 10,626,171 |
| <p>In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:</p> | | | | |
| | | | | (35,423) |
| <p>Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as deferred outflow of resources. The remaining deferred amounts on refunding at the end of the period were:</p> | | | | |
| | | | | 191,460 |
| <p>In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.</p> | | | | |
| | Deferred outflows of resources relating to pensions | | | 3,167,425 |
| | Deferred inflows of resources relating to pensions | | | (3,323,169) |
| <p>In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:</p> | | | | |
| | Certificates of participation | 6,173,181 | | |
| | Compensated absences | 125,064 | | |
| | Other postemployment benefits | 200,980 | | |
| | Net pension liability | <u>15,522,630</u> | | <u>(22,021,855)</u> |
| Total net position - governmental activities | | | \$ | <u>1,168,960</u> |

YOLO COUNTY OFFICE OF EDUCATION

*Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2016*

| | County School Service Fund | Special Education Pass-Through Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|-------------------------------|---|------------------------------------|--------------------------------|
| REVENUES | | | | |
| LCFF sources | \$ 10,324,734 | \$ - | \$ - | \$ 10,324,734 |
| Federal sources | 4,947,547 | 5,587,749 | 330,154 | 10,865,450 |
| Other state sources | 3,208,839 | 9,631,494 | 1,784,381 | 14,624,714 |
| Other local sources | 3,640,835 | - | 514,357 | 4,155,192 |
| Total Revenues | 22,121,955 | 15,219,243 | 2,628,892 | 39,970,090 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 8,186,194 | - | 1,318,552 | 9,504,746 |
| Instruction-related services: | | | | |
| Supervision of instruction | 2,604,178 | - | 226,713 | 2,830,891 |
| School site administration | 901,881 | - | 47,724 | 949,605 |
| Pupil support services: | | | | |
| Home-to-school transportation | 3,139 | - | - | 3,139 |
| Food services | 25,478 | - | 305,056 | 330,534 |
| All other pupil services | 3,466,006 | - | 120,604 | 3,586,610 |
| Community services | 10,860 | - | - | 10,860 |
| Enterprise activities | 314 | - | - | 314 |
| Data processing services | 1,258,978 | - | - | 1,258,978 |
| Other general administration | 2,646,095 | - | 1,600 | 2,647,695 |
| Plant services | 1,349,722 | - | 35,200 | 1,384,922 |
| Transfers of indirect costs | (147,922) | - | 147,922 | - |
| Capital outlay | 250,303 | - | - | 250,303 |
| Intergovernmental transfers | 10,484 | 15,219,243 | - | 15,229,727 |
| Debt service: | | | | |
| Principal | - | - | 85,000 | 85,000 |
| Interest | - | - | 214,584 | 214,584 |
| Total Expenditures | 20,565,710 | 15,219,243 | 2,502,955 | 38,287,908 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,556,245 | - | 125,937 | 1,682,182 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Interfund transfers in | - | - | 399,879 | 399,879 |
| Interfund transfers out | (372,145) | - | (40,580) | (412,725) |
| Total Other Financing Sources and Uses | (372,145) | - | 359,299 | (12,846) |
| Net Change in Fund Balances | 1,184,100 | - | 485,236 | 1,669,336 |
| Fund Balances, July 1, 2015 | 10,329,273 | - | 565,742 | 10,895,015 |
| Fund Balances, June 30, 2016 | \$ 11,513,373 | \$ - | \$ 1,050,978 | \$ 12,564,351 |

YOLO COUNTY OFFICE OF EDUCATION

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2016*

Total net change in fund balances - governmental funds \$ 1,669,336

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

| | | |
|---------------------------------|------------------|-----------|
| Expenditures for capital outlay | 377,889 | |
| Depreciation expense | <u>(529,245)</u> | (151,356) |

Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In governmental funds these amounts are recognized as an expenditure. However, in the statement of activities, these amounts are amortized over the life of the refunded debt. The difference between current year amounts and the current year amortization is: (10,445)

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 85,000

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: 685

In governmental funds, if debt is issued at a premium, the premium is recognized as an Other Financing Source in the period it is incurred. In the government-wide statements, the premium is amortized as interest over the life of the debt. Amortization of premium for the period is: 15,446

In governmental funds, postemployment benefits costs are recognized as expenditures in the period they are paid. In the government-wide statements, postemployment benefits costs are recognized in the period that they are incurred. The increase in the net OPEB liability at the end of the period was: (71,062)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was: 260,687

In the statement of activities, certain operating expenses such as compensated absences and early retirement incentives, for example, 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*). (27,926)

Change in net position of governmental activities \$ 1,770,365

YOLO COUNTY OFFICE OF EDUCATION
Statement of Net Position – Proprietary Fund
June 30, 2016

| | Internal Service Fund |
|---------------------------|--------------------------------|
| | <u>Self-Insurance Fund</u> |
| ASSETS | |
| Cash | \$ 21,755 |
| Accounts receivable | 4,450 |
| Due from other funds | <u>12,847</u> |
| Total assets | <u>39,052</u> |
| LIABILITIES | |
| Accounts payable | 8,310 |
| Liability for IBNR claims | <u>30,742</u> |
| Total liabilities | <u>39,052</u> |
| NET POSITION | |
| Unrestricted | <u><u>\$ -</u></u> |

YOLO COUNTY OFFICE OF EDUCATION

*Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2016*

| | <u>Internal Service Fund</u> <u>Self-Insurance Fund</u> |
|--|--|
| OPERATING REVENUES | |
| Self-insurance premiums | \$ 364,395 |
| OPERATING EXPENSES | |
| Claims expenses | <u>377,214</u> |
| Operating Income (Loss) | <u>(12,819)</u> |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interfund transfers | 12,847 |
| Interest income | <u>(28)</u> |
| Total non-operating revenues (expenses) | <u>12,819</u> |
| Change in net position | - |
| Net position, July 1, 2015 | <u>-</u> |
| Net position, June 30, 2016 | <u>\$ -</u> |

YOLO COUNTY OFFICE OF EDUCATION
Statement of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2016

| | Internal Service Fund <u>Self-Insurance Fund</u> |
|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash received from operations | \$ 475,178 |
| Cash paid for operating expenses | <u>(426,282)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>48,896</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | |
| Interfund transfers out | <u>12,847</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest | <u>(4,477)</u> |
| Net increase (decrease) in cash | 57,266 |
| Cash, July 1, 2015 | <u>(35,511)</u> |
| Cash, June 30, 2016 | <u><u>\$ 21,755</u></u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | |
| Operating Income (Loss) | \$ (12,819) |
| Changes in Operating Assets and Liabilities: | |
| (Increases) Decreases in operating assets: | |
| Due from other funds | 110,783 |
| Increases (Decreases) in operating liabilities: | |
| Accounts payable | (1,580) |
| Due to other funds | (56,382) |
| Liability for IBNR claims | <u>8,894</u> |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ 48,896</u></u> |

YOLO COUNTY OFFICE OF EDUCATION
Statement of Fiduciary Net Position
June 30, 2016

| | Agency Fund |
|----------------------------|---------------------------------|
| | Warrant Pass-Through Fund |
| ASSETS | |
| Cash | \$ 13,067,780 |
| Total assets | <u>\$ 13,067,780</u> |
| LIABILITIES | |
| Due to regulatory agencies | \$ 13,067,780 |
| Total liabilities | <u>\$ 13,067,780</u> |

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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 County consists of all funds, departments, and agencies that are not legally separate from the County. For Yolo County Office of Education, this includes general operations, food service, and student related activities of the County.

Component units are legally separate organizations for which the County is financially accountable. Component units may also include organizations that are fiscally dependent on the County, in that the County 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 County is not financially accountable but the nature and significance of the organization's relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete.

For financial reporting purposes, the component unit has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and thus is included in the financial statements using the blended presentation method as if it were part of the County's operations because the governing board of the component unit is the same as the governing board of the County and because its purpose is to finance the construction of facilities to be used for the direct benefit of the County.

The Yolo County Board of Education Financing Corporation (the Corporation) financial activity is presented in the financial statements within the Capital Facilities Fund. Certificates of participation and other debt issued by the Corporation are included as long-term liabilities in the government-wide financial statements. Individually prepared financial statements are not prepared for the Corporation.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds (and blended component units). Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Governmental Funds

The County maintains the following major governmental funds:

County School Service Fund: This fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The County also maintains a Deferred Maintenance Fund and a Special Reserve Fund for Postemployment Benefits. Under the flexibility provisions of current statute that allow certain formerly restricted revenues to be used for any educational purpose, the Deferred Maintenance Fund does not currently meet the definition of a special revenue fund as it is no longer primarily composed of restricted or committed revenue sources. In addition, the Special Reserve Fund for Postemployment Benefits is not substantially composed of restricted or committed revenue sources. Because these funds do not meet the definition of special revenue funds under GASB 54, the activity in those funds are being reported within the County School Service Fund.

Special Education Pass-Through Fund: This fund is by the Administrative Unit (AU) of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue pass-through to other member Local Education Agencies (LEAs).

Non-Major Governmental Funds

The County maintains the following non-major governmental funds:

Special Revenue Fund:

Adult Education Fund: This fund is used to account for resources restricted to adult education programs maintained by the County.

Child Development Fund: This fund is used to account for resources restricted to child development and preschool programs maintained by the County.

Cafeteria Fund: This fund is used to account for revenues received and expenditures made to operate the County's child and adult care food program.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Projects Fund:

Capital Facilities Fund: This fund is used to account for funds collected from redevelopment agencies and for activity of the Yolo Board of Education Financing Corporation.

Internal Service Funds

Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the County Office. The County has the following Internal Service Fund:

Self-Insurance Fund: This fund is used to account for earmarked assets to finance the cost of other postemployment benefits, to pay the costs of dental insurance coverage for employees.

Fiduciary Fund

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The County maintains the following fiduciary fund:

Agency Fund: The County maintains an agency fund to account for assets of others for which the County acts as an agent. The County office maintains the following agency fund:

Warrant Pass-Through Fund: This fund is used primarily to account separately for amounts collected from employees for federal taxes, state taxes, credit unions, and other contributions.

2. Measurement Focus, Basis of Accounting

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

3. 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. Generally, available is defined as collectible within 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 County 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 requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

C. 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 1 of each year. The County 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.

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.

D. Encumbrances

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

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Buildings and Improvements | 25-50 years |
| Furniture and Equipment | 5-20 years |
| Vehicles | 8 years |

3. Unearned Revenue

Unearned 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 County prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

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

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. The first item is to recognize deferred outflows related to pensions. The second is deferred amounts on refunding, which resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is shown as deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The County has one item that is reported as a deferred inflow of resources. The item is to recognize deferred inflows related to pensions.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

6. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's California State Teachers Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

7. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The County's highest decision-making level of authority rests with the County's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the County's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the County for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the County's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Minimum Fund Balance Policy

The County has not adopted a formal minimum fund balance policy, as recommended by GASB Statement No. 54; however, the County follows the guidelines recommended in the Criteria and Standards of Assembly Bill (AB) 1200, which recommend a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of total General Fund expenditures and other financing uses.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the governing board has provided otherwise in its commitment or assignment actions.

G. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Use of Estimates

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

I. New GASB Pronouncements

During the 2015-16 fiscal year, the following GASB Pronouncements became effective:

1. Statement No. 72, *Fair Value Measurement and Application (Issued 02/15)*

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

2. Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments (Issued 06/15)*

The objective of this Statement is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

3. Statement No. 79, *Certain External Investment Pools and Pool Participants (Issued 12/15)*

This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 2 – CASH

Cash at June 30, 2016, is reported at fair value and consisted of the following:

| | Governmental Activities | | Total Governmental Activities | Fiduciary Fund |
|-------------------------|-------------------------|-------------------|-------------------------------|----------------------|
| | Governmental Funds | Proprietary Funds | | |
| Pooled Funds: | | | | |
| Cash in county treasury | \$ 11,745,173 | \$ 21,755 | \$ 11,766,928 | \$ 13,067,780 |
| Deposits: | | | | |
| Cash with fiscal agent | 5,711 | - | 5,711 | - |
| Total Cash | \$ 11,750,884 | \$ 21,755 | \$ 11,772,639 | \$ 13,067,780 |

Pooled Funds

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

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

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2016, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, 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 agencies. 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, 2016, none of the County’s bank balance was exposed to custodial credit risk because it was insured by the FDIC.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2016, consisted of the following:

| | General Fund | Special Education Pass Through Fund | Non-Major Governmental Funds | Total Governmental Funds | Self- Insurance Fund |
|--------------------------|---------------------|--|------------------------------------|--------------------------------|----------------------------|
| Federal Government: | | | | | |
| Categorical aid programs | \$ 878,464 | \$ 5,561,899 | \$ 83,009 | \$ 6,523,372 | \$ - |
| State Government: | | | | | |
| Lottery | 21,221 | - | - | 21,221 | - |
| Categorical aid programs | 201,103 | 342,979 | 234,823 | 778,905 | - |
| Other state resources | - | 161,736 | 837 | 162,573 | - |
| Local: | | | | | |
| Other local resources | 360,701 | - | - | 360,701 | 4,450 |
| Tuition | 1,694,966 | - | - | 1,694,966 | - |
| Interest | - | - | 2,641 | 2,641 | - |
| Total | \$ 3,156,455 | \$ 6,066,614 | \$ 321,310 | \$ 9,544,379 | \$ 4,450 |

NOTE 4 – INTERFUND TRANSACTIONS

A. Balances Due To/From Other Funds

Balances due/to other funds at June 30, 2016, consisted of the following:

| | Due from other funds | | | Totals |
|-------------------------------------|----------------------|------------------------------------|------------------------|-------------------|
| | General Fund | Non-Major Governmental Funds | Self-Insurance Fund | |
| General Fund | \$ - | \$ 354,184 | \$ 12,847 | \$ 367,031 |
| Special Education Pass-Through Fund | 9,782 | - | - | 9,782 |
| Non-Major Governmental Funds | 89,312 | 3,040 | - | 92,352 |
| Totals | \$ 99,094 | \$ 357,224 | \$ 12,847 | \$ 469,165 |

| | |
|---|-------------------|
| General Fund due to Adult Education Fund to clear benefits accrual | \$ 39 |
| General Fund due to Child Development Fund for transfer OPEB, WC, etc. | 33,875 |
| General Fund due to Cafeteria Fund for CACFP transfer | 4,300 |
| General Fund due to Capital Facilities Fund for COP payments and vacancy expense | 315,970 |
| Special Education Pass-Through Fund due to General Fund for reserves transfer | 9,782 |
| Adult Education Fund due to General Fund for OPEB costs | 153 |
| Child Development Fund due to General Fund for indirect, internet, and printer costs | 79,963 |
| Child Development Fund due to Cafeteria Fund for CACFP transfer | 3,040 |
| Cafeteria Fund due to General Fund for indirect cost | 9,196 |
| Special Reserve for Other than Postemployment Benefits to Self-Insurance Fund for benefits transfer | 12,847 |
| Total | \$ 469,165 |

During the fiscal year, the General Fund made transfers of \$185,000 to the Deferred Maintenance Fund. As described in Note 1.B. and in accordance with GASB Statement No. 54, the Deferred Maintenance Fund is reported within the General Fund in these financial statements. Therefore, all interfund activity has been removed from the fund financial statements.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 4 - INTERFUND TRANSACTIONS (continued)

B. Transfers To/From Other Funds

Transfers between funds at June 30, 2016 consisted of the following:

| | | |
|--|-----------|----------------|
| General Fund transfer to Capital Facilities Fund for COP activity and vacancy expense | \$ | 315,970 |
| General Fund transfer to Cafeteria Fund for both direct and indirect costs | | 43,329 |
| Child Development Fund to Cafeteria Fund for CACFP costs | | 40,580 |
| Special Reserve Fund for Postemployment Benefits to Self-Insurance Fund for benefits cost transfer | | 12,847 |
| Total | <u>\$</u> | <u>412,726</u> |

NOTE 5 - FUND BALANCES

At June 30, 2016, fund balances of the County's governmental funds were classified as follows:

| | General Fund | Special Education Pass-Through Fund | Non-Major Governmental Funds | Total |
|------------------------------------|----------------------|---|------------------------------------|----------------------|
| Nonspendable: | | | | |
| Stores inventories | \$ 42,571 | \$ - | \$ - | \$ 42,571 |
| Prepaid expenditures | 106,583 | - | - | 106,583 |
| All others | 5,141 | - | - | 5,141 |
| Total Nonspendable | <u>154,295</u> | <u>-</u> | <u>-</u> | <u>154,295</u> |
| Restricted: | | | | |
| Categorical programs | 2,480,135 | - | 384,355 | 2,864,490 |
| Food service | - | - | 38,218 | 38,218 |
| Capital projects | - | - | 628,405 | 628,405 |
| Total Restricted | <u>2,480,135</u> | <u>-</u> | <u>1,050,978</u> | <u>3,531,113</u> |
| Committed: | | | | |
| Deferred maintenance program | 1,084,769 | - | - | 1,084,769 |
| Total Committed | <u>1,084,769</u> | <u>-</u> | <u>-</u> | <u>1,084,769</u> |
| Assigned: | | | | |
| Postemployment benefits | 379,819 | - | - | 379,819 |
| Other | 6,732,881 | - | - | 6,732,881 |
| Total Assigned | <u>7,112,700</u> | <u>-</u> | <u>-</u> | <u>7,112,700</u> |
| Unassigned: | | | | |
| Reserve for economic uncertainties | 681,474 | - | - | 681,474 |
| Total Unassigned | <u>681,474</u> | <u>-</u> | <u>-</u> | <u>681,474</u> |
| Total | <u>\$ 11,513,373</u> | <u>\$ -</u> | <u>\$ 1,050,978</u> | <u>\$ 12,564,351</u> |

YOLO COUNTY OFFICE OF EDUCATION
Notes to Financial Statements
June 30, 2016

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2016 was as follows:

| | Balance, July 1, 2015 | Additions | Deletions | Balance, June 30, 2016 |
|---|--------------------------|---------------------|-------------|---------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 808,908 | \$ - | \$ - | \$ 808,908 |
| Construction in progress | 6,047 | 9,717 | - | 15,764 |
| Total capital assets not being depreciated | <u>814,955</u> | <u>9,717</u> | <u>-</u> | <u>824,672</u> |
| Capital assets being depreciated: | | | | |
| Improvement of sites | 1,915,786 | 92,748 | - | 2,008,534 |
| Buildings | 11,700,950 | 100,617 | - | 11,801,567 |
| Equipment | 1,665,897 | 174,807 | - | 1,840,704 |
| Total capital assets being depreciated | <u>15,282,633</u> | <u>368,172</u> | <u>-</u> | <u>15,650,805</u> |
| Accumulated depreciation for: | | | | |
| Improvement of sites | (602,953) | (98,070) | - | (701,023) |
| Buildings | (3,701,726) | (280,145) | - | (3,981,871) |
| Equipment | (1,015,382) | (151,030) | - | (1,166,412) |
| Total accumulated depreciation | <u>(5,320,061)</u> | <u>(529,245)</u> | <u>-</u> | <u>(5,849,306)</u> |
| Total capital assets being depreciated, net | <u>9,962,572</u> | <u>(161,073)</u> | <u>-</u> | <u>9,801,499</u> |
| Governmental activity capital assets, net | <u>\$ 10,777,527</u> | <u>\$ (151,356)</u> | <u>\$ -</u> | <u>\$ 10,626,171</u> |

Depreciation expense was allocated to the following functions on the Statement of Activities:

| | |
|----------------------------|-------------------|
| Instruction | \$ 1,403 |
| Instructional supervision | 7,741 |
| School site administration | 9,433 |
| Food service | 369 |
| All other pupil services | 20,322 |
| Data processing services | 51,563 |
| Plant services | 438,144 |
| | <u>\$ 529,245</u> |

YOLO COUNTY OFFICE OF EDUCATION
Notes to Financial Statements
 June 30, 2016

NOTE 7 – GENERAL LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2016 were as follows:

| | Balance, July 1, 2015 | Additions | Deductions | Balance, June 30, 2016 | Amount Due Within One Year |
|---|--------------------------|-------------------------|-----------------------|---------------------------|-------------------------------|
| Certificates of Participation: | | | | | |
| Principal payments | \$ 5,975,000 | \$ - | \$ 85,000 | \$ 5,890,000 | \$ 105,000 |
| Issuance premium | 298,627 | - | 15,446 | 283,181 | 15,446 |
| Sub-total Certificates of Participation | <u>6,273,627</u> | <u>-</u> | <u>100,446</u> | <u>6,173,181</u> | <u>120,446</u> |
| Compensated absences | 97,138 | 27,926 | - | 125,064 | - |
| Other postemployment benefits | 129,918 | 71,062 | - | 200,980 | - |
| Net pension liability | <u>12,824,887</u> | <u>2,697,743</u> | <u>-</u> | <u>15,522,630</u> | <u>-</u> |
| Total | <u>\$ 19,325,570</u> | <u>\$ 2,796,731</u> | <u>\$ 100,446</u> | <u>\$ 22,021,855</u> | <u>\$ 120,446</u> |

Certificates of participation are paid from the Capital Facilities Fund. Accumulated vacation will be paid for by the fund for which the employee worked. Other postemployment benefits are paid from the County School Service Fund.

2015 Refunding Certificates of Participation

On April 29, 2015, the County Office issued \$5,975,000 of Refunding Certificates of Participation. The certificates bear fixed interest rates ranging between 2.0% and 5.0% with annual maturities from November 1, 2015 through November 1, 2034. The net proceeds of \$8,053,546 (after premiums of \$301,201, other sources of \$1,994,820 and issuance costs of \$217,475) were used to fully prepay the County Office's outstanding 2004 Certificates.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded certificates. As a result, the refunded certificates are considered to be defeased, and the related liability for the certificates has been removed from the County Office's liabilities. Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the statement of net position and are amortized to interest expense over the life of the liability. Deferred amounts on refunding as of June 30, 2016, of \$191,460 remain to be amortized for this refunding. As of June 30, 2016, the defeased debt had been fully paid out of escrow and there was no principal balance outstanding on the debt.

The annual requirements to amortize certificates of participation outstanding as of June 30, 2016, are as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------------|---------------------|---------------------|
| 2016-17 | \$ 105,000 | \$ 211,494 | \$ 316,494 |
| 2017-18 | 120,000 | 208,044 | 328,044 |
| 2018-19 | 135,000 | 202,944 | 337,944 |
| 2019-20 | 155,000 | 196,368 | 351,368 |
| 2020-21 | 175,000 | 188,119 | 363,119 |
| 2021-26 | 1,250,000 | 775,469 | 2,025,469 |
| 2026-31 | 1,885,000 | 487,853 | 2,372,853 |
| 2031-35 | <u>2,065,000</u> | <u>143,869</u> | <u>2,208,869</u> |
| Totals | <u>\$ 5,890,000</u> | <u>\$ 2,414,160</u> | <u>\$ 8,304,160</u> |

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 8 - OPERATING LEASES

The County Office has entered into various operating lease agreements for buildings and equipment with lease terms in excess of one year. All the agreements contain termination clauses providing for cancellation after a specified number of days by submitting written notice to lessors. It is unlikely the County Office will cancel any of the agreements prior to the expiration date. Future minimum lease payments are as follows:

| Year Ending June 30, | Lease Payments |
|-------------------------|-------------------|
| 2017 | \$ 186,027 |
| 2018 | 186,027 |
| 2019 | 185,367 |
| 2020 | 132,689 |
| 2021 | 29,047 |
| Thereafter | - |
| Total | <u>\$ 719,157</u> |

Total rent expense incurred during the year ended June 30, 2016 under these lease agreements was \$209,319.

NOTE 9 - JOINT VENTURES

The Yolo County Office of Education participates in two joint powers agreement (JPA) entities: the Central Valley Schools Joint Powers Authority (CVSJPA) and the North Valley Schools Insurance Group (NVSIG). NVSIG pools its insurance in the Protected Insurance Program for Schools and Community Colleges (PIPS) JPA, which then insures the County Office's workers' compensation claims. The relationships between the County Office and the JPAs are such that the JPAs are not component units of the County Office for financial reporting purposes.

CVSJPA and NVSIG arrange for and provide workers' compensation, property, and liability insurance coverage for their members. The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation of the boards. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs.

Condensed current audited financial information of the JPA's is shown below:

| | CVS June 30, 2015 | NVSIG June 30, 2015 |
|----------------------------|----------------------|------------------------|
| Total Assets | \$ 403,560 | \$ 3,475,999 |
| Total Liabilities | 72,746 | 1,942,113 |
| Total Net Position | <u>\$ 330,814</u> | <u>\$ 1,533,886</u> |
| | | |
| Total Operating Revenues | \$ 612,940 | \$ 11,318,210 |
| Total Operating Expenses | 590,411 | 11,378,213 |
| Total Operating Income | 22,529 | (60,003) |
| Total Non-Operating Income | 1,189 | 19,716 |
| Change in Net Position | <u>\$ 23,718</u> | <u>\$ (40,287)</u> |

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

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

B. Litigation

The County is involved in certain legal matters that arose out of the normal course of business. The County has not accrued liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30.

NOTE 11 – RISK MANAGEMENT

Workers' Compensation

| | |
|-------------------|--|
| JPA's SIR: | \$0 with NVSIG |
| Excess Insurance: | \$1-\$150,000,000 with Protected Insurance Program for Schools and Community Colleges (PIPS) |

Property - CVSJPA

| | |
|---------------------------|---|
| County Office Deductible: | \$1,000 |
| JPA's SIR: | \$1,001 to \$10,000 |
| Excess Insurance: | \$10,001-\$250,000 per occurrence with NorCal ReLiEF \$250,001-\$249,750,000 per occurrence with SAFER |

Liability - CVSJPA

| | |
|---------------------------|--|
| County Office Deductible: | \$1,000 |
| JPA's SIR: | \$1,001 to \$10,000 with CVSJPA |
| Excess Insurance: | \$10,001-\$1,000,000 with NorCal ReLiEF \$1,000,001-\$25,000,000 with SAFER |

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 12 – PENSION PLANS

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

A. General Information about the Pension Plans

Plan Descriptions

The County 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. Benefit provisions under the Plan are established by State statute and District resolution. CalSTRS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalSTRS website.

The County also 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. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalSTRS provides retirement, disability, and death benefits. Retirement benefits are determined as 2 percent of final compensation for each year of credited service at age 60 for members under *CalSTRS 2% at 60*, or age 62 for members under *CalSTRS 2% at 62*, increasing to a maximum of 2.4 percent at age 63 for members under *CalSTRS 2% at 60*, or age 65 for members under *CalSTRS 2% at 62*. The normal retirement eligibility requirements are age 60 for members under *CalSTRS 2% at 60*, or age 62 for members under *CalSTRS 2% at 62*, with a minimum of five years of service credited under the Defined Benefit Program, which can include service purchased from teaching in an out-of-state or foreign public school. Employees are eligible for service-related disability benefits after five years of service, unless the member is disabled due to an unlawful act of bodily injury committed by another person while working in CalSTRS covered employment, in which case the minimum is one year. Disability benefits are equal to fifty percent of final compensation regardless of age and service credit. Designated recipients of CalSTRS retired members receive a \$6,163 lump-sum death payment. There is a 2 percent simple increase each September 1 following the first anniversary of the date on which the monthly benefit began to accrue. The annual 2 percent increase is applied to all continuing benefits other than Defined Benefit Supplement annuities. However, if the member retires with a Reduced Benefit Election, the increase does not begin to accrue until the member reaches age 60 and is not payable until the member receives the full benefit. This increase is also known as the improvement factor.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 12 – PENSION PLANS (continued)

A. General Information about the Pension Plans (continued)

Benefits Provided (continued)

CalPERS also provides retirement, disability, and death benefits. Retirement benefits are determined as 1.1 percent of final compensation for each year of credited service at age 50 for members under *2% at 55*, or 1.0 percent at age 52 for members under *2% at 62*, increasing to a maximum of 2.5 percent at age 63 for members under *2% at 55*, or age 67 for members under *2% at 62*. To be eligible for service retirement, members must be at least age 50 and have a minimum of five years of CalPERS-credited service. Members joining on or after January 1, 2013 must be at least age 52. Disability retirement has no minimum age requirement and the disability does not have to be job related. However, members must have a minimum of five years of CalPERS service credit.

Pre-retirement death benefits range from a simple return of member contributions plus interest to a monthly allowance equal to half of what the member would have received at retirement paid to a spouse or domestic partner. To be eligible for any type of monthly pre-retirement death benefit, a spouse or domestic partner must have been either married to the member or legally registered before the occurrence of the injury or the onset of the illness that resulted in death, or for at least one year prior to death. Cost-of-living adjustments are provided by law and are based on the Consumer Price Index for all United States cities. Cost-of-living adjustments are paid the second calendar year of the member's retirement on the May 1 check and then every year thereafter. The standard cost-of-living adjustment is a maximum of 2 percent per year.

Contributions

Active CalSTRS plan members under *2% at 60* were required to contribute 9.2% and plan members under *2% at 62* were required to contribute 8.56% of their salary in 2015-16. The required employer contribution rate for fiscal year 2015-16 was 10.73% of annual payroll. The contribution requirements of the plan members are established by State statute. Active CalPERS plan members are required to contribute 7.0% of their salary and the County is required to contribute an actuarially determined rate. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The required employer contribution for fiscal year 2015-16 was 11.847%. The contribution requirements of the plan members are established by State statute.

For the fiscal year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

| | CalSTRS | CalPERS |
|---|------------|------------|
| Employer contributions paid by employer | \$ 658,838 | \$ 860,609 |
| Employer contributions paid by State | \$ 384,377 | \$ - |
| Employee contributions paid by employer | \$ - | \$ - |

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 12 - PENSION PLANS (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the County reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

| | <u>Proportionate Share of Net Pension Liability</u> |
|-----------------------------|---|
| CalSTRS | \$ 8,078,880 |
| CalPERS | <u>7,443,750</u> |
| Total Net Pension Liability | <u>\$ 15,522,630</u> |

The County's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

| | <u>CalSTRS</u> | <u>CalPERS</u> |
|------------------------------|----------------|-----------------|
| Proportion - June 30, 2014 | 0.0120% | 0.0512% |
| Proportion - June 30, 2015 | <u>0.0120%</u> | <u>0.0505%</u> |
| Change - Increase (Decrease) | <u>0.0000%</u> | <u>-0.0007%</u> |

For the year ended June 30, 2016, the County recognized pension expense of \$1,205,362. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Pension contributions subsequent to measurement date | \$ 1,519,447 | \$ - |
| Differences between actual and expected experience | 425,421 | (135,000) |
| Changes in assumptions | - | (457,365) |
| Adjustment due to differences in proportions | - | (594,807) |
| Net differences between projected and actual earnings on plan investments | <u>1,222,557</u> | <u>(2,135,997)</u> |
| | <u>\$ 3,167,425</u> | <u>\$ (3,323,169)</u> |

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 12 – PENSION PLANS (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The total amount of \$1,519,447 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30, | Amount |
|------------------------|--------------|
| 2017 | \$ (527,689) |
| 2018 | (347,751) |
| 2019 | 130,002 |
| 2020 | (19,286) |
| 2021 | (19,286) |
| Thereafter | - |

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

| | CalSTRS | CalPERS |
|----------------------------------|------------------|------------------|
| | June 30, 2014 | June 30, 2014 |
| Valuation Date | June 30, 2014 | June 30, 2014 |
| Measurement Date | June 30, 2015 | June 30, 2015 |
| Actuarial Cost Method | Entry age normal | Entry age normal |
| Actuarial Assumptions: | | |
| Discount Rate | 7.60% | 7.65% |
| Inflation | 3.00% | 2.75% |
| Wage Growth | 3.75% | Varies |
| Post-retirement Benefit Increase | 2.00% | 2.00% |
| Investment Rate of Return | 7.60% | 7.65% |

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience. RP2000 series tables are an industry standard set of mortality rates published by the Society of Actuaries. See CalSTRS July 1, 2006 - June 30, 2010 Experience Analysis for more information. The underlying mortality assumptions and all other actuarial assumptions used in the CalPERS June 30, 2014 valuation were based on the results of an April 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – for CalSTRS

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per Assembly Bill 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members.

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 12 - PENSION PLANS (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate – for CalSTRS (continued)

Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate – for CalPERS

The discount rate used to measure the total pension liability for PERF B was 7.65 percent. A projection of expected benefit payments and contributions was performed to determine if the assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF B. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained on CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| Asset Class | Target Allocation | | Long-Term Expected Rate of Return | |
|-------------------------------|-------------------|-------------|-----------------------------------|---------|
| | CalSTRS | CalPERS | CalSTRS | CalPERS |
| Global Equity | 47% | 51% | 4.50% | 5.71% |
| Global Debt Securities | N/A | 19% | N/A | 2.43% |
| Inflation Sensitive | 5% | 6% | 3.20% | 3.36% |
| Private Equity | 12% | 10% | 6.20% | 6.95% |
| Real Estate | 15% | 10% | 4.35% | 5.13% |
| Infrastructure and Forestland | N/A | 2% | N/A | 5.09% |
| Fixed Income | 20% | N/A | 0.20% | N/A |
| Liquidity | 1% | 2% | 0.00% | -1.05% |
| | 100% | 100% | | |

YOLO COUNTY OFFICE OF EDUCATION
Notes to Financial Statements
 June 30, 2016

NOTE 12 – PENSION PLANS (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | CalSTRS | CalPERS |
|-----------------------|---------------|---------------|
| 1% Decrease | 6.60% | 6.65% |
| Net Pension Liability | \$ 12,198,480 | \$ 12,115,323 |
| Current Discount Rate | 7.60% | 7.65% |
| Net Pension Liability | \$ 8,078,880 | \$ 7,443,750 |
| 1% Increase | 8.60% | 8.65% |
| Net Pension Liability | \$ 4,655,160 | \$ 3,559,024 |

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports.

C. Payable to the Pension Plans

At June 30, 2016, the County reported no payables for any outstanding amount of contributions to the CalSTRS and CalPERS pension plans required for the fiscal year ended June 30, 2016.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

Yolo County Office of Education administers a single-employer defined benefit other postemployment benefit (OPEB) plan that provides medical, dental and vision insurance benefits to eligible retirees and their spouses. The County implemented Governmental Accounting Standards Board Statement #45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, in 2007-08.

Plan Descriptions and Contribution Information

Membership in the plan consisted of the following:

| | |
|---------------------------|----|
| Eligible retirees | 32 |
| Eligible active employees | 5 |
| Total | 37 |

**As of May 1, 2015*

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Plan Descriptions and Contribution Information (continued)

Following is a description of the retiree benefit plan that applies to those hired prior to July 1, 1991.

| | Certificated * | Classified * |
|------------------------------|-----------------------------|--|
| Benefit types provided | Medical, dental, and vision | Medical, dental, and vision |
| Duration of benefits | Lifetime | Lifetime |
| Required service | 15 consecutive years | 15 consecutive years |
| Minimum age | 55 | 55 |
| Dependent coverage | Yes | Yes |
| County Office contribution % | 100% | 100% |
| County Office cap | Negotiated cap | Negotiated cap to age 65; \$75 per month thereafter |

* Management follows the above benefits as appropriate.

The County Office’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with 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 liabilities (or funding excess) over a period not to exceed thirty years. During the year, expenditures of \$140,702 were recognized for the OPEB expense.

Annual OPEB Cost and Net OPEB Obligation

The County’s annual OPEB cost is calculated based on the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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 liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation:

| | |
|--|--------------------------|
| Annual Required Contribution (ARC) | \$ 222,337 |
| Interest on net OPEB obligation | 5,846 |
| Adjustment to ARC | <u>(16,419)</u> |
| Annual OPEB cost (expense) | 211,764 |
| Contributions made | <u>(140,702)</u> |
| Increase (decrease) in net OPEB obligation (asset) | 71,062 |
| Net OPEB obligation (asset), beginning of year | <u>129,918</u> |
| Net OPEB obligation (asset), end of year | <u><u>\$ 200,980</u></u> |

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent years are as follows:

| Year Ended June 30, | Annual OPEB Cost | Percentage Contributed | Net OPEB Obligation |
|------------------------|------------------------|---------------------------|---------------------------|
| 2014 | \$ 159,377 | 104.81% | \$ 128,471 |
| 2015 | \$ 157,443 | 99.08% | \$ 129,918 |
| 2016 | \$ 211,764 | 66.44% | \$ 200,980 |

YOLO COUNTY OFFICE OF EDUCATION

Notes to Financial Statements

June 30, 2016

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress – OPEB Plans

As of May 1, 2015, the most recent actuarial valuation date, the County Office did not have a funded plan. The actuarial accrued liability (AAL) for benefits was \$1.7 million and the unfunded actuarial accrued liability (UAAL) was \$1.7 million.

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, mortality, and the healthcare cost trend. Actuarially determined amounts 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 presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 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 designated 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.

Additional information as of the latest actuarial valuation follows:

| | |
|-------------------------------|-----------------------------|
| Valuation Date | May 1, 2015 |
| Actuarial Cost Method | Entry age normal |
| Amortization Method | Closed, Level Dollar Method |
| Remaining Amortization Period | 6 years |
| Asset Valuation | N/A |
| Actuarial Assumptions: | |
| Investment rate of return | 4.50% |
| Inflation | 2.75% |
| Healthcare cost trend rate | 4.00% |

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Required Supplementary Information

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YOLO COUNTY OFFICE OF EDUCATION

*Budgetary Comparison Schedule – County School Service Fund
For the Fiscal Year Ended June 30, 2016*

| | Budgeted Amounts | | Actual* | Variance with Final Budget - Pos (Neg) |
|--|---------------------|---------------------|----------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| LCFF Sources | \$ 8,565,907 | \$ 10,142,812 | \$ 10,139,735 | \$ (3,077) |
| Federal Sources | 4,750,443 | 5,077,298 | 4,947,547 | (129,751) |
| Other State Sources | 3,724,224 | 3,953,991 | 3,208,839 | (745,152) |
| Other Local Sources | 2,995,628 | 4,423,850 | 3,629,950 | (793,900) |
| Total Revenues | 20,036,202 | 23,597,951 | 21,926,071 | (1,671,880) |
| Expenditures | | | | |
| Current: | | | | |
| Certificated Salaries | 5,865,607 | 6,352,625 | 6,300,887 | 51,738 |
| Classified Salaries | 5,703,896 | 6,033,732 | 5,996,522 | 37,210 |
| Employee Benefits | 4,085,489 | 3,664,388 | 3,626,269 | 38,119 |
| Books and Supplies | 474,315 | 1,162,635 | 982,489 | 180,146 |
| Services and Other Operating Expenditures | 3,651,327 | 5,216,760 | 3,314,203 | 1,902,557 |
| Capital Outlay | 409,884 | 568,094 | 336,185 | 231,909 |
| Other Outgo | (101,758) | (179,658) | (137,438) | (42,220) |
| Total Expenditures | 20,088,760 | 22,818,576 | 20,419,117 | 2,399,459 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (52,558) | 779,375 | 1,506,954 | 727,579 |
| Other Financing Sources and Uses | | | | |
| Interfund Transfers Out | (384,643) | (359,299) | (359,299) | - |
| Net Change in Fund Balances | (437,201) | 420,076 | 1,147,655 | 727,579 |
| Fund Balances, July 1, 2015 | 8,646,338 | 8,901,131 | 8,901,131 | - |
| Fund Balances, June 30, 2016 | \$ 8,209,137 | \$ 9,321,207 | \$ 10,048,786 | \$ 727,579 |

* The actual amounts reported in this schedule are for the County School Service Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund and the Special Revenue Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.

YOLO COUNTY OFFICE OF EDUCATION

*Budgetary Comparison Schedule – Special Education Pass-Through Fund
For the Fiscal Year Ended June 30, 2016*

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget - Pos (Neg) |
|--|------------------|--------------|-----------------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Federal Sources | \$ 5,413,734 | \$ 5,718,523 | \$ 5,587,749 | \$ (130,774) |
| Other State Sources | 9,132,007 | 8,782,273 | 9,631,494 | 849,221 |
| Other Local Sources | 792,200 | 764,284 | - | (764,284) |
| Total Revenues | 15,337,941 | 15,265,080 | 15,219,243 | (45,837) |
| Expenditures | | | | |
| Intergovernmental Transfers | 15,337,941 | 15,265,080 | 15,219,243 | 45,837 |
| Total Expenditures | 15,337,941 | 15,265,080 | 15,219,243 | 45,837 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - |
| Fund Balances, July 1, 2015 | - | - | - | - |
| Fund Balances, June 30, 2016 | \$ - | \$ - | \$ - | \$ - |

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Funding Progress - OPEB
For the Fiscal Year Ended June 30, 2016

| Actuarial Valuation Date | Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------------|--------------------|--|---------------------------|-----------------|--------------------|--|
| May 1, 2009 | \$ - | \$ 3,309,350 | \$ 3,309,350 | 0.0% | \$ 1,332,492 | 248% |
| May 1, 2012 | \$ - | \$ 2,149,310 | \$ 2,149,310 | 0.0% | \$ 1,000,930 | 215% |
| May 1, 2015 | \$ - | \$ 1,731,859 | \$ 1,731,859 | 0.0% | \$ 2,120,085 | 82% |

YOLO COUNTY OFFICE OF EDUCATION*Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2016*

| | Last Ten Fiscal Years* | |
|--|------------------------|--------------|
| | <u>2015</u> | <u>2014</u> |
| County's proportion of the net pension liability (asset): | | |
| CalSTRS | 0.0120% | 0.0120% |
| CalPERS | 0.0505% | 0.0512% |
| County's proportionate share of the net pension liability (asset): | | |
| CalSTRS | \$ 8,078,880 | \$ 7,012,440 |
| CalPERS | \$ 7,443,750 | \$ 5,812,447 |
| County's covered-employee payroll: | | |
| CalSTRS | \$ 5,773,119 | \$ 5,394,097 |
| CalPERS | \$ 6,401,521 | \$ 6,524,227 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll: | | |
| CalSTRS | 139.9% | 130.0% |
| CalPERS | 116.3% | 89.1% |
| Plan fiduciary net position as a percentage of the total pension liability: | | |
| CalSTRS | 74.9% | 76.5% |
| CalPERS | 79.0% | 83.4% |

* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Contributions
For the Fiscal Year Ended June 30, 2016

Last Ten Fiscal Years*

| | <u>2015</u> | <u>2014</u> |
|--|--------------|--------------|
| Actuarially determined contribution: | | |
| CalSTRS | \$ 512,653 | \$ 445,013 |
| CalPERS | \$ 753,523 | \$ 746,502 |
| Contributions in relation to the actuarially determined contribution: | | |
| CalSTRS | \$ 512,653 | \$ 445,013 |
| CalPERS | \$ 753,523 | \$ 746,502 |
| Contribution deficiency (excess): | | |
| CalSTRS | \$ - | \$ - |
| CalPERS | \$ - | \$ - |
| County's covered-employee payroll: | | |
| CalSTRS | \$ 5,773,119 | \$ 5,394,097 |
| CalPERS | \$ 6,401,521 | \$ 6,524,227 |
| Contributions as a percentage of covered-employee payroll: | | |
| CalSTRS | 8.88% | 8.25% |
| CalPERS | 11.771% | 11.442% |

* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

YOLO COUNTY OFFICE OF EDUCATION

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2016*

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

These schedules are required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedules present both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the County's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Funding Progress

This schedule is required by GASB Statement No. 45 for all sole and agent employers that provide other postemployment benefits (OPEB). The schedule presents, for the most recent actuarial valuation and the two preceding valuations, information about the funding progress of the plan, including, for each valuation, the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the total unfunded actuarial liability (or funding excess) to annual covered payroll.

Schedule of Proportionate Share of the Net Pension Liability

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportionate share (amount) of the collective net pension liability
- The employer's covered-employee payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll
- The pension plan's fiduciary net position as a percentage of the total pension liability

Schedule of Contributions

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

NOTE 2 – SUMMARY OF CHANGES OF BENEFITS OR ASSUMPTIONS

Benefit Changes

There were no changes to benefit terms that applied to all members of the Schools Pool.

Changes of Assumptions

The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

YOLO COUNTY OFFICE OF EDUCATION
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2016, the County incurred the following excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule:

| <u>County School Service Fund</u> | <u>Excess Expenditures</u> |
|-----------------------------------|--------------------------------|
| Other Outgo | \$ 42,220 |

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Supplementary Information

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YOLO COUNTY OFFICE OF EDUCATION
Local Educational Agency Organization Structure
June 30, 2016

The Yolo County Office of Education provides supportive services to five school districts within Yolo County. There were no changes in the County boundaries during the current year.

The Yolo County Office of Education provides a wide range of services to the children, parents, and school districts of Yolo County from operating schools for children with disabilities to providing payroll, computing, and budgetary oversight services to K-12 school districts. The County operated the following schools during the year: two county community schools, a juvenile detention school, a special education school with satellite classes on various school district campuses, and a preschool program that operates at nine facilities.

YOLO COUNTY BOARD OF EDUCATION,
As of June 30, 2016

| Member | Office | Term Expires |
|------------------|----------------|---------------------|
| Carol Souza Cole | President | November, 2018 |
| Matt Taylor | Vice President | November, 2018 |
| Bill Owens | Trustee | November, 2018 |
| Meg Stallard | Trustee | November, 2016 |
| Shelton Yip | Trustee | November, 2016 |

ADMINISTRATION

Jesse Ortiz, Ed.D.
Superintendent

Ronda DaRosa, Ed.D.
Deputy Superintendent, Educational Services

Diane Cirolini ¹
Associate Superintendent, Administrative Services

¹ Resigned effective June 30, 2016. This position is currently held by Tamara Ethier.

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2016

| | Second Period Certificate No. (DE612B87) | Annual Certificate No. (98EE8747) |
|--|---|--|
| Juvenile Court Schools ADA | | |
| Juvenile Halls, Homes and Camps | 41.47 | 46.36 |
| County Funded Non-Juvenile Court Schools ADA | | |
| Probation Referred, On Probation or Parole, Expelled Pursuant to EC 48915(a) or (c) | 30.01 | 29.14 |
| Total ADA | <u>71.48</u> | <u>75.50</u> |

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2016

| County School Service Fund | (Budget) 2017 ² | 2016 ³ | 2015 | 2014 |
|--|-------------------------------|-------------------|---------------|---------------|
| Revenues and other financing sources | \$ 22,063,190 | \$ 21,926,071 | \$ 19,464,701 | \$ 20,402,437 |
| Expenditures | 22,406,503 | 20,419,117 | 19,029,623 | 18,770,424 |
| Other uses and transfers out | 155,101 | 359,299 | 623,671 | 622,833 |
| Total outgo | 22,561,604 | 20,778,416 | 19,653,294 | 19,393,257 |
| Change in fund balance (deficit) | (498,414) | 1,147,655 | (188,593) | 1,009,180 |
| Ending fund balance | \$ 9,550,372 | \$ 10,048,786 | \$ 8,901,131 | \$ 9,089,724 |
| Available reserves ¹ | \$ 681,476 | \$ 681,474 | \$ 671,423 | \$ 671,423 |
| Available reserves as a percentage of total outgo | 3.0% | 3.3% | 3.4% | 3.5% |
| Total long-term debt ⁴ | \$ 21,901,409 | \$ 22,021,855 | \$ 19,325,570 | \$ 8,208,072 |
| Average daily attendance at P-2 | 67 | 71 | 54 | 189 |

The County School Service Fund balance has increased by \$959,062 over the past two years. The fiscal year 2016-17 adopted budget projects a decrease of \$498,414. For a county of this size, the state recommends available reserves of at least the greater of \$581,000 or 3% of total County School Service Fund expenditures, transfers out, and other uses (total outgo).

The County has incurred operating deficits in only one of the past three years, and anticipates an operating deficit during the 2016-17 fiscal year. Long-term debt has increased by \$13,813,783 over the past two years.

Average daily attendance has decreased by 118 over the past two years. A decrease of 4 ADA is anticipated during the fiscal year 2016-17.

¹ Available reserves consist of all unassigned fund balances in the General Fund.

² As of September, 2016.

³ The actual amounts reported in this schedule are for the County School Service Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund and the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.

⁴ As restated.

YOLO COUNTY OFFICE OF EDUCATION

*Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2016*

*There were no differences between the Annual Financial and Budget Report and the
Audited Financial Statements in any funds.*

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Cluster Expenditures | Federal Expenditures |
|---|---------------------|--|----------------------|----------------------|
| U.S. Department of Agriculture: | | | | |
| Passed through California Dept. of Education (CDE): | | | | |
| Child and Adult Care Food Program | 10.558 | 13666 | \$ 164,876 | |
| CCFP Cash in Lieu of Commodities | 10.558 | 13389 | 9,113 | |
| Total Child and Adult Care Food Program Cluster | | | | \$ 173,989 |
| Total U.S. Department of Agriculture: | | | | <u>173,989</u> |
| U.S. Department of Education: | | | | |
| Passed through California Dept. of Education (CDE): | | | | |
| No Child Left Behind (NCLB): | | | | |
| Title I, Part A Cluster: | | | | |
| Title I, Part A, Basic Grants Low-Income and Neglected | 84.010 | 14329 | 111,247 | |
| Title I, Part D, Local Delinquent Programs | 84.010 | 14357 | 99,688 | |
| Total Title I, Part A Cluster | | | | 210,935 |
| Title II, Part A, Improving Teacher Quality Local Grants | 84.367 | 14341 | | 1,690 |
| Title II, Part B, California Math & Science Partnerships | 84.366 | 14512 | | 494,428 |
| Title IV, Part B, 21st Century Community Learning Centers Program | 84.287 | 14681 | | 1,555 |
| Passed through Yolo County SELPA: | | | | |
| Individuals with Disabilities Education Act (IDEA): | | | | |
| Special Education Cluster: | | | | |
| Local Assistance Entitlement, Part B, Sec 611 | 84.027 | 13379 | 4,763,599 | |
| Preschool Grants, Part B, Sec 619 | 84.173 | 13430 | 134,986 | |
| Preschool Accountability Grants, Part B, Sec 619 | 84.173A | 14688 | 45,727 | |
| Alternate Dispute Resolution, Part B, Sec 611 | 84.173A | 13007 | 2,710 | |
| Preschool Local Entitlement, Part B, Sec 611 | 84.027A | 13682 | 367,496 | |
| Mental Health Services, Part B, Sec 611 | 84.027A | 14468 | 321,296 | |
| Preschool Staff Development, Part B, Sec 619 | 84.173A | 13431 | 372 | |
| Total Special Education Cluster | | | | 5,636,186 |
| Early Intervention Grants | 84.181 | 23761 | | 81,048 |
| Total U.S. Department of Education | | | | <u>6,425,842</u> |
| U.S. Department of Health & Human Services: | | | | |
| Head Start Cluster: | | | | |
| Head Start | 93.600 | 10016 | 2,782,909 | |
| Early Head Start | 93.600 | 15291 | 1,091,942 | |
| Head Start - Training & Technical Assistance | 93.600 | N/A | 25,983 | |
| Early Head Start - Training & Technical Assistance | 93.600 | 15292 | 33,692 | |
| Total Head Start Cluster | | | | 3,934,526 |
| Passed through California Dept. of Education: | | | | |
| Child Care Development Fund Cluster: | | | | |
| Federal Child Care, Center-Based | 93.596 | 13609 | 46,785 | |
| Local Planning Councils | 93.575 | 13946 | 51,776 | |
| Quality Improvement Activities | 93.575 | 13979 | 57,604 | |
| Total Child Care Development Fund Cluster | | | | 156,165 |
| Medicaid Cluster: | | | | |
| Medi-Cal Billing Option | 93.778 | 10013 | 35,716 | |
| Medi-Cal Administrative Activities (MAA) | N/A | 10060 | 53,637 | |
| Total Medicaid Cluster | | | | 89,353 |
| Total U.S. Department of Health & Human Services | | | | <u>4,180,044</u> |
| Total Expenditures of Federal Awards | | | | <u>\$ 10,779,875</u> |

Of the Federal expenditures reported in the schedule, the County provided federal awards to subrecipients as follows:

| Program Title | Federal CFDA Number | Amount Provided to Subrecipients |
|---|---------------------|----------------------------------|
| Special Education Cluster (IDEA): | | |
| Local Assistance Entitlement, Part B, Sec 611 | 84.027 | \$ 4,763,599 |
| Preschool Grants, Part B, Sec 619 | 84.173 | 134,986 |
| Preschool Local Entitlement, Part B, Sec 611 | 84.027A | 367,496 |
| Mental Health Services, Part B, Sec 611 | 84.027A | 321,296 |
| Preschool Staff Development, Part B, Sec 619 | 84.173A | 372 |
| | | <u>\$ 5,587,749</u> |

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Charter Schools
For the Fiscal Year Ended June 30, 2016

| <u>Charter School</u> | <u>Charter Number</u> | <u>Included in Audit?</u> |
|--|-----------------------|---------------------------|
| Empowering Possibilities International Charter | 1746 | No |

YOLO COUNTY OFFICE OF EDUCATION

Note to the Supplementary Information

June 30, 2016

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

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

Schedule of Financial Trends and Analysis

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

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 Expenditures of Federal Awards

The schedule of expenditures of Federal awards includes the Federal grant activity of the County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The County did not elect to use the ten percent de minimis indirect cost rate.

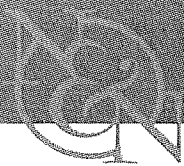
Schedule of Charter Schools

This schedule lists all charter schools chartered by the County, and displays information for each charter school and whether or not the charter is included in the County audit.

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Other Independent Auditors' Reports

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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

Board of Education
Yolo County Office of Education
Woodland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yolo County Office of Education as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Yolo County Office of Education's basic financial statements, and have issued our report thereon dated December 9, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

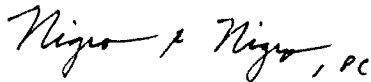
As part of obtaining reasonable assurance about whether Yolo County Office of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Findings 2016-001.

Yolo County Office of Education's Response to Finding

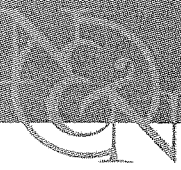
Yolo County Office of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Yolo County Office of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Murrieta, California
December 9, 2016



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Education
Yolo County Office of Education
Woodland, California

Report on State Compliance

We have audited Yolo County Office of Education's compliance with the types of compliance requirements described in the 2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting that could have a direct and material effect on each of the Yolo County Office of Education's state government programs as noted on the following page for the fiscal year ended June 30, 2016.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Yolo County Office of Education's State programs based on our audit of the types of compliance requirements referred to below. 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 2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to below occurred. An audit includes examining, on a test basis, evidence about Yolo County Office of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each State program. However, our audit does not provide a legal determination of Yolo County Office of Education's compliance.

In connection with the audit referred to on the prior page, we selected and tested transactions and records to determine the County's compliance with the State laws and regulations applicable to the following items:

Table with 2 columns: Description, Procedures Performed. Rows include Attendance, Teacher Certification and Misassignments, Kindergarten Continuance, Independent Study, Continuation Education, Instructional Time, Instructional Materials, and Ratio of Administrative Employees to Teachers.

| Description | Procedures Performed |
|---|----------------------|
| Classroom Teacher Salaries | Not Applicable |
| Early Retirement Incentive | Not Applicable |
| Gann Limit Calculation | Yes |
| School Accountability Report Card | Yes |
| Juvenile Court Schools | Yes |
| Middle or Early College High Schools | Not Applicable |
| K-3 Grade Span Adjustment | Not Applicable |
| Transportation Maintenance of Effort | Not Applicable |
| Educator Effectiveness | No (see below) |
| California Clean Energy Jobs Act | No (see below) |
| After School Education and Safety Program | Not Applicable |
| Proper Expenditure of Education Protection Account Funds | Yes |
| Unduplicated Local Control Funding Formula Pupil Counts | Yes |
| Local Control and Accountability Plan | Yes |
| Independent Study - Course Based | Not Applicable |
| Immunizations | Yes |
| Charter Schools: | |
| Attendance | Not Applicable |
| Mode of Instruction | Not Applicable |
| Nonclassroom-Based Instruction/Independent Study | Not Applicable |
| Determination of Funding for Nonclassroom-Based Instruction | Not Applicable |
| Annual Instructional Minutes – Classroom Based | Not Applicable |
| Charter School Facility Grant Program | Not Applicable |

We did not perform testing for independent study because the ADA was under the level that requires testing. We did not perform testing for Educator Effectiveness or California Clean Energy because there were no expenditures for these programs during the year.

Unmodified Opinion on Compliance with State Programs

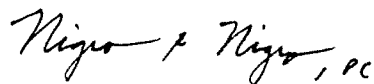
In our opinion, Yolo County Office of Education complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2016.

Other Matter

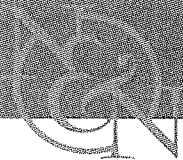
The results of our auditing procedures disclosed instances of noncompliance with the compliance requirements referred to above, which are required to be reported in accordance with *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and which are described in the accompanying schedule of findings and questioned costs as Finding 2016-001.

County's Response to Finding

Yolo County Office of Education's response to the compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Yolo County Office of Education's response was not subjected to the auditing procedures in the audit of compliance and, accordingly, we express no opinion on the response.



Murrieta, California
December 9, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Yolo County Office of Education
Woodland, California

Report on Compliance for Each Major Federal Program

We have audited Yolo County Office of Education's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Yolo County Office of Education's major federal programs for the year ended June 30, 2016. Yolo County Office of Education's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Yolo County Office of Education's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Yolo County Office of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Yolo County Office of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

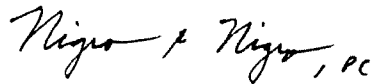
Report on Internal Control Over Compliance

Management of Yolo County Office of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Yolo County Office of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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



Murrieta, California
December 9, 2016

Findings and Questioned Costs

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YOLO COUNTY OFFICE OF EDUCATION
Schedule of Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

| | |
|--|----------------------|
| Type of auditors' report issued | <u>Unmodified</u> |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | <u>No</u> |
| Significant deficiency(s) 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 weakness(es) identified? | <u>No</u> |
| Significant deficiency(s) identified not considered to be material weaknesses? | <u>None reported</u> |
| Type of auditors' report issued on compliance for major programs: | <u>Unmodified</u> |
| Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section 200.516 | <u>No</u> |
| Identification of major programs: | |
| <u>CFDA Numbers</u> <u>Name of Federal Program or Cluster</u> | |
| <u>84.027, 84.173</u> <u>Special Education Cluster</u> | |
| Dollar threshold used to distinguish between Type A and Type B programs: | <u>\$ 750,000</u> |
| Auditee qualified as low-risk auditee? | <u>Yes</u> |

State Awards

| | |
|---|-------------------|
| Type of auditors' report issued on compliance for state programs: | <u>Unmodified</u> |
|---|-------------------|

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

| <u>Five Digit Code</u> | <u>AB 3627 Finding Types</u> |
|------------------------|------------------------------------|
| 10000 | Attendance |
| 20000 | Inventory of Equipment |
| 30000 | Internal Control |
| 40000 | State Compliance |
| 42000 | Charter School Facilities Programs |
| 50000 | Federal Compliance |
| 60000 | Miscellaneous |
| 61000 | Classroom Teacher Salaries |
| 62000 | Local Control Accountability Plan |
| 70000 | Instructional Materials |
| 71000 | Teacher Misassignments |
| 72000 | School Accountability Report Card |

There were no financial statement findings in 2015-16.

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs in 2015-16.

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

Finding 2016-001: CALPADS Unduplicated Pupil Counts (40000)

Criteria: Supplemental and concentration grant amounts are calculated based on the percentage of "unduplicated pupils" enrolled in the LEA on Census Day (first Wednesday in October). The percentage equals:

- Unduplicated count of pupils who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth. "Unduplicated count" means that each pupil is counted only once even if the pupil meets more than one of these criteria (*EC* sections 2574(b)(2) and 42238.02(b)(1)).
- Divided by total enrollment in the LEA (*EC* sections 2574(b)(1) and 42238.02(b)(5)). All pupil counts are based on Fall 1 certified enrollment reported in the CALPADS as of Census Day.

Condition: During our testing of the English Learner (EL) and Free and Reduced Price Meal (FRPM) eligible students reported in the CALPADS 1.17 and 1.18 reports, we noted one student who was incorrectly classified as EL and one student who was incorrectly classified as FRPM eligible. One student was classified as an EL student, but did not have a CELDT or other evidence of being an EL student in accordance with the County Office's policy. One student was classified as FRPM eligible, but our procedure indicated that the student should have been classified as Paid.

Context: We noted errors at only two of the three County Office schools we tested, for a total of two exceptions.

Cause: These exceptions were caused by human error.

Questioned Costs: \$2,976. This amount was determined by calculating the difference between the County's original total LCFF revenues and the LCFF revenues adjusted for the decrease in the unduplicated pupil counts.

Effect: The unduplicated pupil counts reported in the CALPADS 1.17 and 1.18 reports should be adjusted for the following changes as a result of the procedures performed:

| Program/Site: | CALPADS | Adjusted Based on EL Eligibility | Adjusted Based on FRPM Eligibility | Adjusted Total |
|-------------------------------|----------------|---|---|-----------------------|
| Yolo County Special Education | 61 | (1) | - | 60 |
| Aggregate other schools | 73 | - | (1) | 72 |
| Totals | 134 | (1) | (1) | 132 |

The enrollment count of 203 was not impacted as a result of the procedures performed.

YOLO COUNTY OFFICE OF EDUCATION
Schedule of Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS (continued)

Finding 2016-001: CALPADS Unduplicated Pupil Counts (40000) (continued)

Recommendation: The County Office should verify meal applications it receives to ensure that each pupil is correctly classified, and it should also retain EL documentation for any students classified as English learners.

Views of Responsible Officials: Our school site personnel will ensure all FRPM meal applications certified by the County prior to entering the information into the student information system.

The accuracy of the EL data shared between the student information system and CALPADS will be reinsured prior to the data being certified in CALPADS.

YOLO COUNTY OFFICE OF EDUCATION
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2016

| Original Finding No. | Finding | Code | Recommendation | Current Status |
|---|--|-------|---|---|
| <p><i>Finding 2015-1: CALPADS Unduplicated Pupil Counts</i></p> | <p>Supplemental and concentration grant amounts are calculated based on the percentage of "unduplicated pupils" enrolled in the LEA on Census Day (first Wednesday in October). The percentage equals:</p> <ul style="list-style-type: none"> • Unduplicated count of pupils who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth. "Unduplicated count" means that each pupil is counted only once even if the pupil meets more than one of these criteria (<i>EC</i> sections 2574(b)(2) and 42238.02(b)(1)). • Divided by total enrollment in the LEA (<i>EC</i> sections 2574(b)(1) and 42238.02(b)(5)). All pupil counts are based on Fall 1 certified enrollment reported in the CALPADS as of Census Day. <p>During our testing of the free and reduced price meal eligible students reported in the CALPADS 1.17 and 1.18 reports, the County could not locate the free or reduced meal application for one student that was reported as qualifying for free or reduced priced meals.</p> | 40000 | <p>We recommend that the County Office work with the Child Nutrition Services department to update the CALPADS system once all applications are received. Although there is a grace period recognized at a local level, the County Office should update CALPADS retroactively to reflect the current year application information in the reporting software. We also recommend that procedures are established to ensure that the student information system which is used for CALPADS reporting, is updated to reflect the changes made in the Child Nutrition Services internal system prior to the submission of the CALPADS report.</p> | <p>Implemented; However, see Finding 2016- 001.</p> |
| <p><i>Finding 2015-2: School Accountability Report Card</i></p> | <p>In accordance with Education Code §33126, the school is to provide an accountability report card to include safety, cleanliness, and adequacy of school facilities, to include any needed maintenance to ensure good repair. The condition reported should be supported by the school's Facilities Inspection Tool (FIT), School Facilities Condition Evaluation as required by Education Code §17002.</p> | 72000 | <p>We recommend that an employee verify the information presented in the SARC. This information is essential to present the image of the school fairly to the public.</p> | <p>Implemented.</p> |

YOLO COUNTY OFFICE OF EDUCATION
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2016

| Original Finding No. | Finding | Code | Recommendation | Current Status |
|--|---|-------------|-----------------------|-----------------------|
| <i>Finding 2015-2: School Accountability Report Card (continued)</i> | It was noted that the School Facility Repair Status on the SARCs for Einstein Education Center and Midtown Community School did not match the FIT form. The Einstein Education SARC stated a 'FAIR' rating for Interior, while the FIT form stated a 'POOR' rating for Interior. Midtown's SARC stated a 'GOOD' rating for Restrooms, while the FIT form stated a 'POOR' rating for the Restrooms category. | | | |

YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|--|---|
| SUBJECT: 2016-17 P-1 ADA Report | AGENDA ITEM #: 3.4 |
| PER: <input type="checkbox"/> BOARD REQUEST <input checked="" type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Mechele Coombs |
| <u>BACKGROUND:</u> | DATE: January 31, 2017 |

Attached is the 2016-17 P-1 ADA Report.

RECOMMENDATION/COMMENTS: For information.

YOLO COUNTY OFFICE OF EDUCATION
 Actual Average Daily Attendance
P-1
 January 31, 2017

| 2016/17 Original Budget (A) | 2016/17 Period 1 Actual (B) | 2016/17 Period 2 Actual (C) | 2016/17 Annual Actual (D) | 2016/17 Current Budget (E) | P-1 vs. Current Budget (B - E) |
|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|-------------------------------------|---|
|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|-------------------------------------|---|

PROGRAM

| | | | | | |
|-----------------------------|----|-----|--|----|----|
| Cesar Chavez - Wdld Campus | 22 | 32 | | 22 | 10 |
| Cesar Chavez - W Sac Campus | 5 | 10 | | 5 | 5 |
| YCCP | 0 | 12 | | 12 | 0 |
| Juvenile Hall | 40 | 51 | | 40 | 11 |
| Special Education | | 112 | | | |
| Special Education - ESY | | 8 | | | |

Special Education
 ADA by District

| | | ESY |
|------------|-------|------|
| Davis | 23.65 | 1.72 |
| Esparto | 4.39 | 0.36 |
| Washington | 22.98 | 1.85 |
| Winters | 5.35 | 0.41 |
| Woodland | 55.22 | 3.91 |

YOLO COUNTY BOARD OF EDUCATION

Letter of Transmittal to County Board

From the Superintendent

| | |
|--|---|
| SUBJECT: Attendance Reports | AGENDA ITEM #: 3.5 |
| PER: <input checked="" type="checkbox"/> BOARD REQUEST <input type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Garth Lewis |
| | DATE: January 31, 2017 |

BACKGROUND:

The following reports are being presented to the Board as information:

(a) **Alternative Education**

(b) **Special Education**

Staff will distribute reports as handouts at the meeting.

RECOMMENDATION/COMMENTS: For information.

YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|--|---|
| SUBJECT: Head Start/Early Head Start Reports | AGENDA ITEM #: 3.6 |
| PER: <input checked="" type="checkbox"/> BOARD REQUEST <input type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Gail Nadal and Mechele Coombs |
| DATE: January 31, 2017 | |

BACKGROUND:

The following reports are being presented to the Board as information:

- (a) **Enrollment Update** – this is a standing report to the Board

- (b) **Program** – this is a standing report to the Board

- (c) **Financial Status** – this is a standing report to the Board

- (d) **Financial Status Report (Standard Form 425)** – is being presented as information to the Board as required per Department of Health and Human Services 45CFR Part 92, Sec. 92.41.

RECOMMENDATION/COMMENTS: For information.



Head Start / Early Head Start

Director, Yolo County Board of Education & Policy Council Monthly Report

EARLY HEAD START

| Date: Monday, December 12, 2016 | | | | Report Outcomes for the month of December 2016 | | | |
|---------------------------------|---------------|--------------|-----------------|--|--------------------------|-------------------|--------------------|
| # | Program | Site | Ages | Waiting Lists C = Complete () = Over income | Average Daily Attendance | Funded Enrollment | Current Enrollment |
| 1 | EHS/State | Lemen | 6 wk. – 30 mos. | C 2(0) | 82.35% | 3 | 3 |
| | | | | | 88.46% | 3 | 3 |
| | | | | | 100.00% | 4 | 4 |
| 2 | EHS/State | Alyce Norman | 6 wk. – 30 mos. | C1 (4) | 80.39% | 3 | 3 |
| | | | | | 79.41% | 4 | 4 |
| | | | | | 92.16% | 3 | 3 |
| 3 | EHS/State | Alyce Norman | 24 – 36 mos. | C 0(0) | 83.82% | 4 | 4 |
| | | | | | 83.82% | 4 | 4 |
| | | | | | 79.69% | 4 | 4 |
| | | | | | 86.76% | 4 | 4 |
| 4 | EHS Home Base | Yolo Co. | 6 wk. – 3 yrs. | C4 (0) | N/A | 52 | 36 |
| SUB TOTAL | | | | C 7 (4) | 85.68% | 88 | 88 |

HEAD START

| | Program | Site | Ages | Waiting Lists | Average Daily Attendance | Funded Enrollment | Current Enrollment | |
|------------------|----------|------------|-------|----------------|--------------------------|-------------------|--------------------|----|
| 1 | HS/State | Lincoln | 3 – 5 | C 4(0) | 81.25% | 16 | 16 | |
| 2 | | | | | 83.20% | 16 | 16 | |
| 3 | | | | | HS | 86.00% | 17 | 17 |
| 4 | | | | | 86.27% | 20 | 20 | |
| 5 | | | | | HS/State | 87.80% | 21 | 21 |
| 6 | | | | | 86.04% | 21 | 21 | |
| 7 | HS/State | Esparto | 3 – 5 | C 1(1) | 91.32% | 24 | 24 | |
| 8 | HS/State | Valley Oak | 3 - 5 | C 1(0) | 88.24% | 16 | 16 | |
| 9 | HS | Montgomery | 3 – 5 | C0(0) | 79.71% | 16 | 16 | |
| 10 | HS/State | Elkhorn | 3 – 5 | C 0(2) | 77.37% | 22 | 22 | |
| 11 | HS/State | Charter | 3 – 5 | C0 (0) | 86.65% | 24 | 24 | |
| 1 | | | | | 79.68% | 8 | 8 | |
| 2 | | | | | 84.92% | 22 | 22 | |
| 12 | HS/State | Westfield | 3 – 5 | C 2(0) | 90.79% | 22 | 22 | |
| SUB TOTAL | | | | C8(3) | 85.28% | 280 | 280 | |
| TOTAL | | | | C 15(7) | | 368 | 368 | |

Italicized numbers = State Pre-school

Yolo County Office of Education Board of Education

Head Start/Early Head Start/ State Preschool

Gail Nadal

January 2017 Overview

Head Start/Early Head Start/ State Preschool

Program

- Reduction of 7 slots – due to not being fully enrolled for 4 months, Region 9 has requested T.A. for YCOE Head Start to address enrollment issues. Simultaneously, YCOE has submitted a request to reduce by 7 slots identified at Lincoln – 3 slots and Montgomery – 4 slots.
- Head Start Family Literacy Meetings are planned for parents to participate and learn effective ways to introduce early literacy to their child at home. KVIE continues to be a partner of this program and provides material and books for parents to take home and to build their home library.
- The teaching staff are preparing for upcoming home visits and looking at child data recently collected through the DRDP assessments. Parent will have the opportunity to talk with their child's teacher about the learning and play experiences of their children at school.
- Head Start has begun the planning and partnership with Explorit program from Davis to support Science through Hands on Learning and Reading. Theme boxes are planned for our STEM lab and will align with our current practices used during the outdoor play with the Lincoln Head Start children. In addition, our mentor coaches will be reviewing newly developed curriculum that the Explorit team has created for Early Childhood age group.

Policy Council

- On January 12th, a special Policy Council meeting took place to approve new candidates selected for teaching positions in Head start. In addition, Policy Council approved the reduction of slots remaining slots

Planning

- Head Start Budget Development is in process and in preparation for the Refunding Application due April 1st to the federal government.

- Parents at Plainfield Elementary have been asked about their interest in having Head Start at the school site. We will review the information that parents have provided to help frame the program operations at this location.

Waitlist Report

| Month/Year: | Lincoln | Valley Oak | Esparto | Elkhorn | Montgomery | Westfield | Charter | HS Total | EHS Lemen | EHS Alyce Norman | EHS-Home Based | EHS Total | |
|---|---------|------------|---------|---------|------------|-----------|---------|----------|-----------|------------------|----------------|-----------|---|
| Number of complete application income eligible: | 4 | 1 | 1 | 0 | 0 | 0 | 2 | 0 | 8 | 2 | 1 | 4 | 7 |
| Number of complete application over income: | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 3 | 0 | 4 | 0 | 4 |
| Number of complete application with IEP/IFSF : | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 1 | 1 |
| Number of Drops this month: | 2 | 0 | 0 | 1 | 2 | 2 | 1 | 4 | 10 | 2 | 0 | 3 | 5 |
| Out of the drops how many were replaced: | 2 | 0 | 0 | 1 | 2 | 2 | 1 | 3 | 9 | 2 | 0 | 2 | 4 |
| # of Application tha need to be inactive | 49 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 53 | 0 | 0 | 0 | 0 |

**Executive Summary
2016/2017 Fiscal Year
December 31, 2016**

| Program | Working Budget | Current Expenditures | Year-To-Date Expenditures | Encumbered | Balance | % of Budget Spent | % of Budget Encumbered | % of Budget Unspent or Not Obligated |
|-----------------------|---------------------|----------------------|---------------------------|------------------|--------------------|-------------------|------------------------|--------------------------------------|
| Head Start | \$ 2,771,863 | \$ 203,420 | \$ 1,006,008 | \$ 61,972 | \$1,703,884 | 36.29% | 2.24% | 61.47% |
| Early Head Start | \$ 1,057,497 | \$ 72,369 | \$ 415,917 | \$ 27,086 | \$ 614,495 | 39.33% | 2.56% | 58.11% |
| Head Start T&TA | \$ 33,692 | \$ 1,454 | \$ 8,158 | \$ 5,916 | \$ 19,619 | 24.21% | 17.56% | 58.23% |
| Early Head Start T&TA | \$ 25,983 | \$ 1,476 | \$ 4,200 | \$ 524 | \$ 21,258 | 16.17% | 2.02% | 81.82% |
| Total Grant | \$ 3,889,035 | \$ 278,719 | \$ 1,434,283 | \$ 95,497 | \$2,359,255 | 36.88% | 2.46% | 60.66% |

| Credit Cards | Monthly Expense |
|----------------------------------|--------------------|
| Visa | \$ 1,666.93 |
| Wal-Mart | \$ - |
| Nugget/Food 4 Less | \$ 352.80 |
| Interstate Oil | \$ 291.29 |
| Total Credit Card Expense | \$ 2,311.02 |

| Administrative Percent Calculation | |
|---|-----|
| Maximum allowed Administrative Percent: | 15% |
| Calculated Percentage for the Month: | 12% |

| | Dollars Expended | |
|--------------------------|------------------------|----------------------|
| | Year-To-Date | In-Kind Required |
| Head Start: | \$ 1,006,007.81 | \$ 251,501.95 |
| Head Start T & TA: | \$ 8,157.67 | \$ 2,039.42 |
| Early Head Start: | \$ 415,916.82 | \$ 103,979.21 |
| Early Head Start T & TA: | \$ 4,200.22 | \$ 1,050.06 |
| Total | \$ 1,434,282.52 | \$ 358,570.63 |
| | Amount Required: | \$ 358,570.63 |
| | Actual In-Kind: | \$ 387,287.10 |
| | *Surplus/(Deficit): | \$ 28,716.47 |

If deficit: will be returned to Federal Government from unrestricted dollars

| CACFP Meal Reimbursement: November 2016 | | | |
|---|-------------------------------|------------------------------|----------------------------|
| | Number of Meals/Snacks Served | Federal Reimbursement Amount | State Reimbursement Amount |
| Breakfast | 1633 | \$ 2,792.43 | \$ 276.14 |
| AM Snacks | 207 | \$ 178.02 | \$ - |
| Lunch | 3099 | \$ 10,505.61 | \$ 524.04 |
| PM Snacks | 2263 | \$ 1,946.18 | \$ - |
| | Total Reimbursement | \$ | 16,222.42 |

**HEAD START
2016/2017 BUDGET
December**

Resource 5210

| CATEGORY | Budget | Adjustment | Revised Budget | Expended/Received | | | Balance | % % |
|--|-----------|------------|----------------|-------------------|-----------------|------------|-----------|----------|
| | | | | Current | Year-to-date | Encumbered | | |
| Revenues | | | | | | | | |
| All Other Federal | 2,722,852 | 49,011 | 2,771,863 | 625,676 | 991,667 | | 1,780,196 | 64.22% |
| COLA | 49,011 | | 0 | | 0 | | 0 | #DIV/0! |
| Local Restricted | 0 | | 0 | 0 | 0 | | 0 | 0.00% |
| Total Revenues | 2,771,863 | 49,011 | 2,771,863 | 625,676 | 991,667 | 0 | 1,780,196 | 64.22% |
| Expenditures: | | | | | | | | |
| Salaries | 1,357,984 | (123,115) | 1,234,869 | 97,716 | 521,105 | 0 | 713,764 | 57.80% |
| Substitutes | 37,000 | 6,886 | 43,886 | 2,918 | 15,201 | 0 | 28,685 | 65.36% |
| Benefits | 562,309 | (102,846) | 459,463 | 29,432 | 158,654 | 0 | 300,809 | 65.47% |
| Supplies | 20,311 | 14,160 | 34,471 | 2,406 | 13,086 | 13,094 | 8,291 | 24.05% |
| <i>Parent Activity Supplies & Food for Parent Meetings</i> | 2,500 | 3,196 | 5,696 | 288 | 2,256 | | 973 | 17.08% |
| <i>Site Supplies</i> | 17,297 | 11,478 | 28,775 | 2,118 | 10,830 | 10,627 | 7,319 | 25.43% |
| Contracted Services | 42,472 | 207,302 | 249,774 | 28,743 | 69,763 | 43,416 | 136,595 | 54.69% |
| Operations | 432,091 | (4,216) | 427,875 | 290 | 111,662 | 5,462 | 310,751 | 72.63% |
| <i>Rent, Utilities, Security, Pest Control, etc.</i> | | | | | | | | |
| Other | 22,346 | 1,829 | 24,175 | 1,145 | 13,693 | 0 | 10,482 | 43.36% |
| Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| CSBS Balance Line | 0 | 0 | 0 | 0 | 0 | | 0 | 0.00% |
| Fund Reserve | 0 | 0 | 0 | | 0 | 0 | 0 | 0.00% |
| Indirect Costs | 246,956 | 0 | 246,956 | 30,431 | 90,136 | 0 | 156,820 | 63.50% |
| Tsfer to Cafe Fund | 50,394 | 0 | 50,394 | 10,339 | 12,708 | 0 | 37,686 | 74.78% |
| Total Expenditures | 2,771,863 | 0 | 2,771,863 | 203,420 | 1,006,008 | 61,972 | 1,703,884 | 61.47% |
| Non-Federal | | | | | | | | |
| | | | | Year-to-date | | | | |
| | | | | Earned | Required | | | |
| In Kind | 692,966 | 0 | 692,966 | 264,930 | 251,502 | | 441,464 | 63.71% * |
| Grand Total:/Total final: | 3,464,829 | 0 | 3,464,829 | 1,270,938 | | 0 | 2,193,891 | 63.32% |

* Represents the percent (%) of In-Kind still outstanding

**PROGRAMA HEAD START
PRESUPUESTO 2016/2017**

| Recurso 5210 | | Presupuesto | Ajustes | Presupuesto Revisado | Actual | Gastado/Recibido | | Balance | % % |
|---------------------|--|-------------|-----------|----------------------|-------------------|-------------------|--------------|-----------|----------|
| CATEGORÍA | | | | | | Lo que va del año | Sobrecargado | | |
| Ingresos: | | | | | | | | | |
| | Todos los otros Federales | 2,722,852 | | 2,771,863 | 625,676 | 991,667 | | 1,780,196 | 64.22% |
| | | 49,011 | | 0 | | | | 0 | |
| | | 0 | 0 | 0 | 0 | 0 | | | |
| | Total Revenues/Total de Ingresos | 2,771,863 | 0 | 2,771,863 | 625,676 | 991,667 | 0 | 1,780,196 | |
| Gastos: | | | | | | | | | |
| | Salarios | 1,357,984 | (123,115) | 1,234,869 | 97,716 | 521,105 | 0 | 713,764 | 57.80% |
| | Substitutos | 37,000 | 6,886 | 43,886 | 2,918 | 15,201 | 0 | 28,685 | 65.36% |
| | Beneficios | 562,309 | (102,846) | 459,463 | 29,432 | 158,654 | 0 | 300,809 | 65.47% |
| | Provisiones | 20,311 | 14,160 | 34,471 | 2,406 | 13,086 | 13,094 | 8,291 | 24.05% |
| | <i>Articulos para las actividades de los padres y comida para las juntas</i> | 2,500 | 3,196 | 5,696 | 288 | 2,256 | 2,467 | 973 | 0.00% |
| | <i>Articulos de oficina para el centro</i> | 17,297 | 11,478 | 28,775 | 2,118 | 10,830 | 10,627 | 7,319 | 25.43% |
| | Servicios Contratados | 42,472 | 207,302 | 249,774 | 28,743 | 69,763 | 43,416 | 136,595 | 54.69% |
| | Gastos de Operación | 432,091 | (4,216) | 427,875 | 290 | 111,662 | 5,462 | 310,751 | 72.63% |
| | <i>Renta, gas y luz, seguridad, fumigacion, etc.</i> | | | | | | | | |
| | Otros | 22,346 | 1,829 | 24,175 | 1,145 | 13,693 | 0 | 10,482 | 43.36% |
| | Mejoras a las Instalaciones/Edificios | 0 | 0 | 0 | 0 | 0 | 0 | 0 | #DIV/0! |
| | Línea de Balance CSBS | 0 | 0 | 0 | 0 | 0 | | 0 | 0.00% |
| | Fondos de Reserva | 0 | 0 | 0 | | 0 | | 0 | 0.00% |
| | Gastos Indirectos | 246,956 | 0 | 246,956 | 30,431 | 90,136 | 0 | 156,820 | 63.50% |
| | transferencia al fondo del café | 50,394 | 0 | 50,394 | 10,339 | 12,708 | 0 | 37,686 | 74.78% |
| | Total de Gastos | 2,771,863 | 0 | 2,771,863 | 203,420 | 1,006,008 | 61,972 | 1,703,884 | 61.47% |
| No Federales | | | | | | | | | |
| | | | | | Lo que va del año | | | | |
| | | | | | Actual | Requerido | | | |
| | De donaciones | 692,966 | 0 | 692,966 | 264,930 | 251,502 | | 441,464 | 63.71% * |
| | Total final: | 3,464,829 | 0 | 3,464,829 | 1,270,938 | | 0 | 2,193,891 | 63.32% |

* Representa el porcentaje (%) de donaciones faltantes

**EARLY HEAD START
2016/2017
December**

Resource 5212

| CATEGORY | Budget | Adjustment | Revised Budget | Actual Current | Expended/Received | | | Balance | % |
|--|-----------|------------|----------------|----------------|---------------------|------------|---------|----------|---|
| | | | | | Year-to-date | Encumbered | | | |
| Revenues | | | | | | | | | |
| All Other Federal | 1,038,799 | 18,698 | 1,057,497 | 204,168 | 411,061 | 0 | 646,436 | 61.13% | |
| COLA | 18,698 | | 0 | | 0 | | 0 | #DIV/0! | |
| Local Restricted | 0 | 0 | 0 | | 0 | | 0 | | |
| Total Revenues | 1,057,497 | 18,698 | 1,057,497 | 204,168 | 411,061 | 0 | 646,436 | 61.13% | |
| Expenditures | | | | | | | | | |
| Salaries | 551,049 | (37,881) | 513,168 | 39,038 | 231,271 | 0 | 281,897 | 54.93% | |
| Substitutes | 25,700 | (500) | 25,200 | 0 | 9,093 | 0 | 16,107 | 63.92% | |
| Benefits | 206,394 | (28,182) | 178,212 | 12,641 | 71,716 | 0 | 106,496 | 59.76% | |
| Supplies | 40,650 | (1,494) | 39,156 | 4,492 | 7,439 | 12,842 | 18,875 | 48.21% | |
| <i>Parent Activity Supplies & Food for Parent Meetings</i> | 2,000 | 1,443 | 3,443 | 127 | 613 | 1,584 | 1,246 | 36.19% | |
| <i>Site Supplies</i> | 38,650 | 717 | 35,713 | 4,365 | 6,826 | 11,258 | 17,629 | 49.36% | |
| Contracted Services | 38,044 | 69,894 | 107,938 | 1,767 | 28,962 | 11,414 | 67,561 | 62.59% | |
| Operations | 70,933 | (931) | 70,002 | 93 | 18,850 | 2,830 | 48,322 | 69.03% | |
| <i>Rent, Utilities, Security, Pest Control, etc.</i> | | 0 | | | | | | | |
| Other | 17,310 | (906) | 16,404 | 717 | 6,757 | 0 | 9,647 | 58.81% | |
| CSBS Balance Line | 0 | 0 | 0 | 0 | | 0 | 0 | 0.00% | |
| Building/Land Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | |
| Indirect Costs | 94,818 | 0 | 94,818 | 11,359 | 37,334 | 0 | 57,484 | 60.63% | |
| Tsfer to Cafe Fund | 12,599 | 0 | 12,599 | 2,260 | 4,494 | 0 | 8,105 | 64.33% | |
| Total Expenditures | 1,057,497 | 0 | 1,057,497 | 72,369 | 415,917 | 27,086 | 614,495 | 58.11% | |
| | | | 0 | | | | | | |
| Non-Federal | | | | | Year-to-date | | | | |
| | | | | Earned | Required | | | | |
| In Kind | 264,374 | | 264,374 | 119,330 | 103,979 | | 160,395 | 60.67% * | |
| Grand Total: | 1,321,871 | 0 | 1,321,871 | 535,247 | | | 786,624 | 59.51% | |

* Represents the percent (%) of In-Kind still outstanding

**PROGRAMA EARLY HEAD START
PRESUPUESTO DEL AÑO FISCAL 2016/2017**

| Recurso 5212 | | Presupuesto | Ajustes | Presupuesto Revisado | Actual | Gastado/Recibido | | Balance | % % | |
|---------------------|--|-------------|----------|----------------------|--------------------------|-------------------|--------------|---------|----------|--|
| CATEGORÍA | | | | | | Lo que va del año | Sobrecargado | | | |
| Ingresos: | | | | | | | | | | |
| | Todos los otros Federales | 1,038,799 | 0 | 954,810 | 204,168 | 411,061 | 0 | 543,749 | 56.95% | |
| | | 18,698 | | 18,698 | | | | 18,698 | 100.00% | |
| | | 0 | | 0 | | 0 | | 0 | | |
| | Total de Ingresos | 1,057,497 | 0 | 1,057,497 | 204,168 | 411,061 | 0 | 646,436 | 61.13% | |
| Gastos: | | | | | | | | | | |
| | Salarios | 551,049 | (37,881) | 513,168 | 39,038 | 231,271 | 0 | 281,897 | 54.93% | |
| | Substitutos | 25,700 | (500) | 25,200 | 0 | 9,093 | 0 | 16,107 | 63.92% | |
| | Beneficios | 206,394 | (28,182) | 178,212 | 12,641 | 71,716 | 0 | 106,496 | 59.76% | |
| | Provisiones | 40,650 | (1,494) | 39,156 | 4,492 | 7,439 | 12,842 | 18,875 | 48.21% | |
| | <i>Articulos para las actividades de los padres y comida para las juntas</i> | 2,000 | 1,443 | 3,443 | 127 | 613 | 1,584 | 1,246 | 36.19% | |
| | <i>Articulos de oficina para el centro</i> | 38,650 | (2,937) | 35,713 | 4,365 | 6,826 | 11,258 | 17,629 | 49.36% | |
| | Servicios Contratados | 38,044 | 69,894 | 107,938 | 1,767 | 28,962 | 11,414 | 67,561 | 62.59% | |
| | Gastos de Operación | 70,933 | (931) | 70,002 | 93 | 18,850 | 2,830 | 48,322 | 69.03% | |
| | <i>Renta, gas y luz, seguridad, fumigación, etc.</i> | | | | | | | | | |
| | Otros | 17,310 | (906) | 16,404 | 717 | 6,757 | 0 | 9,647 | 58.81% | |
| | Línea de Balance CSBS | 0 | 0 | 0 | 0 | | | 0 | 0.00% | |
| | Fondos de Reserva | 47,899 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | |
| | Gastos Indirectos | 94,818 | 0 | 94,818 | 11,359 | 37,334 | 0 | 57,484 | 60.63% | |
| | <i>transferencia al fondo del café</i> | 12,599 | 0 | 12,599 | 2,260 | 4,494 | 0 | 8,105 | 64.33% | |
| | Total de Gastos | 1,105,396 | 0 | 1,057,497 | 72,369 | 415,917 | 27,086 | 614,495 | 58.11% | |
| | | | | | Lo que va del año | | | | | |
| No Federales | | | | | Actual | Requerido | | | | |
| | De donaciones | 264,374 | | 264,374 | 119,330 | 103,979 | | 160,395 | 60.67% * | |
| | Total final: | 1,369,770 | 0 | 1,369,770 | 535,247 | | | 786,624 | 57.43% | |

* Representa el porcentaje (%) de donaciones faltantes

HEAD START
T & TA
2016/2017
December

Resource 5208

| CATEGORY | Budget | Adjustment | Revised Budget | Current | Expended/Received | | | Balance | % % |
|--|--------|------------|----------------|------------------------|--------------------------|------------|--------|----------|--------|
| | | | | | Year-to-date | Encumbered | | | |
| Revenues | | | | | | | | | |
| All Other Federal | 33,692 | 0 | 33,692 | 2,221 | 6,824 | | 26,868 | 79.75% | |
| Total Revenues | 33,692 | 0 | 33,692 | 2,221 | 6,824 | 0 | 26,868 | 79.75% | |
| Expenditures | | | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | |
| Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | |
| Supplies | 5,410 | (300) | 5,110 | 0 | 215 | 154 | 4,741 | 92.79% | |
| <i>Parent Activity Supplies & Food for Parent Meetings</i> | 1,657 | (200) | 1,457 | 0 | 0 | 154 | 1,303 | 89.43% | |
| <i>Site Supplies</i> | 3,753 | (100) | 3,653 | 0 | 215 | 0 | 3,438 | 94.13% | |
| Contracted Services | 14,885 | (6,388) | 8,497 | 0 | 2,034 | 1,201 | 5,262 | 61.93% | |
| Other | 10,340 | 6,688 | 17,028 | 1,213 | 5,169 | 4,560 | 7,299 | 42.86% | |
| Indirect Costs | 3,057 | 0 | 3,057 | 241 | 740 | 0 | 2,317 | 75.78% | |
| Total Expenditures | 33,692 | 0 | 33,692 | 1,454 | 8,158 | 5,916 | 19,619 | 58.23% | |
| Non-Federal | | | | | Year-to-date | | | | |
| | 8,423 | 378 | 8,801 | Earned 2,009 | Required 2,039 | | 6,792 | 77.17% * | |
| Grand Total: | 42,115 | 378 | 42,493 | 10,167 | | | 32,326 | 76.07% | |

* Represents the percent (%) of In-Kind still outstanding

**PROGRAMA HEAD START
T y TA
PRESUPUESTO 2016/2017**

| Recurso 5208 | | Presupuesto | Ajustes | Presupuesto Revisado | Actual | Gastado/Recibido | | Balance | % % |
|--|--|-------------|---------|----------------------|-------------------|-------------------|--------------|---------|----------|
| CATEGORÍA | | | | | | Lo que va del año | Sobrecargado | | |
| Ingresos: | | | | | | | | | |
| Todos los otros Federales | | 33,692 | 0 | 33,692 | 2,221 | 6,824 | 0 | 26,868 | 79.75% |
| Total de Ingresos | | 33,692 | 0 | 33,692 | 2,221 | 6,824 | 0 | 26,868 | 79.75% |
| Gastos: | | | | | | | | | |
| Salarios | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Beneficios | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Provisiones | | 5,410 | (300) | 5,110 | 0 | 215 | 154 | 4,741 | 92.79% |
| <i>Artículos para las actividades de los padres y comida para las juntas</i> | | 1,657 | (200) | 1,457 | 0 | 0 | 154 | 1,303 | 89.43% |
| <i>Artículos de oficina para el centro</i> | | 3,753 | (100) | 3,653 | 0 | 215 | 0 | 3,438 | 94.13% |
| Servicios Contratados | | 14,885 | (6,388) | 8,497 | 0 | 2,034 | 1,201 | 5,262 | 61.93% |
| Otros | | 10,340 | 6,688 | 17,028 | 1,213 | 5,169 | 4,560 | 7,299 | 42.86% |
| Gastos Indirectos | | 3,057 | 0 | 3,057 | 241 | 740 | 0 | 2,317 | 0.00% |
| Total de Gastos | | 33,692 | 0 | 33,692 | 1,454 | 8,158 | 5,916 | 19,619 | 58.23% |
| | | | | | Lo que va del año | | | | |
| No Federales | | | | | Actual | Requerido | | | |
| De donaciones | | 8,423 | 378 | 8,801 | 2,009 | 2,039 | | 6,792 | 77.17% * |
| Total final: | | 42,115 | 378 | 42,493 | 10,167 | | | 32,326 | 76.07% |

* Representa el porcentaje (%) de donaciones faltantes

**EARLY HEAD START
T & TA
2016/2017 BUDGET
December**

Resource 5218

| CATEGORY | Budget | Adjustment | Revised Budget | Expended/Received | | | | % % |
|--|--------|------------|----------------|-------------------|-----------------|------------|---------|----------|
| | | | | Current | Year-to-date | Encumbered | Balance | |
| Revenues | | | | | | | | |
| All Other Federal | 25,983 | 0 | 25,983 | 902 | 2,778 | 0 | 23,205 | 89.31% |
| Total Revenues | 25,983 | 0 | 25,983 | 902 | 2,778 | 0 | 23,205 | |
| Expenditures | | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Supplies | 4,601 | (100) | 4,501 | 0 | 190 | 46 | 4,265 | 94.75% |
| <i>Parent Activity Supplies & Food for Parent Meetings</i> | 1,769 | 0 | 1,769 | 0 | 0 | 46 | 1,723 | 97.40% |
| <i>Site Supplies</i> | 2,832 | (100) | 2,732 | 0 | 190 | 0 | 2,542 | 93.04% |
| Contracted Services | 11,343 | (1,215) | 10,128 | 0 | 1,287 | 359 | 8,482 | 83.75% |
| Other | 7,681 | 1,315 | 8,996 | 1,293 | 2,341 | 120 | 6,535 | 72.64% |
| Indirect Costs | 2,358 | | 2,358 | 183 | 381 | 0 | 1,977 | 83.84% |
| | | | 0 | | | | | |
| Total Expenditures | 25,983 | 0 | 25,983 | 1,476 | 4,200 | 524 | 21,258 | 81.82% |
| Non-Federal | | | | Year-to-date | | | | |
| | | | | Earned | Required | | | |
| In Kind | 6,496 | | 6,496 | 1,018 | 1,050 | | 5,478 | 84.33% * |
| Grand Total: | 32,479 | 0 | 32,479 | 5,218 | 0 | 0 | 27,261 | 83.93% |

* Represents the percent (%) of In-Kind still outstanding

**PROGRAMA EARLY HEAD START
T & TA
PRESUPUESTO 2016/2017**

Recurso 5218

| CATEGORÍA | Presupuesto | Ajustes | Presupuesto Revisado | Actual | Gastado/Recibido | | Balance | % % |
|--|---------------|----------|----------------------|---------------|--------------------------|--------------|---------------|---------------|
| | | | | | Lo que va del año | Sobrecargado | | |
| Ingresos: | | | | | | | | |
| Todos los otros Federales | 25,983 | 0 | 25,983 | 902 | 2,778 | 0 | 23,205 | 89.31% |
| Total de Ingresos | 25,983 | 0 | 25,983 | 902 | 2,778 | 0 | 23,205 | |
| Gastos: | | | | | | | | |
| Salarios | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Beneficios | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Provisiones | 4,601 | (100) | 4,501 | 0 | 190 | 46 | 4,265 | 94.75% |
| <i>Artículos para las actividades de los padres y comida para las juntas</i> | 1,769 | 0 | 1,769 | 0 | 0 | 46 | 1,723 | 97.40% |
| <i>Artículos de oficina para el centro</i> | 2,832 | (100) | 2,732 | 0 | 190 | 0 | 2,542 | 93.04% |
| Servicios Contratados | 11,343 | (1,215) | 10,128 | 0 | 1,287 | 359 | 8,482 | 83.75% |
| Otros | 7,681 | 1,315 | 8,996 | 1,293 | 2,341 | 120 | 6,535 | 72.64% |
| Gastos Indirectos | 2,358 | 0 | 2,358 | 183 | 381 | 0 | 1,977 | 83.84% |
| Total de Gastos | 25,983 | 0 | 25,983 | 1,476 | 4,200 | 524 | 21,258 | 81.82% |
| | | | | | Lo que va del año | | | |
| No Federales | | | | Actual | Requerido | | | |
| De donaciones | 6,496 | | 6,496 | 1,018 | 1,050 | | 5,478 | 84.33% * |
| Total final: | 32,479 | 0 | 32,479 | 5,218 | 0 | 0 | 27,261 | 83.93% |

* Representa el porcentaje (%) de donaciones faltantes

HEAD START/EARLY HEAD START
CREDIT CARD REPORT
2016/2017
December

| MANAGER | VISA | Wal Mart |
|--------------------------------------|--------------------|--------------|
| Gail Nadal | | |
| Travel/Conference Center Supplies | \$ 506.22 | \$ - |
| TOTAL | <u>\$ 506.22</u> | <u>\$ -</u> |
| Genet Telahun | | |
| Travel/Conference Center Supplies | \$ - | \$ - |
| TOTAL | <u>\$ -</u> | <u>\$ -</u> |
| Mary Kragel | | |
| Travel/Conference Center Supplies | \$ - \$ 250.50 | \$ - \$ - |
| TOTAL | <u>\$ 250.50</u> | <u>\$ -</u> |
| Gustavo Melgoza | | |
| Travel/Conference Center Supplies | \$ - | \$ - |
| TOTAL | <u>\$ -</u> | <u>\$ -</u> |
| Connie Luna | | |
| Travel/Conference Center Supplies | \$ - | \$ - |
| TOTAL | <u>\$ -</u> | <u>\$ -</u> |
| Stephanie Gray | | |
| Travel/Conference Center Supplies | \$ - \$ 795.16 | \$ - \$ - |
| TOTAL | <u>\$ 795.16</u> | <u>\$ -</u> |
| Jacqueline Tam | | |
| Travel/Conference Center Supplies | \$ 115.05 | \$ - |
| TOTAL | <u>\$ 115.05</u> | <u>\$ -</u> |
| Lana Volchansky | | |
| Travel/Conference Center Supplies | \$ - | \$ - |
| TOTAL | <u>\$ -</u> | <u>\$ -</u> |
| VISA Grand Total | \$ 1,666.93 | \$ - |
| NUGGET/FOOD 4 LESS | \$ 352.80 | |
| INTERSTATE OIL | \$ 291.29 | |
| Wal Mart | \$ 33.26 | |
| TOTAL MONTHLY EXPENDITURES: | \$ 2,311.02 | **** |

**Credit card statements available upon request

**Programas Head Start/Early Head Start
 REPORTE DE TARJETAS DE CRÉDITO
 Año FISCAL 2016/2017**

| SUPERVISOR | VISA | Wal Mart |
|--------------------------|--------------------|-------------|
| Gail Nadal | | |
| Viaje/Conferencia | \$ - | \$ - |
| Artículos para el centro | \$ 506.22 | \$ - |
| | <u>\$ 506.22</u> | <u>\$ -</u> |
| Genet Telahun | | |
| Viaje/Conferencia | \$ - | \$ - |
| Artículos para el centro | \$ - | \$ - |
| Total | <u>\$ -</u> | <u>\$ -</u> |
| Mary Kragel | | |
| Viaje/Conferencia | \$ - | \$ - |
| Artículos para el centro | \$ 250.50 | \$ - |
| Total | <u>\$ 250.50</u> | <u>\$ -</u> |
| Gustavo Melgoza | | |
| Viaje/Conferencia | \$ - | \$ - |
| Artículos para oficina | \$ - | \$ - |
| Total | <u>\$ -</u> | <u>\$ -</u> |
| Connie Luna | | |
| Viaje/Conferencia | \$ - | \$ - |
| Artículos para el centro | \$ - | \$ - |
| Total | <u>\$ -</u> | <u>\$ -</u> |
| Stephanie Gray | | |
| Viaje/Conferencia | \$ - | \$ - |
| Artículos para el centro | \$ 795.16 | \$ - |
| Total | <u>\$ 795.16</u> | <u>\$ -</u> |
| Jacqueline Tam | | |
| Viaje/Conferencia | \$ - | \$ - |
| Artículos para el centro | \$ 115.05 | \$ - |
| Total | <u>\$ 115.05</u> | <u>\$ -</u> |
| Lana Volchansky | | |
| Viaje/Conferencia | \$ - | \$ - |
| Artículos para el entro | \$ - | \$ - |
| | <u>\$ -</u> | <u>\$ -</u> |
| VISA Grand Total | \$ 1,666.93 | \$ - |
| NUGGET/FOOD 4 LESS | \$ 352.80 | |
| INTERSTATE OIL | \$ 291.29 | |
| Wal Mart | \$ 33.26 | |

Total de Gastos Mensuales: \$ 2,311.02 ***

***"Estados de ceunta de als tarjetas de credito, estan despinsibles, si son solicitadas."

**Headstart / Early Head Start
2016/2017 Fiscal Year
Administrative Percentage Calculation
December 31, 2016**

Step 1: Calculate % rent is administrative expense

| Administrative Square Footage | Total Square Footage | % of Total Square Footage | Plant Services Charges (FN 8000-8999) | % of Rent allocated to Admin |
|-------------------------------|----------------------|---------------------------|---------------------------------------|------------------------------|
| 1,440.00 | 130,680.00 | 0.011019 | \$ - | \$ - |

| Dual Facility Costs - All Sites July 2016 thru June 2017 | | | | |
|--|----------------------|---------------------------|---------------------------------------|------------------------------|
| Administrative Square Footage | Total Square Footage | % of Total Square Footage | Plant Services Charges (FN 8000-8999) | % of Rent allocated to Admin |
| 360.00 | 27,387.00 | 0.013145 | \$ - | \$ - |

Step 2: Calculate maximum administrative expenses allowed for 15%

| | | |
|------------------------------------|----------------------|-------------------|
| Federal Share | \$ 277,849.38 | All Grants |
| Required 20 percent NFS | \$ 69,462.35 | Non Federal Share |
| Total Approved Costs | <u>\$ 347,311.73</u> | |
| 15% Administrative Cost Limitation | <u>\$ 52,096.76</u> | |

Step 3: Identify total administrative expenses

| | | |
|---------------------|---------------------|---------------------------------|
| Dual Facility Costs | \$ - | Per Above Calculation in step 1 |
| School Admin | \$ 19,742.87 | Staff charged to Administration |
| General Admin | \$ 22,345.72 | Indirect |
| Total | <u>\$ 42,088.59</u> | |

| | |
|------------------------------------|----------------------|
| Grant Expenditures | \$ 223,904.97 |
| Less Capital Outlay | \$ - |
| = Expenditures subject to indirect | <u>\$ 223,904.97</u> |

| | |
|-------------------------------|---------------------|
| Currently Charged Admin Costs | \$ 42,088.59 |
| In-Kind Indirect | \$ - |
| In - Kind Administrative | \$ - |
| Administrative Total | <u>\$ 42,088.59</u> |

Step 4: Calculate actual administrative percentage and verify less or equal to 15%

Maximum allowed Administrative Percent: 15%

Calculated Percentage to date: 12%

**HEAD START/EARLY HEAD START
2016/2017 FISCAL YEAR
CALCULATION OF IN-KIND CONTRIBUTIONS**

| Month | Year | Location | | | | | | | | | Grand |
|-----------|------|---------------|--------------|--------------|-------------|-------------|-------------|--------------|--------------------------|-------------------|---------------|
| | | Other | Alyce Norman | Itinerant | Esparto | Lemen | Charter | Lincoln | Valley Oak/Montgomery | Elkhorn/Westfield | Total |
| July | 2016 | \$ 6,192.00 | \$ 368.48 | | | \$ 313.77 | \$ 995.68 | | | | \$ 7,869.93 |
| August | 2016 | \$ 9,597.62 | \$ 472.90 | \$ 5,397.84 | | \$ 419.27 | \$ 773.83 | | | | \$ 16,661.46 |
| September | 2016 | \$ 255,690.25 | \$ 646.80 | \$ 3,818.08 | \$ 1,228.22 | \$ 418.19 | \$ 2,695.54 | \$ 10,397.23 | \$ 1,468.92 | \$ 3,161.58 | \$ 279,524.81 |
| October | 2016 | \$ 6,192.00 | \$ 1,518.29 | \$ 4,394.94 | \$ 1,635.43 | \$ 417.85 | \$ 4,260.44 | \$ 8,369.99 | \$ 4,237.18 | \$ 2,668.78 | \$ 33,694.90 |
| November | 2016 | \$ 6,192.00 | | | | | | | | | \$ 6,192.00 |
| December | 2016 | \$ 6,192.00 | | | | | | | | | \$ 6,192.00 |
| January | 2017 | \$ 6,192.00 | | | | | | | | | \$ 6,192.00 |
| February | 2017 | \$ 6,192.00 | | | | | | | | | \$ 6,192.00 |
| March | 2017 | \$ 6,192.00 | | | | | | | | | \$ 6,192.00 |
| April | 2017 | \$ 6,192.00 | | | | | | | | | \$ 6,192.00 |
| May | 2017 | \$ 6,192.00 | | | | | | | | | \$ 6,192.00 |
| June | 2017 | \$ 6,192.00 | | | | | | | | | \$ 6,192.00 |
| | | \$ 327,207.87 | \$ 3,006.47 | \$ 13,610.86 | \$ 2,863.65 | \$ 1,569.08 | \$ 8,725.49 | \$ 18,767.22 | \$ 5,706.10 | \$ 5,830.36 | \$ 387,287.10 |

Total Contribution Due based on actual dollars claimed:

| | Dollars Expended as of December 31, 2016 | In-Kind Required |
|--------------------------|---|------------------|
| Head Start: | 1,006,007.81 | 251,501.95 |
| Head Start T & TA: | 8,157.67 | 2,039.42 |
| Early Head Start: | 415,916.82 | 103,979.21 |
| Early Head Start T & TA: | 4,200.22 | 1,050.06 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total: | 1,434,282.52 | 358,570.63 |

Amount Required: 358,570.63
Actual In-Kind: 387,287.10

***Surplus/(Deficit):** 28,716.47

Surplus(Deficit): 28,716.47

If deficit: will be returned to Federal Government from unrestricted dollars

**Child & Adult Care Food Program
Claim For Reimbursement Summary for November 2016**

04309-CACFP-57-PS-CS
YOLO CO SUPERINTENDENT OF SCHOOLS
 1280 SANTA ANITA CT STE 100
 WOODLAND, CA 95776-6127
 Vendor #: 105700
 payment address

| Month/Year Claimed | Adjustment Number | Date Received | Date Accepted | Date Processed | Reason Code |
|--------------------|-------------------|---------------|---------------|----------------|-------------|
| Nov 2016 | 0 | 12/22/2016 | 12/22/2016 | | Original |

Child Care

| | Free | Reduced | Base | Total |
|-------------------------|------|---------|------|-------|
| Enrollment Totals | 132 | 0 | 0 | 132 |
| Eligibility Percentages | 100% | 0% | 0% | 100% |

| Agency Totals | Meals/Snacks | Federal Rate | Reimbursement Amount |
|-----------------|--------------|--------------|----------------------|
| Lunch | | | |
| Free | 352 | 3.1600 | 1,112.32 |
| Reduced | 0 | 2.7600 | 0.00 |
| Base | 0 | 0.3000 | 0.00 |
| CIL | 352 | 0.2300 | 80.96 |
| Total | 352 | | 1,193.28 |
| PM Snack | | | |
| Free | 1,204 | 0.8600 | 1,035.44 |
| Reduced | 0 | 0.4300 | 0.00 |
| Base | 0 | 0.0700 | 0.00 |
| Total | 1,204 | | 1,035.44 |

Head Start

| Agency Totals | Meals/Snacks | Federal Rate | Reimbursement Amount |
|------------------|--------------|--------------|----------------------|
| Breakfast | | | |
| Free | 1,633 | 1.7100 | 2,792.43 |
| Reduced | 0 | 1.4100 | 0.00 |
| Base | 0 | 0.2900 | 0.00 |
| Total | 1,633 | | 2,792.43 |
| AM Snack | | | |
| Free | 207 | 0.8600 | 178.02 |
| Reduced | 0 | 0.4300 | 0.00 |
| Base | 0 | 0.0700 | 0.00 |
| Total | 207 | | 178.02 |
| Lunch | | | |
| Free | 2,747 | 3.1600 | 8,680.52 |
| Reduced | 0 | 2.7600 | 0.00 |
| Base | 0 | 0.3000 | 0.00 |
| CIL | 2,747 | 0.2300 | 631.81 |
| Total | 2,747 | | 9,312.33 |
| PM Snack | | | |
| Free | 1,059 | 0.8600 | 910.74 |

| | | | |
|----------------------------------|--------------|--------|------------------|
| Reduced | 0 | 0.4300 | 0.00 |
| Base | 0 | 0.0700 | 0.00 |
| Total | 1,059 | | 910.74 |
| Claim Reimbursement Total | | | 15,422.24 |

State Reimbursements

| Meal Description | Meals | State Rate | State Earnings |
|------------------|-------|------------|----------------|
| Total Breakfast | 1,633 | \$0.1691 | \$276.14 |
| Total Lunches | 3,099 | \$0.1691 | \$524.04 |
| Total | | | \$800.18 |

| Agency Claim Reimbursement Totals | Meal Reimbursement | CIL Reimbursement | State Reimbursement | Totals |
|--------------------------------------|--------------------|-------------------|---------------------|------------------|
| Current Claim Reimbursement Total | 14,709.47 | 712.77 | 800.18 | 16,222.42 |
| Previous Claim Reimbursement Total | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Claim Reimbursement Total | 14,709.47 | 712.77 | 800.18 | 16,222.42 |

Created By: kmagallanes on: 12/21/2016 7:23:18 AM Modified By: mcoombs on: 12/22/2016 4:22:51 PM

FEDERAL FINANCIAL REPORT

(Follow form instructions)

| | | |
|---|---|-------------------------|
| 1. Federal Agency and Organizational Element to Which Report is Submitted Dept of HHS, ACF | 2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 09CH9119-04-01 | Page of 1 1 pages |
|---|---|-------------------------|

3. Recipient Organization (Name and complete address including Zip code)
 Yolo County Office of Education, 1280 Santa Anita Court Ste 100, Woodland, CA 95776

| | | | | |
|------------------------------|-----------------------|---|--|--|
| 4a. DUNS Number 193213188 | 4b. EIN 95-2746725 | 5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) | 6. Report Type <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final | 7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual |
|------------------------------|-----------------------|---|--|--|

| | |
|--|---|
| 8. Project/Grant Period (Month, Day, Year) From: 07/01/2016 6/30/2017 | 9. Reporting Period End Date (Month, Day, Year) 12/31/2016 |
|--|---|

10. Transactions Cumulative

(Use lines a-c for single or multiple grant reporting)

| | |
|---|--------------|
| Federal Cash (To report multiple grants, also use FFR Attachment): | |
| a. Cash Receipts | 1,412,330.59 |
| b. Cash Disbursements | 1,434,282.52 |
| c. Cash on Hand (line a minus b) | (21,951.93) |

(Use lines d-o for single grant reporting)

| | |
|--|--------------|
| Federal Expenditures and Unobligated Balance: | |
| d. Total Federal funds authorized | 3,889,035.00 |
| e. Federal share of expenditures | 1,434,282.52 |
| f. Federal share of unliquidated obligations | 95,497.02 |
| g. Total Federal share (sum of lines e and f) | 1,529,779.54 |
| h. Unobligated balance of Federal funds (line d minus g) | 2,359,255.46 |

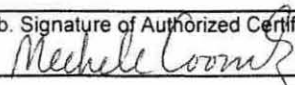
| | |
|--|------------|
| Recipient Share: | |
| i. Total recipient share required | 972,259.00 |
| j. Recipient share of expenditures | 387,287.10 |
| k. Remaining recipient share to be provided (line i minus j) | 584,971.90 |

| | |
|---|------|
| Program Income: | |
| l. Total Federal program income earned | |
| m. Program income expended in accordance with the deduction alternative | |
| n. Program income expended in accordance with the addition alternative | |
| o. Unexpended program income (line l minus line m or line n) | 0.00 |

| 11. | a. Type | b. Rate | c. Period From | Period To | d. Base | e. Amount Charged | f. Federal Share |
|------------------|---------|---------|----------------|------------|--------------|-------------------|------------------|
| Indirect Expense | Fixed | 9.98% | 7/1/2016 | 12/31/2016 | 1,288,488.99 | 128,591.20 | 128,591.20 |
| g. Totals: | | | | | 1,288,488.99 | 128,591.20 | 128,591.20 |

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:
 HS T&TA - \$8,157.67; HS - \$1,006,007.81; EHS - \$415,916.82; EHS T&TA - \$4,200.22; USDA Food Program - \$ 29,862.62; Admin Costs - \$262,306.60

13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

| | |
|--|--|
| a. Typed or Printed Name and Title of Authorized Certifying Official Mechele Coombs, Director of County Schools Business Services | c. Telephone (Area code, number, and extension) (530) 668-3728 d. Email Address mechele.coombs@ycoe.org |
| b. Signature of Authorized Certifying Official  | e. Date Report Submitted (Month, Day, Year) 1/17/17 |
| 14. Agency use only: | |

Standard Form 425 - Revised 6/28/2010
 OMB Approval Number: 0348-0061
 Expiration Date: 10/31/2011

Paperwork Burden Statement
 According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|--|---|
| SUBJECT: Quarterly Report of Investments for Period Ending September 30, 2016 | AGENDA ITEM #: 3.7 |
| PER: <input checked="" type="checkbox"/> BOARD REQUEST <input type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Mechele Coombs |
| <u>BACKGROUND:</u> | DATE: January 31, 2017 |

SB 564 added Section 53646 to the Government Code in 1996. Government Code Section 53646 (b) requires the Chief Fiscal Officer of local agencies to present quarterly to the Governing Board a statement of the investments made by its office. The quarterly report shall include the type of investment, issuer, date of maturity, par, and dollar amount invested on all securities, investments and monies held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs that are under the management of contracted parties, including lending programs.

The Yolo County Office of Education invests its money in the Yolo County Treasury, as required by law. Attached you will find the Yolo County Treasurer's quarterly Investment Portfolio Information for the period ending September 30, 2016.

As required by Education Code 53646 (b), the Reports of the Yolo County Treasurer include a statement of compliance of the portfolio with the Investment Policy. The Quarterly Reports also provide a cash flow by the Yolo County Treasurer denoting the ability of the Treasurer to meet its pool expenditure requirements for the next six months.

RECOMMENDATION/COMMENTS: For information only.

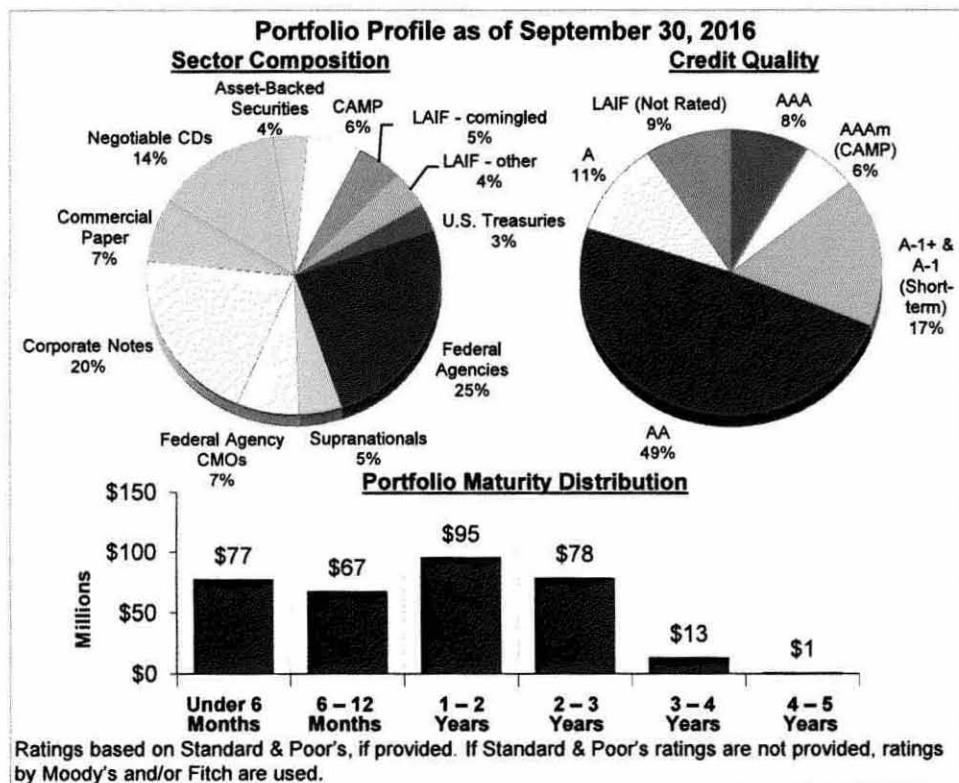
Executive Summary – Third Quarter 2016

Portfolio Review

- ✓ The portfolio is in compliance with the California Government Code and the County's Investment Policy.
- ✓ The portfolio is well diversified among U.S. Treasuries, federal agencies, supranationals, negotiable CDs, high-quality corporates, commercial paper, asset-backed securities, CAMP, and LAIF.
- ✓ The portfolio comprises securities with excellent credit quality and has sufficient liquidity to meet the County's cash needs.
- ✓ The return of the portfolio exceeded the return of the benchmark for the quarter, as it has for the past five years.

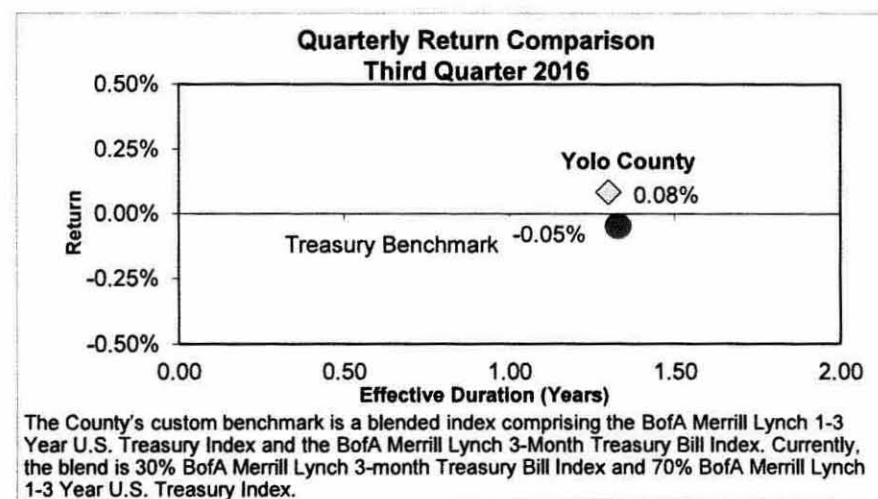
The Economy

- ✓ The volatile effects of Britain's Brexit vote to leave the European Union (EU) quickly dissipated at the beginning of the third quarter as investors concluded that any effects could take up to two years to play out.
- ✓ The Federal Reserve left rates unchanged at its third quarter meetings and lowered rate expectations in September. As of September 30, the fed funds futures projected a 60% chance of a rate hike at the Fed's December meeting.
- ✓ The U.S. economy grew at 2.9% in the third quarter, led by consumers while business investment lagged. The labor market remained strong, with the unemployment rate remaining below 5% throughout most of the third quarter.



| | Annualized Returns | | |
|--------------------------|--------------------|--------|--------------|
| | Quarter | 1-Year | Past 5 Years |
| Yolo County ¹ | 0.33% | 1.17% | 0.93% |
| Treasury Benchmark | -0.18% | 0.70% | 0.44% |
| Net Apportionment Rate | 0.14% | - | - |

Note: ¹PFM managed portfolio only.





Yolo County

YOLO COUNTY



FOUNDED 1850

Quarterly Investment Review Third Quarter 2016

Nancy Jones, Managing Director
Sarah Meacham, Director
PFM Asset Management LLC

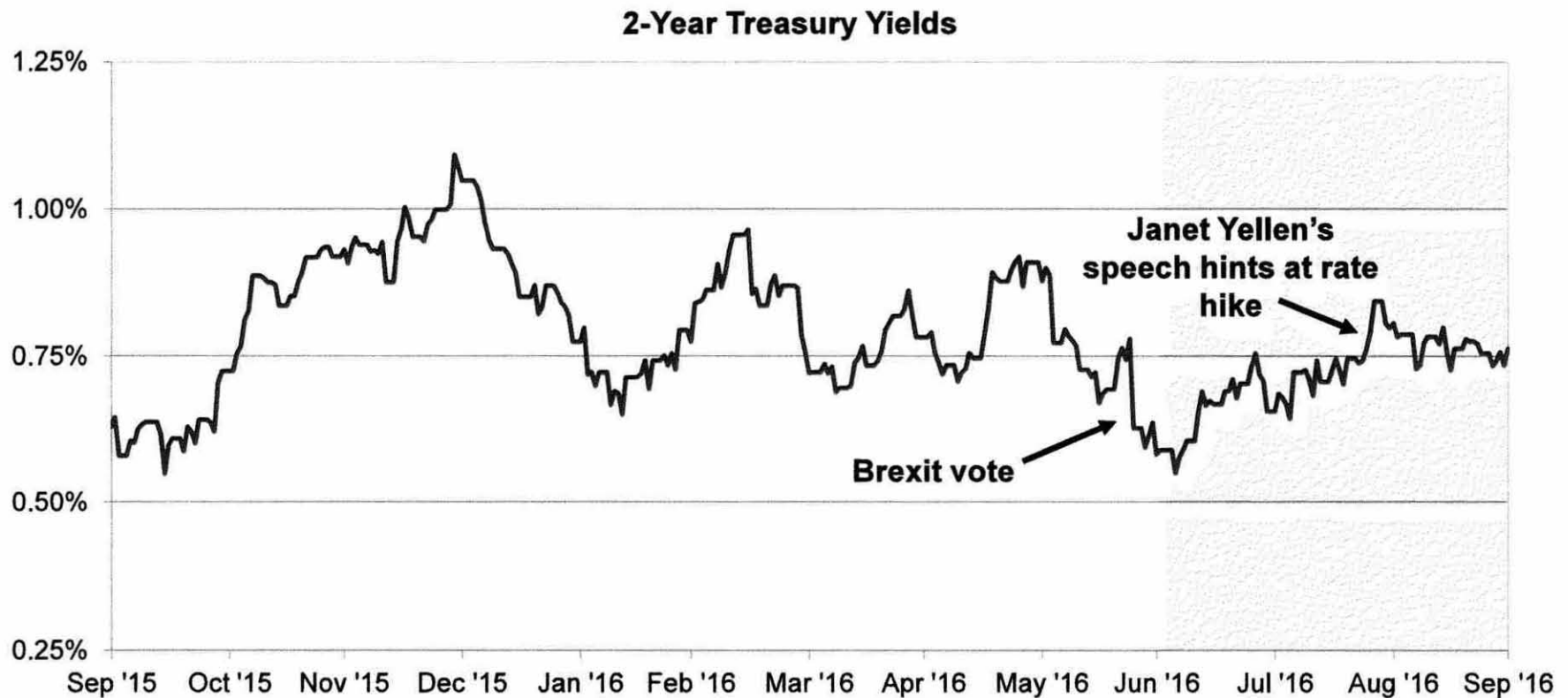
Table of Contents

- I. Third Quarter 2016 Recap
- II. Portfolio Review

Third Quarter 2016 Recap

2-Year Treasury Yields Increase

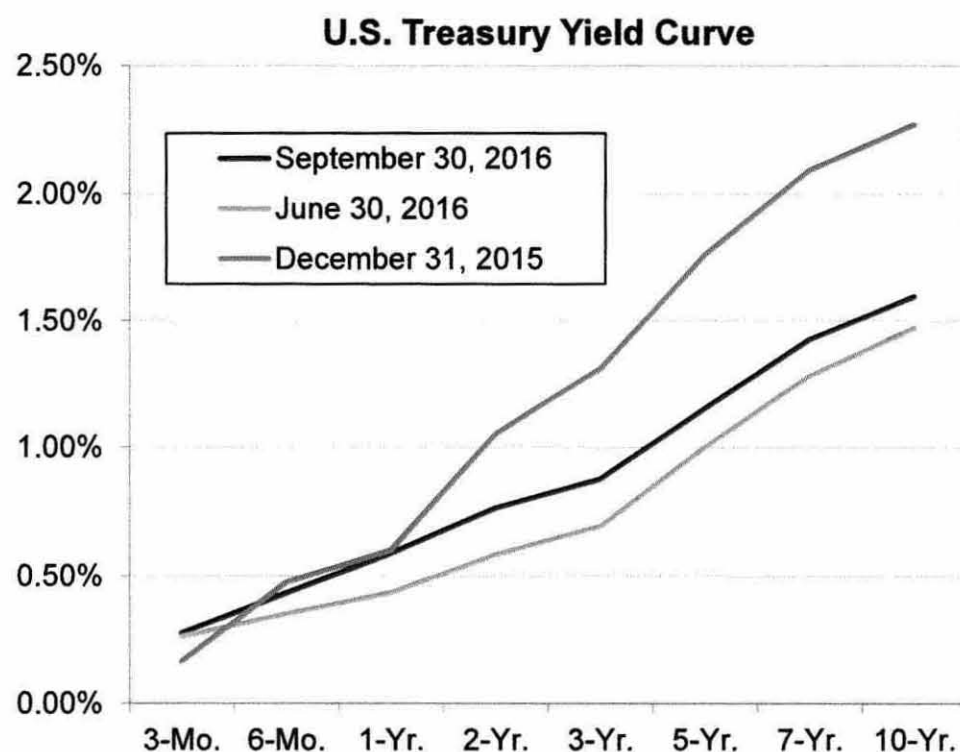
- Following the sharp decline in yields instigated by the Brexit vote at the end of the second quarter, yields rebounded during the third quarter, resulting in a quarter-over-quarter increase of 16 basis points for the 2-year Treasury.
- Speeches by various Fed officials during the quarter hinted at an additional rate hike before year-end, causing a further bump in yields.



Source: Bloomberg. As of 09/30/16.

Yields Increase Across the Board

- Yields on short- and intermediate-term U.S. Treasuries increased during the quarter as the markets priced in a likely rate hike by year-end.

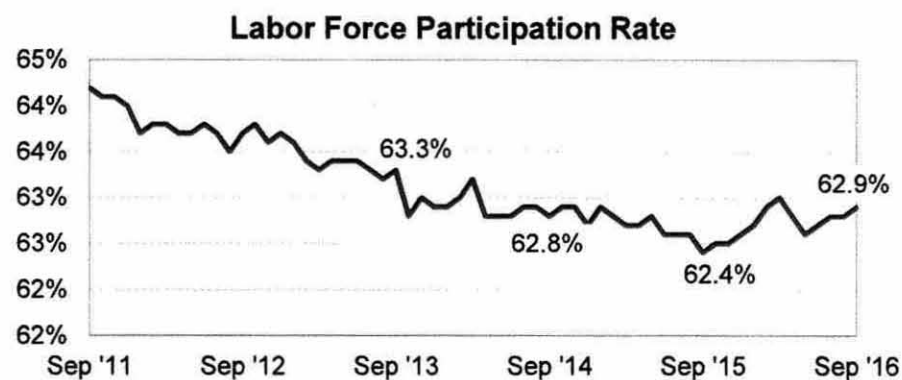
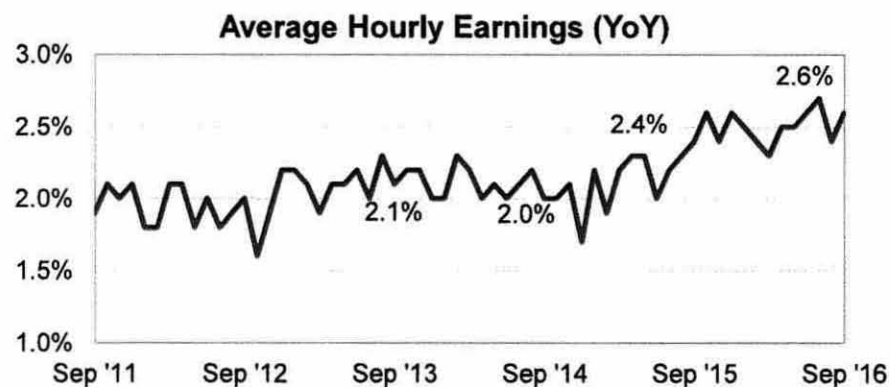
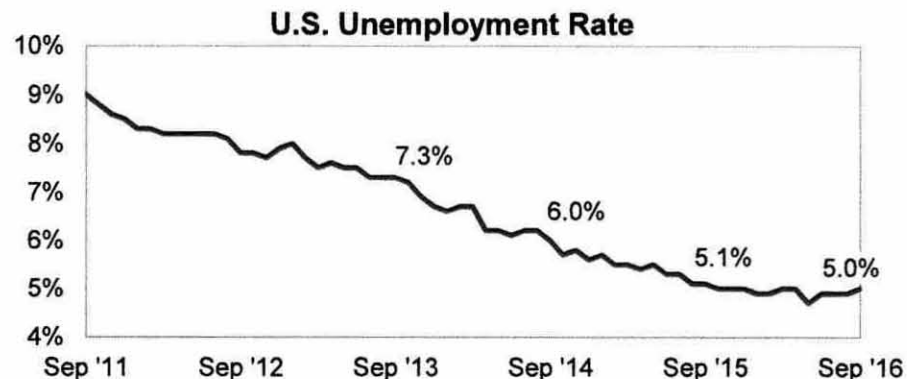


| | 12/31/15 | 6/30/16 | 9/30/16 |
|---------|----------|---------|--------------|
| 3-month | 0.16% | 0.26% | 0.29% |
| 6-month | 0.49% | 0.36% | 0.45% |
| 1-year | 0.65% | 0.45% | 0.59% |
| 2-year | 1.06% | 0.58% | 0.76% |
| 3-year | 1.31% | 0.71% | 0.88% |
| 5-year | 1.76% | 1.01% | 1.14% |
| 7-year | 2.09% | 1.29% | 1.42% |
| 10-year | 2.27% | 1.49% | 1.60% |
| 30-year | 3.01% | 2.30% | 2.32% |

Source: U.S. Department of Treasury.

U.S. Labor Market Remains Strong

- The U.S. economy added 598,000 jobs during the third quarter, continuing the trend of favorable job growth and exceeding economists' expectations of 532,000 net new jobs.
- The unemployment rate ticked up slightly to 5.0% while the labor force participation rate increased to 62.9%, suggesting that more individuals are re-entering the workforce as the labor market approaches full employment.



Source: Bureau of Labor Statistics.

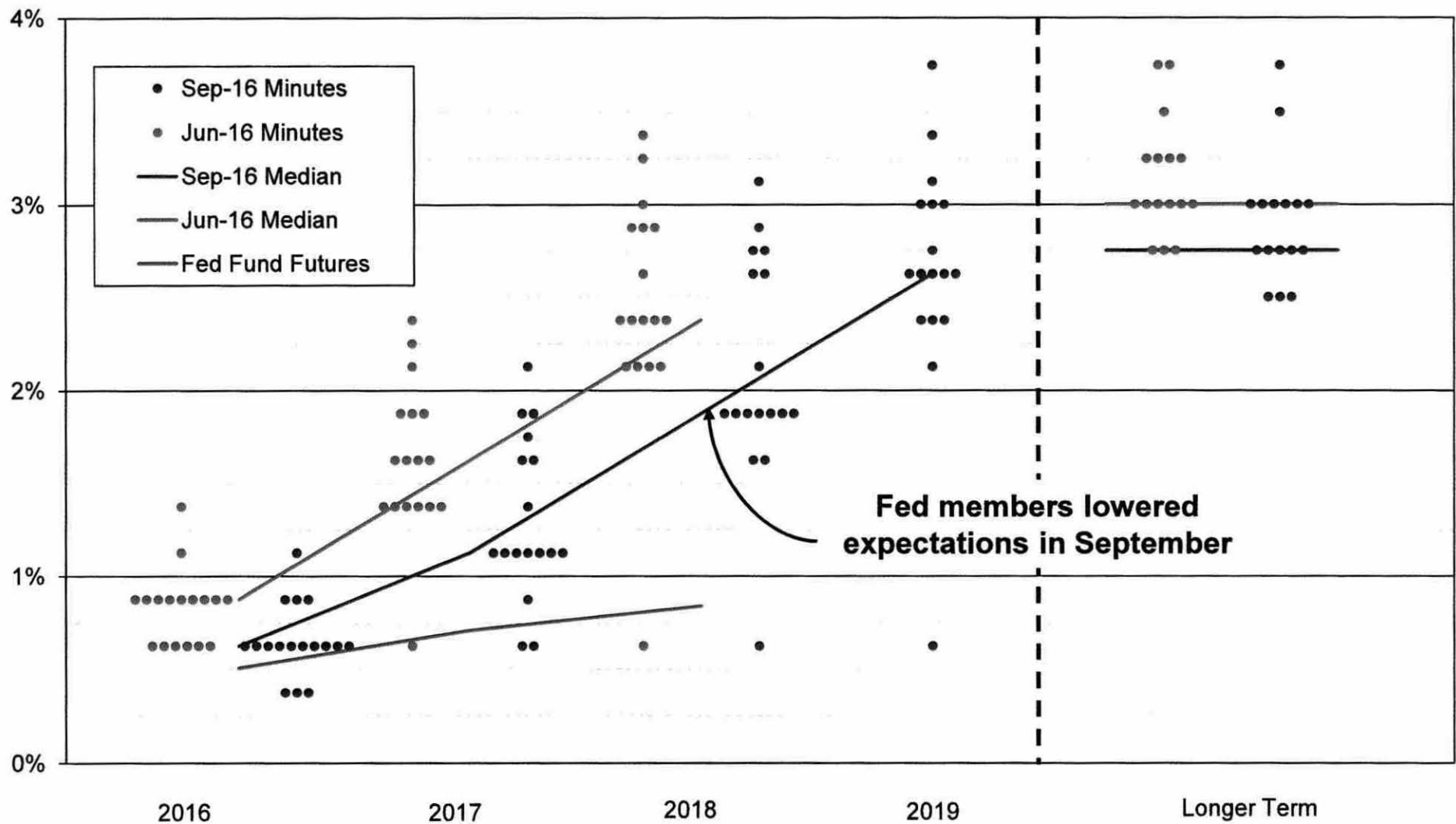
Feds Holds Off in September, Hints at Imminent Rate Hike

- At the Federal Reserve's September meeting, they voted to keep the fed funds target range at 0.25% to 0.50%.
 - Three dissenters cast their votes *in favor* of a rate hike.
- Highlights from the September 21 Press Release:
 - “. . . the labor market has continued to strengthen, and growth of economic activity has picked up . . .”
 - “The Committee judges that the case for an increase in the federal funds rate has strengthened but decided, for the time being, to wait for further evidence of continued progress toward its objectives.”
 - “. . . the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run.”

| Probability of Fed Rate Hike | | | |
|------------------------------|---------|---------|---------|
| Meeting | 11/4/16 | 9/30/16 | 6/30/16 |
| 11/2/16 | - | 17% | 0% |
| 12/14/16 | 76% | 60% | 9% |
| 2/1/17 | 78% | 61% | 9% |
| 3/15/17 | 79% | 66% | 13% |
| 5/3/17 | 81% | 68% | 14% |
| 6/14/17 | 83% | 72% | 23% |

Sources: Federal Reserve and Bloomberg. WIRP.

FOMC "Dot Plot"



Source: FOMC; Fed Funds Futures as of 09/20/2016. Individual dots represent each of the 17 FOMC members' judgment of the midpoint of the appropriate target range for the federal funds rate.

Portfolio Review

Yolo County Investment Objectives

| Objective | Achieved through... |
|---|---|
| <p>Safety <i>Safety of principal is the foremost objective of the investment program. Investments of the County shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.</i></p> | <ul style="list-style-type: none">• High-quality investments• Diversification by sector, issuer, and maturity |
| <p>Liquidity <i>The investment portfolio shall be maintained in such a manner as to provide sufficient liquidity to meet the operating requirements of any of the participants.</i></p> | <ul style="list-style-type: none">• Cash flow coordination with County staff members• Appropriate allocation between liquid funds and investment portfolio balances |
| <p>Return on Investment <i>The investment portfolio of the County shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.</i></p> | <ul style="list-style-type: none">• Duration management• Use of high-quality credit instruments• Active trading based on continual evaluation of relative value among allowable sectors |

Source: Yolo County's Investment Policy. Approved December 15, 2015.

Third Quarter 2016 Recap

- Our primary strategy involved emphasizing allocations to credit instruments, including corporate notes, commercial paper, and asset-backed securities (ABS). Credit sectors provided incremental yield, a key contributor to return in a low rate environment.
- We found excellent value in 6-9 month commercial paper. Money market fund reform, that became effective in October, has caused a huge shift in assets from prime money market funds, which typically purchased short credit instruments, to government-only funds. This swing in assets caused yield spreads to widen sharply, creating enhanced value in commercial paper.
- We participated in a number of new asset-backed security (ABS) issues, as AAA-rated tranches of high quality structures offered good value, adding to returns and further diversifying portfolios.
- We sought to maintain the portfolio's duration and maturity distribution comparable to the benchmark to reduce potential performance mismatches given the uncertain rate environment.

Portfolio Composition

- The County's portfolio is in compliance with the California Government Code and the County's Investment Policy.

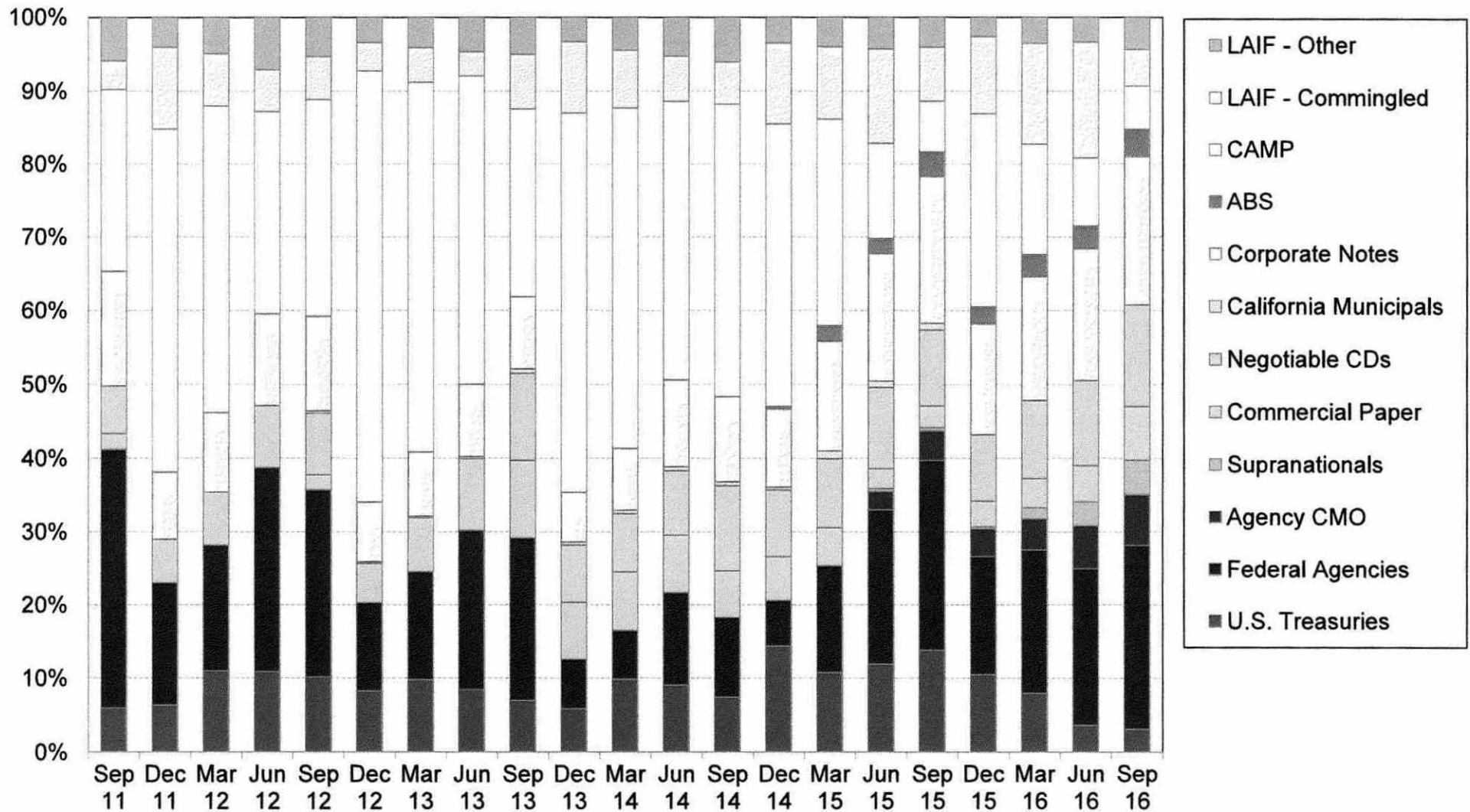
| Security Type | Market Value* | Percent of Portfolio | % Change vs 6/30/16 | Permitted by Policy | In Compliance |
|-------------------------------|----------------------|----------------------|---------------------|--------------------------|---------------|
| U.S. Treasury | \$10,357,443 | 3% | -1% | 100% | ✓ |
| Federal Agencies | \$82,962,674 | 25% | +4% | 100% | ✓ |
| Federal Agency CMOs | \$22,708,543 | 7% | +1% | 100% | ✓ |
| Supranationals | \$15,575,445 | 5% | +1% | 30% | ✓ |
| Commercial Paper | \$24,208,025 | 7% | +2% | 40% | ✓ |
| Negotiable CDs | \$45,555,359 | 14% | +2% | 30% | ✓ |
| Medium-Term Corporate Notes | \$67,163,547 | 20% | +2% | 30% | ✓ |
| Asset-Backed Securities (ABS) | \$12,394,105 | 4% | +1% | 20% | ✓ |
| CAMP | \$19,590,544 | 6% | -3% | 100% | ✓ |
| LAIF - Total | \$30,959,453 | 9% | -10% | \$65 million per account | ✓ |
| Total | \$331,475,138 | 100% | | | |

*As of September 30, 2016.

Percentages may not sum to 100% due to rounding.

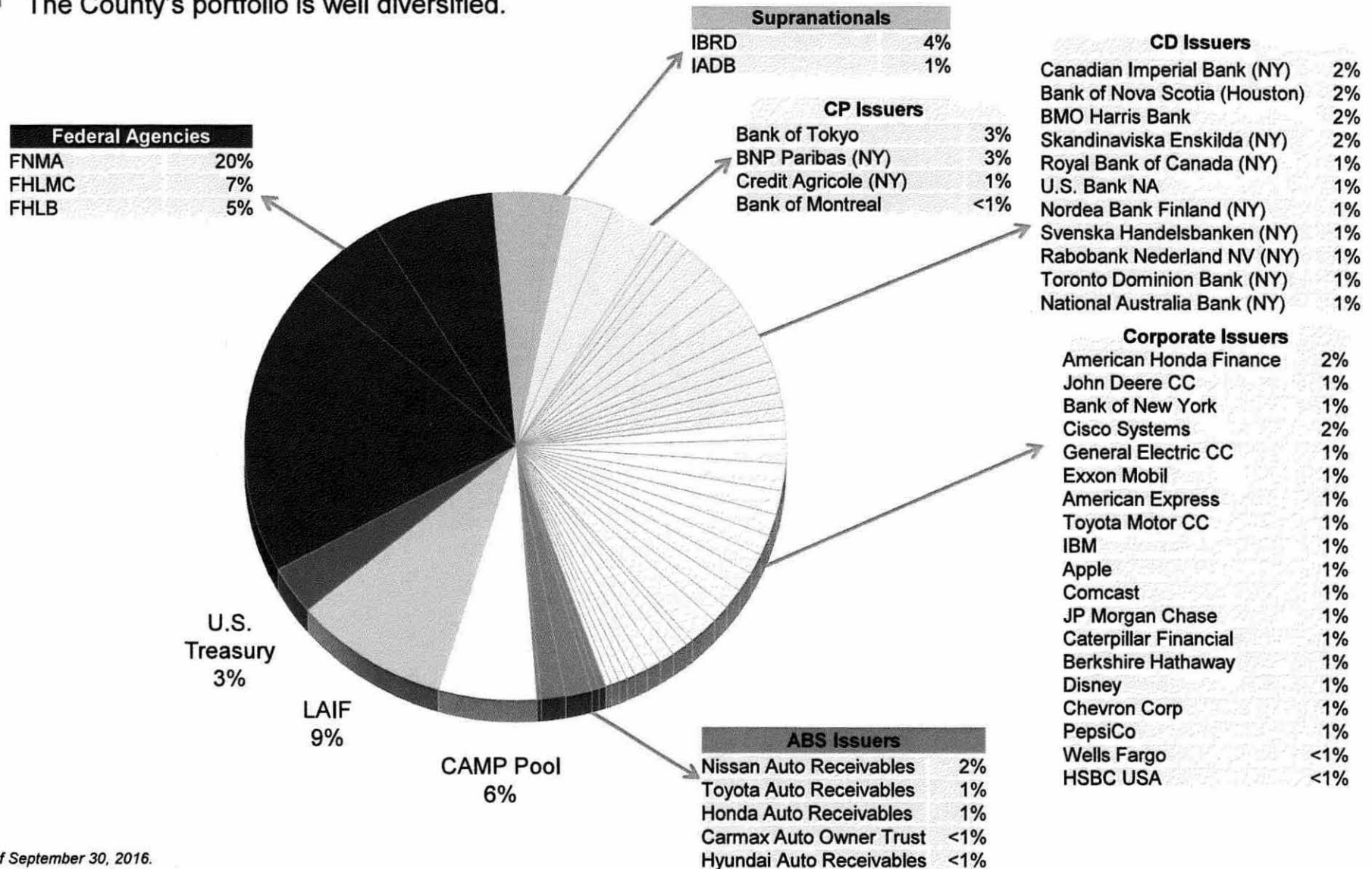
Adding Value Through Sector Allocation

Historical Sector Allocation



Portfolio Issuer Distribution

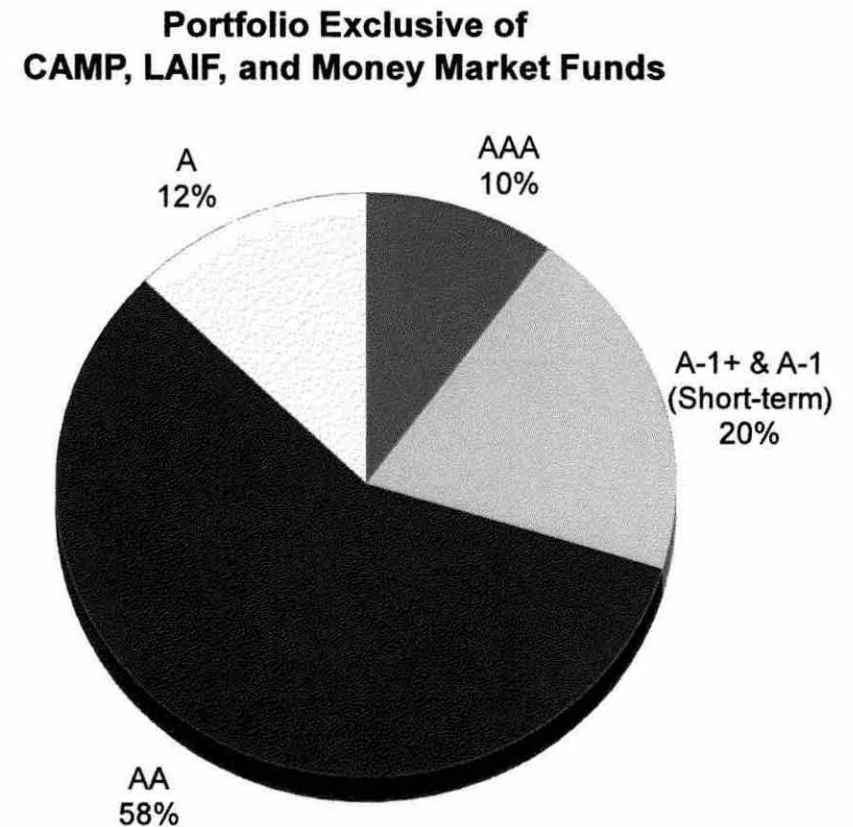
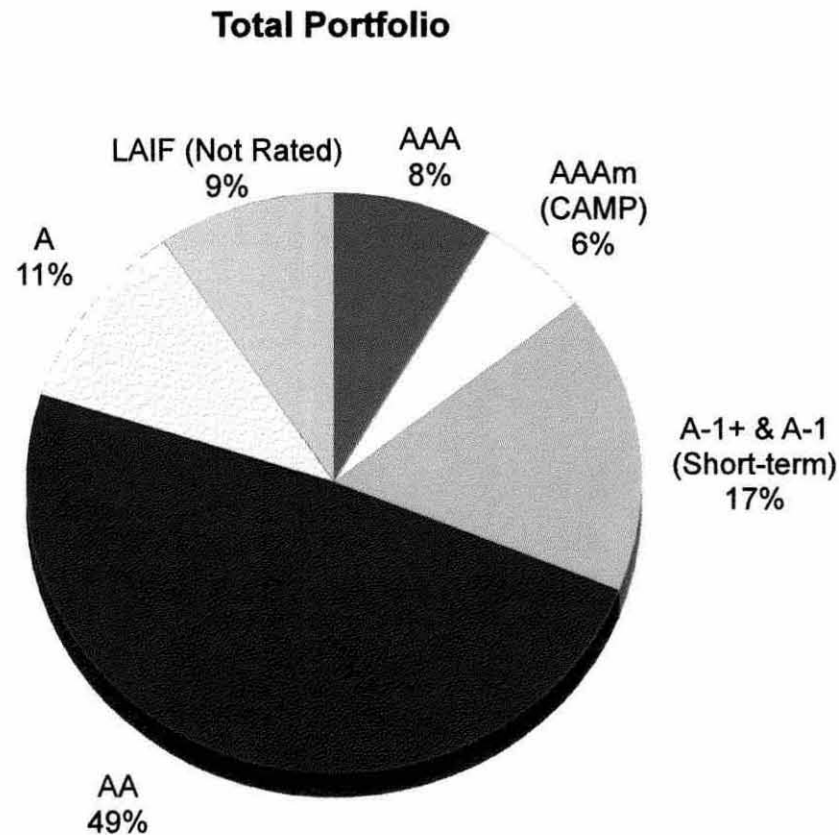
- The County's portfolio is well diversified.



• As of September 30, 2016.
 • Percentages may not sum to 100% due to rounding.

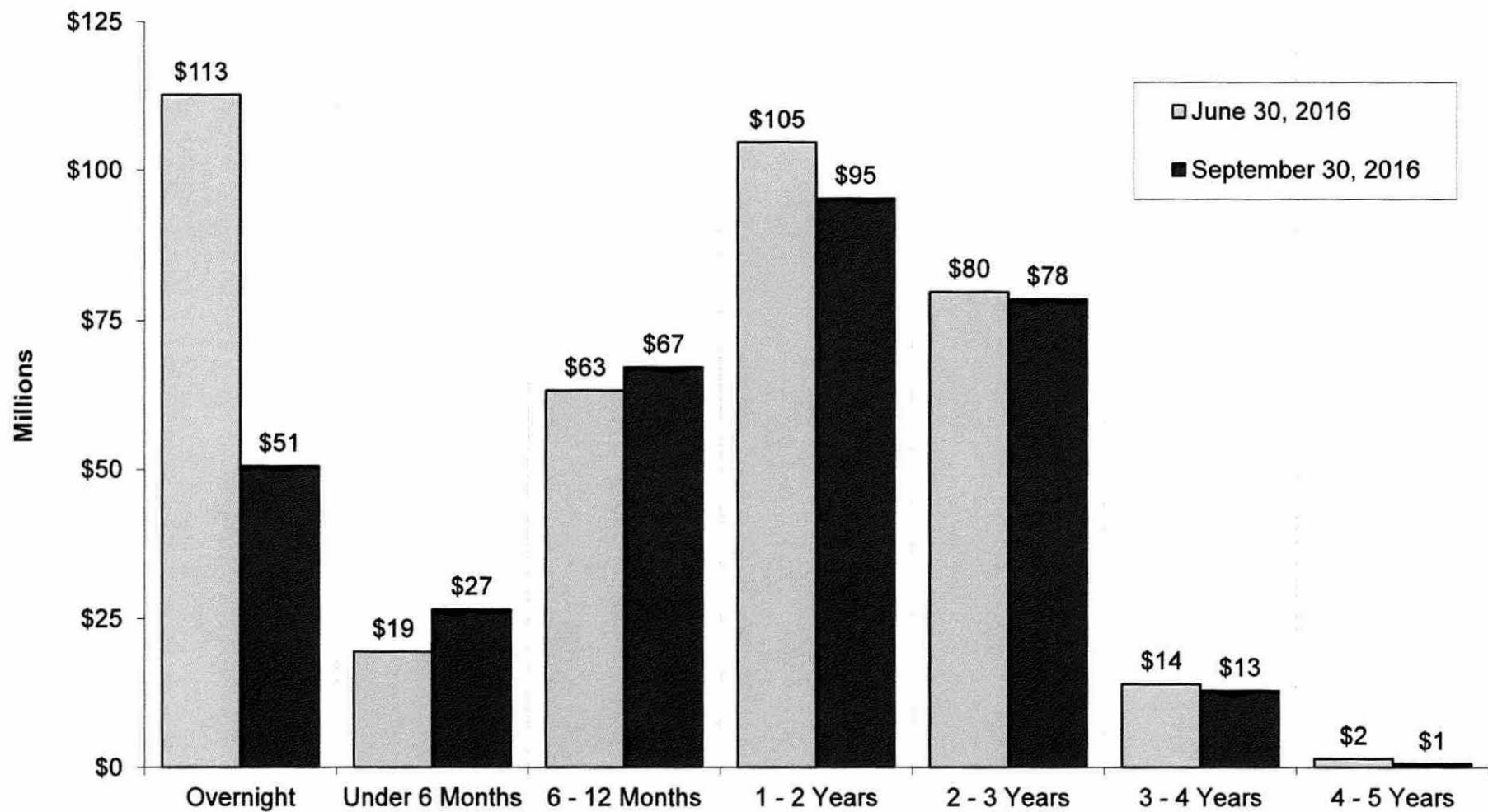
Portfolio Credit Quality

- The County's portfolio comprises high-quality securities.



- As of September 30, 2016.
- Percentages may not sum to 100% due to rounding.
- Ratings based on Standard & Poor's, if provided. If Standard & Poor's ratings are not provided, ratings by Moody's and/or Fitch are used.

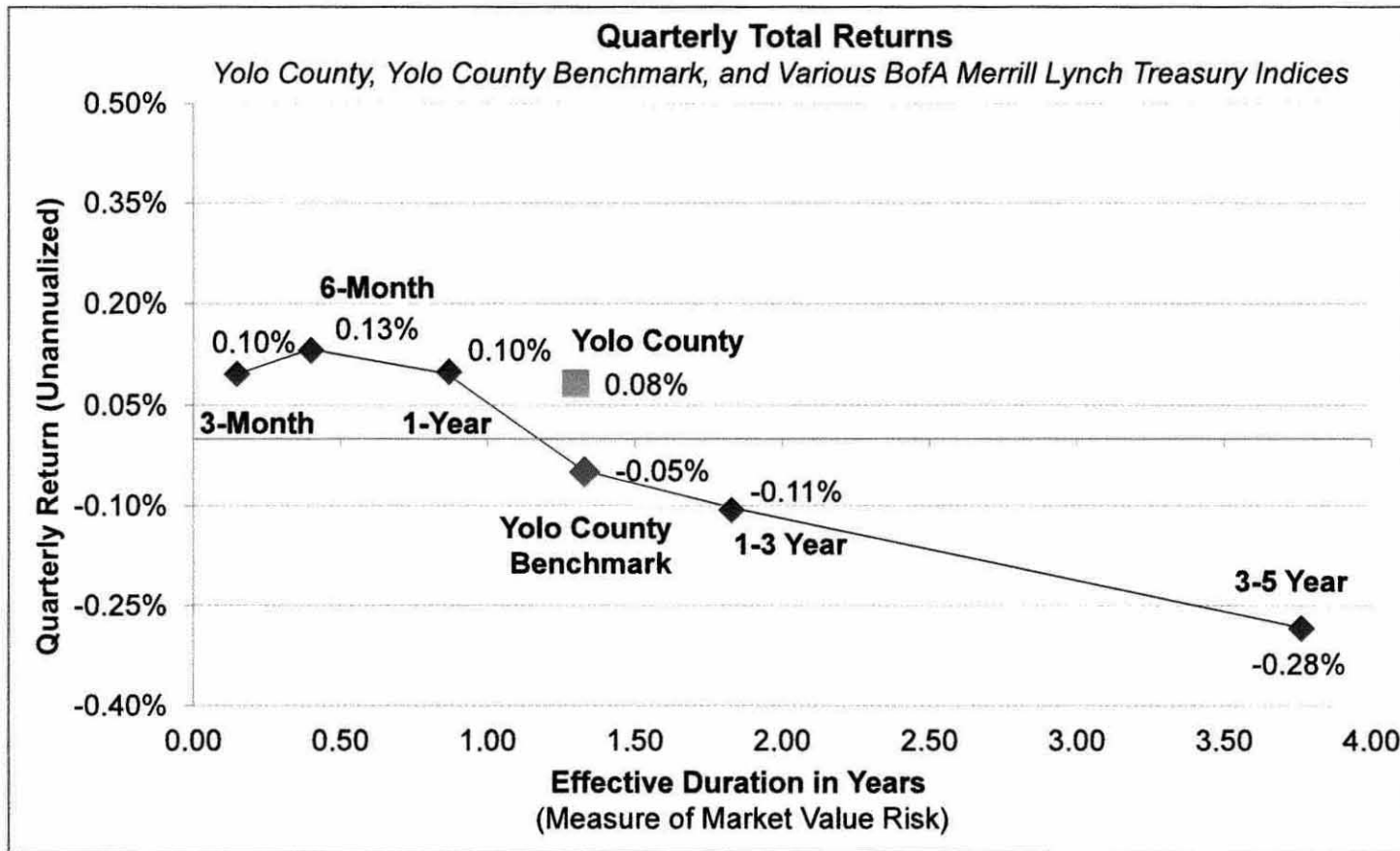
Portfolio Maturity Distribution



Callable and floating-rate securities are included in the maturity distribution analysis to their stated maturity date.

Portfolio Has Outperformed the Market

Total Returns



Yields

Portfolio Yield and LAIF Quarterly Apportionment Rate

| | |
|-------------|-------|
| Yolo County | 1.13% |
| LAIF | 0.60% |

• For periods ending as of September 30, 2016.

• Source: Bloomberg, LAIF website.

• The County's benchmark is the Bank of America (BoFA) Merrill Lynch 1-3 Year U.S. Treasury index prior to the quarter ending March 31, 2002 and, thereafter, a blend of 50% BoFA Merrill Lynch 1-3 Year U.S. Treasury index and 50% BoFA Merrill Lynch 3-month Treasury Bill index until March 31, 2015. At that point, the benchmark was changed to a blend of 30% BoFA Merrill Lynch 3-month Treasury index and 70% BoFA Merrill Lynch 1-3 year U.S. Treasury Index.

Portfolio Has Generated Strong Returns

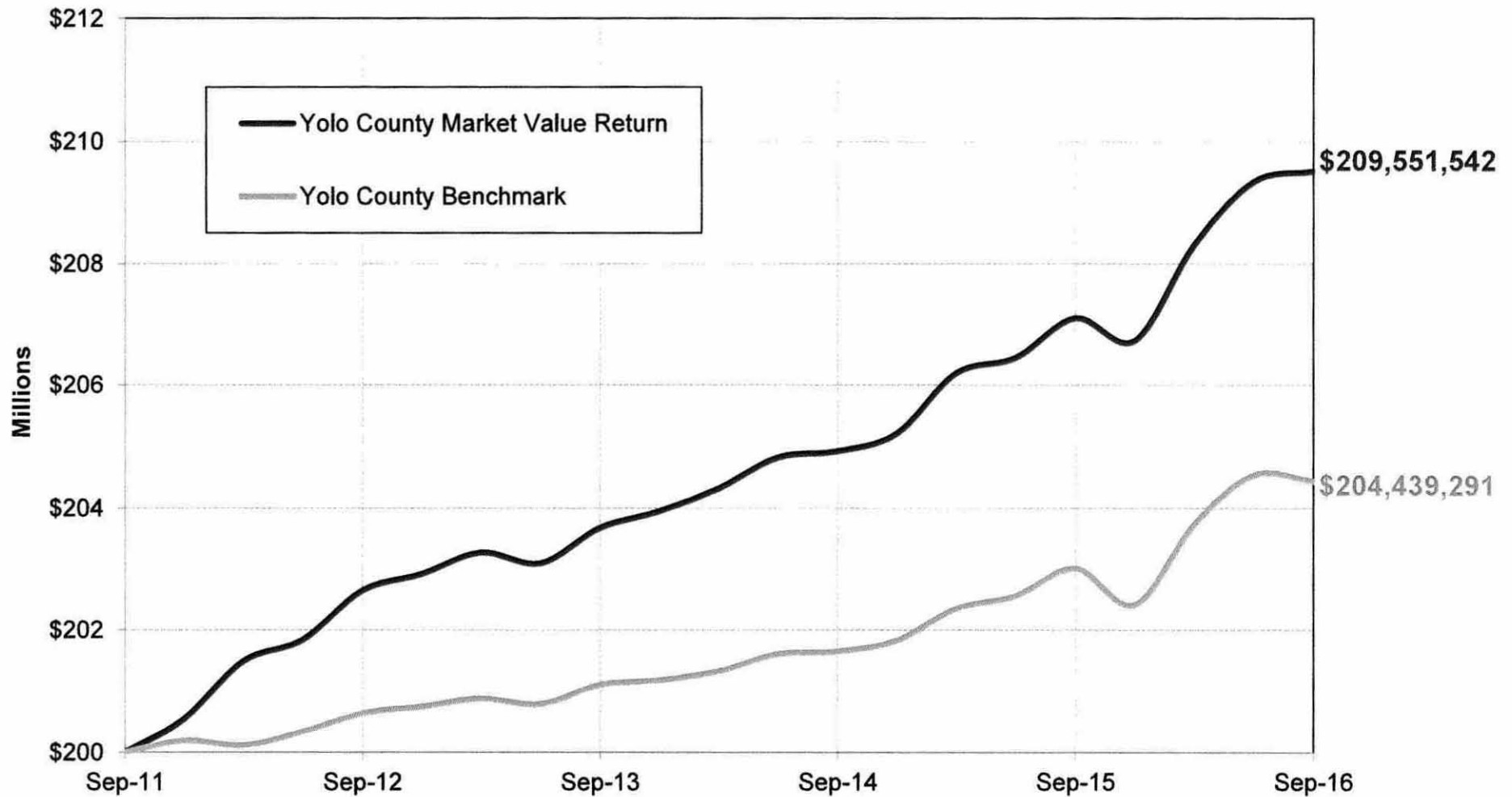
Total Return For periods ended September 30, 2016

| | Duration (years) | Past Quarter | Past 1 Year | Past 3 Years | Past 5 Years |
|--------------------|---------------------|-----------------|----------------|-----------------|-----------------|
| Yolo County | 1.30 | 0.08% | 1.17% | 0.95% | 0.93% |
| Treasury Benchmark | 1.33 | -0.05% | 0.70% | 0.55% | 0.44% |

- Performance on a trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Bank of America Merrill Lynch indices provided by Bloomberg Financial Markets.
- Inception date is June 30, 1998.
- Performance, yield, and duration calculations exclude holdings in CAMP, LAIF, and the money market fund.
- The County's benchmark is the Bank of America (BoFA) Merrill Lynch 1-3 Year U.S. Treasury index prior to the quarter ending March 31, 2002 and, thereafter, a blend of 50% BoFA Merrill Lynch 1-3 Year U.S. Treasury index and 50% BoFA Merrill Lynch 3-month Treasury Bill index until March 31, 2015. At that point, the benchmark was changed to a blend of 30% BoFA Merrill Lynch 3-month Treasury index and 70% BoFA Merrill Lynch 1-3 year U.S. Treasury Index.

County's Strategy Continues to Be Effective

**Growth of Hypothetical \$200 Million Portfolio
Past 5 Years**



- Source: Bloomberg.
- Hypothetical growth of \$200 million.
- Past performance is not indicative of future performance.

Current Outlook and Strategy

- Our strategy continues to favor broad allocation to various credit sectors, including corporate notes, commercial paper, negotiable bank CDs, and asset-backed securities (ABS).
- We believe the best opportunities in the corporate sector are currently with issuers in the financial industry, where capital is strong and valuations are fair. We are monitoring industrial issues, where valuations are generally rich and may not align with fundamentals, which are being pressured by increased leverage. At today's narrower yield spreads, new purchases will be more selective.
- Yields on commercial paper continue to offer significant yield pickup relative to short-term government securities as October money market reform has kept spread levels elevated.
- We will continue to evaluate the MBS and ABS sectors, purchasing those issues we believe are well structured, offer adequate yield spreads, and which have limited duration variability, providing further portfolio diversification when seeking incremental return.
- Agency yield spreads moved modestly tighter during the third quarter but still offer value in certain maturities. New issues, which typically offer a yield concession, offer the best opportunities.
- As we have done for most of the year, we plan to keep the duration and maturity distribution of the portfolio generally in line with the benchmark unless short-term credit securities offer better value.
- We will continue to monitor incoming economic data to assess and confirm the prospect for a Fed rate hike by year-end. In the near-term, the U.S. Presidential election could be a source of market volatility.



Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| U.S. Treasury Bond / Note | | | | | | | | | | | |
| US TREASURY NOTES DTD 07/02/2012 0.750% 06/30/2017 | 912828TB6 | 2,380,000.00 | AA+ | Aaa | 12/04/14 | 12/05/14 | 2,375,816.41 | 0.82 | 4,511.01 | 2,378,775.82 | 2,382,598.96 |
| US TREASURY NOTES DTD 07/02/2012 0.750% 06/30/2017 | 912828TB6 | 2,900,000.00 | AA+ | Aaa | 12/05/14 | 12/10/14 | 2,886,972.66 | 0.93 | 5,496.60 | 2,896,163.13 | 2,903,166.80 |
| US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017 | 912828UA6 | 2,010,000.00 | AA+ | Aaa | 12/11/14 | 12/12/14 | 1,984,875.00 | 1.05 | 4,221.82 | 2,000,053.09 | 2,008,430.19 |
| US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017 | 912828UA6 | 3,045,000.00 | AA+ | Aaa | 12/01/14 | 12/03/14 | 3,022,638.28 | 0.87 | 6,395.75 | 3,036,232.74 | 3,042,621.86 |
| Security Type Sub-Total | | 10,335,000.00 | | | | | 10,270,302.35 | 0.91 | 20,625.18 | 10,311,224.78 | 10,336,817.81 |
| Supra-National Agency Bond / Note | | | | | | | | | | | |
| INTL BANK OF RECON AND DEV SN (FLOATER) DTD 09/30/2015 0.838% 09/30/2017 | 45905UTJ3 | 5,110,000.00 | AAA | Aaa | 03/17/16 | 03/24/16 | 5,100,802.00 | 0.73 | 118.91 | 5,107,524.41 | 5,108,446.56 |
| INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 04/30/2015 1.000% 06/15/2018 | 459058EJ8 | 1,350,000.00 | AAA | Aaa | 04/22/15 | 04/30/15 | 1,347,691.50 | 1.06 | 3,975.00 | 1,348,729.07 | 1,352,620.35 |
| INTL BANK OF RECON AND DEV SN NOTES DTD 04/19/2016 0.875% 07/19/2018 | 459058FE8 | 2,800,000.00 | AAA | Aaa | 04/12/16 | 04/19/16 | 2,795,044.00 | 0.95 | 4,900.00 | 2,796,021.51 | 2,800,560.00 |
| INTER-AMERICAN DEVELOPMENT BANK DTD 04/12/2016 1.000% 05/13/2019 | 458182DX7 | 3,500,000.00 | AAA | Aaa | 04/05/16 | 04/12/16 | 3,489,500.00 | 1.10 | 16,430.56 | 3,491,081.69 | 3,499,660.50 |
| INTL BANK OF RECON AND DEV SN NOTE DTD 07/13/2016 0.875% 08/15/2019 | 459058FK4 | 2,800,000.00 | AAA | Aaa | 07/06/16 | 07/13/16 | 2,799,412.00 | 0.88 | 3,130.56 | 2,799,449.10 | 2,785,602.40 |
| Security Type Sub-Total | | 15,560,000.00 | | | | | 15,532,449.50 | 0.91 | 28,555.03 | 15,542,805.78 | 15,546,889.81 |
| Federal Agency Collateralized Mortgage Obligation | | | | | | | | | | | |
| FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018 | 3136ANJY4 | 1,085,000.00 | AA+ | Aaa | 04/15/15 | 04/30/15 | 1,095,846.09 | 0.83 | 1,401.46 | 1,089,744.30 | 1,088,984.45 |





Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| Federal Agency Collateralized Mortgage Obligation | | | | | | | | | | | |
| FNMA SERIES 2015-M3 FA DTD 02/01/2015 0.652% 06/01/2018 | 3136AMMC0 | 979,013.63 | AA+ | Aaa | 02/12/15 | 02/27/15 | 978,757.81 | 0.39 | 532.92 | 979,013.63 | 979,050.15 |
| FNMA SERIES M4 FA DTD 03/01/2015 0.642% 09/01/2018 | 3136AMTM1 | 1,266,301.52 | AA+ | Aaa | 03/12/15 | 03/31/15 | 1,265,976.95 | 0.38 | 677.58 | 1,266,301.52 | 1,266,208.95 |
| FNMA SERIES 2015-M8 FA DTD 05/01/2015 0.602% 11/01/2018 | 3136ANMF1 | 1,146,190.72 | AA+ | Aaa | 05/13/15 | 05/29/15 | 1,145,918.98 | 0.36 | 575.10 | 1,146,190.72 | 1,144,602.90 |
| FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019 | 3136AOSW1 | 1,260,000.00 | AA+ | Aaa | 11/06/15 | 11/30/15 | 1,272,599.87 | 1.20 | 1,992.98 | 1,268,584.29 | 1,270,445.53 |
| FHLMC SERIES KP03 A1 DTD 04/01/2016 1.738% 03/01/2019 | 3137BNMZ4 | 1,891,874.17 | AA+ | Aaa | 04/15/16 | 04/28/16 | 1,910,777.78 | 0.99 | 2,740.06 | 1,907,471.01 | 1,906,800.30 |
| FNMA SERIES 2015-M10 FA DTD 06/01/2015 0.682% 03/01/2019 | 3136ANA98 | 3,910,948.61 | AA+ | Aaa | 06/12/15 | 06/30/15 | 3,909,816.79 | 0.43 | 2,223.05 | 3,910,948.61 | 3,913,098.07 |
| FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019 | 3136ASPX8 | 3,820,000.00 | AA+ | Aaa | 06/09/16 | 06/30/16 | 3,858,198.09 | 1.05 | 5,682.25 | 3,854,353.45 | 3,848,103.36 |
| FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019 | 3136AODO0 | 2,635,000.00 | AA+ | Aaa | 10/07/15 | 10/30/15 | 2,661,386.63 | 1.08 | 3,614.34 | 2,654,201.14 | 2,648,063.28 |
| FNMA SERIES 2015-M12 FA DTD 09/01/2015 0.772% 04/01/2020 | 3136AP3Z3 | 4,616,226.40 | AA+ | Aaa | 09/10/15 | 09/30/15 | 4,614,564.54 | 0.54 | 2,970.16 | 4,616,226.40 | 4,620,775.69 |
| Security Type Sub-Total | | 22,610,555.05 | | | | | 22,713,843.53 | 0.74 | 22,409.90 | 22,693,035.07 | 22,686,132.68 |
| Federal Agency Bond / Note | | | | | | | | | | | |
| FNMA GLOBAL BENCHMARK NOTES DTD 06/08/2007 5.375% 06/12/2017 | 31398ADM1 | 4,500,000.00 | AA+ | Aaa | 07/28/15 | 07/29/15 | 4,887,720.00 | 0.73 | 73,234.38 | 4,645,188.23 | 4,649,017.50 |
| FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017 | 3137EADJ5 | 1,535,000.00 | AA+ | Aaa | 08/12/14 | 08/14/14 | 1,534,897.15 | 1.00 | 2,686.25 | 1,534,971.43 | 1,539,764.64 |
| FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017 | 3137EADJ5 | 8,380,000.00 | AA+ | Aaa | 03/19/15 | 03/20/15 | 8,408,413.31 | 0.85 | 14,665.00 | 8,390,019.88 | 8,406,011.52 |
| FNMA NOTES DTD 08/25/2014 1.000% 09/27/2017 | 3135GOZL0 | 665,000.00 | AA+ | Aaa | 12/04/14 | 12/05/14 | 665,704.90 | 0.96 | 73.89 | 665,250.80 | 667,135.98 |





Managed Account Detail of Securities Held

For the Month Ending **September 30, 2016**

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Federal Agency Bond / Note | | | | | | | | | | | |
| FNMA NOTES DTD 08/25/2014 1.000% 09/27/2017 | 3135G0ZL0 | 4,000,000.00 | AA+ | Aaa | 04/28/15 | 04/30/15 | 4,020,840.00 | 0.78 | 444.44 | 4,008,606.72 | 4,012,848.00 |
| FANNIE MAE GLOBAL NOTES DTD 10/30/2012 0.875% 12/20/2017 | 3135G0RT2 | 1,380,000.00 | AA+ | Aaa | 06/23/15 | 06/24/15 | 1,377,612.60 | 0.95 | 3,387.71 | 1,378,823.70 | 1,382,058.96 |
| FHLMC NOTES DTD 11/21/2012 0.750% 01/12/2018 | 3137EADN6 | 5,000,000.00 | AA+ | Aaa | 07/20/15 | 07/21/15 | 4,969,650.00 | 1.00 | 8,229.17 | 4,984,208.50 | 4,998,525.00 |
| FHLB NOTES DTD 02/18/2016 0.875% 03/19/2018 | 3130A7CX1 | 1,675,000.00 | AA+ | Aaa | 02/17/16 | 02/18/16 | 1,674,480.75 | 0.89 | 488.54 | 1,674,632.32 | 1,676,341.68 |
| FNMA NOTE DTD 03/04/2016 0.875% 03/28/2018 | 3135G0J61 | 2,575,000.00 | AA+ | Aaa | 03/02/16 | 03/04/16 | 2,569,850.00 | 0.97 | 187.76 | 2,571,270.27 | 2,576,957.00 |
| FHLMC REFERENCE NOTE DTD 04/07/2016 0.750% 04/09/2018 | 3137EAEA3 | 4,285,000.00 | AA+ | Aaa | 04/06/16 | 04/07/16 | 4,278,272.55 | 0.83 | 15,533.13 | 4,279,884.05 | 4,281,126.36 |
| FEDERAL HOME LOAN BANKS AGCY DTD 05/27/2016 0.875% 06/29/2018 | 3130A8BD4 | 1,950,000.00 | AA+ | Aaa | 05/26/16 | 05/27/16 | 1,945,300.50 | 0.99 | 4,360.42 | 1,946,066.85 | 1,957,495.80 |
| FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018 | 3130A8PK3 | 7,000,000.00 | AA+ | Aaa | 07/07/16 | 07/08/16 | 6,985,440.00 | 0.73 | 6,562.50 | 6,987,039.22 | 6,972,714.00 |
| FNMA BENCHMARK NOTE DTD 09/01/2015 1.125% 10/19/2018 | 3135G0E58 | 4,000,000.00 | AA+ | Aaa | 11/13/15 | 11/16/15 | 3,986,920.00 | 1.24 | 20,250.00 | 3,990,790.24 | 4,020,716.00 |
| FNMA BENCHMARK NOTE DTD 09/01/2015 1.125% 10/19/2018 | 3135G0E58 | 4,135,000.00 | AA+ | Aaa | 09/01/15 | 09/02/15 | 4,128,549.40 | 1.18 | 20,933.44 | 4,130,740.95 | 4,156,415.17 |
| FNMA NOTES DTD 11/03/2015 1.125% 12/14/2018 | 3135G0G72 | 4,190,000.00 | AA+ | Aaa | 03/02/16 | 03/04/16 | 4,194,818.50 | 1.08 | 14,010.31 | 4,193,844.83 | 4,210,099.43 |
| FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 | 1,500,000.00 | AA+ | Aaa | 02/19/16 | 02/23/16 | 1,496,460.00 | 1.08 | 1,458.33 | 1,497,163.37 | 1,502,128.50 |
| FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 | 3,000,000.00 | AA+ | Aaa | 06/27/16 | 06/29/16 | 3,016,980.00 | 0.78 | 2,916.67 | 3,015,367.74 | 3,004,257.00 |
| FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 | 3,495,000.00 | AA+ | Aaa | 05/03/16 | 05/06/16 | 3,498,219.14 | 0.97 | 3,397.92 | 3,497,770.70 | 3,499,959.41 |





Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| Federal Agency Bond / Note | | | | | | | | | | | |
| FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019 | 3137EADZ9 | 1,560,000.00 | AA+ | Aaa | 06/01/16 | 06/02/16 | 1,559,890.80 | 1.13 | 9,262.50 | 1,559,910.71 | 1,566,927.96 |
| FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019 | 3130A8DB6 | 6,150,000.00 | AA+ | Aaa | 06/02/16 | 06/03/16 | 6,147,417.00 | 1.14 | 19,218.75 | 6,147,682.74 | 6,175,540.95 |
| FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019 | 3137EAEB1 | 1,475,000.00 | AA+ | Aaa | 07/19/16 | 07/20/16 | 1,471,430.50 | 0.96 | 2,545.40 | 1,471,662.56 | 1,469,850.78 |
| FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019 | 3135G0N33 | 3,760,000.00 | AA+ | Aaa | 07/29/16 | 08/02/16 | 3,753,683.20 | 0.93 | 5,391.94 | 3,754,024.27 | 3,745,381.12 |
| FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019 | 3135G0P49 | 6,260,000.00 | AA+ | Aaa | 08/31/16 | 09/02/16 | 6,250,234.40 | 1.05 | 5,042.78 | 6,250,493.94 | 6,257,120.40 |
| Security Type Sub-Total | | 82,470,000.00 | | | | | 82,822,784.70 | 0.95 | 234,281.23 | 82,575,414.02 | 82,728,393.16 |
| Corporate Note | | | | | | | | | | | |
| CISCO SYSTEMS INC GLOBAL NOTES DTD 03/03/2014 1.100% 03/03/2017 | 17275RAT9 | 1,490,000.00 | AA- | A1 | 02/24/14 | 03/03/14 | 1,489,910.60 | 1.10 | 1,274.78 | 1,489,987.25 | 1,490,597.49 |
| CTRPLL FIN SERV CORP DTD 03/03/2014 1.000% 03/03/2017 | 14912L5Z0 | 2,995,000.00 | A | A2 | 12/11/14 | 12/16/14 | 2,987,662.25 | 1.11 | 2,329.44 | 2,993,589.21 | 2,995,176.71 |
| COMCAST CORP NOTE DTD 10/28/1997 8.875% 05/01/2017 | 20029PAG4 | 3,000,000.00 | A- | A3 | 03/02/15 | 03/05/15 | 3,491,520.00 | 1.16 | 110,937.50 | 3,134,198.46 | 3,129,288.00 |
| APPLE INC CORP NOTE DTD 05/06/2014 1.050% 05/05/2017 | 037833AM2 | 2,500,000.00 | AA+ | Aa1 | 04/29/14 | 05/06/14 | 2,498,675.00 | 1.07 | 10,572.92 | 2,499,733.93 | 2,503,000.00 |
| APPLE INC CORP NOTE DTD 05/13/2015 0.900% 05/12/2017 | 037833BB5 | 1,160,000.00 | AA+ | Aa1 | 05/06/15 | 05/13/15 | 1,159,199.60 | 0.94 | 4,002.00 | 1,159,752.47 | 1,159,971.00 |
| THE WALT DISNEY CORPORATION CORP NOTE DTD 06/02/2014 0.875% 05/30/2017 | 25468PCZ7 | 1,745,000.00 | A | A2 | 05/28/14 | 06/02/14 | 1,741,859.00 | 0.94 | 5,132.00 | 1,744,296.24 | 1,744,425.90 |
| HSBC USA INC DTD 06/23/2014 1.300% 06/23/2017 | 40434CAA3 | 1,110,000.00 | A | A2 | 06/16/14 | 06/23/14 | 1,108,312.80 | 1.35 | 3,928.17 | 1,109,584.65 | 1,109,568.21 |





Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Corporate Note | | | | | | | | | | | |
| PEPSICO, INC DTD 07/17/2015 1.125% 07/17/2017 | 713448CW6 | 615,000.00 | A | A1 | 07/14/15 | 07/17/15 | 614,803.20 | 1.14 | 1,422.19 | 614,921.32 | 615,339.48 |
| WELLS FARGO & COMPANY CORP NOTES DTD 09/09/2014 1.400% 09/08/2017 | 94974BGB0 | 1,500,000.00 | A | A2 | 09/02/14 | 09/09/14 | 1,498,515.00 | 1.43 | 1,341.67 | 1,499,529.39 | 1,499,550.00 |
| CHEVRON CORP NOTE DTD 11/18/2014 1.345% 11/15/2017 | 166764AL4 | 1,650,000.00 | AA- | Aa2 | 11/10/14 | 11/18/14 | 1,650,000.00 | 1.35 | 8,383.83 | 1,650,000.00 | 1,653,384.15 |
| TOYOTA MOTOR CREDIT CORP NOTE DTD 01/12/2015 1.450% 01/12/2018 | 89236TCA1 | 715,000.00 | AA- | Aa3 | 01/07/15 | 01/12/15 | 714,020.45 | 1.50 | 2,275.09 | 714,576.66 | 717,680.54 |
| CISCO SYSTEMS INC CORP NOTE DTD 02/29/2016 1.400% 02/28/2018 | 17275RBA9 | 2,160,000.00 | AA- | A1 | 02/22/16 | 02/29/16 | 2,160,000.00 | 1.40 | 2,772.00 | 2,160,000.00 | 2,168,346.24 |
| JP MORGAN CHASE CORP NOTES (CALLABLE) DTD 03/02/2015 1.700% 03/01/2018 | 46623EKD0 | 3,050,000.00 | A- | A3 | 02/25/15 | 03/02/15 | 3,049,207.00 | 1.71 | 4,320.83 | 3,049,619.94 | 3,059,284.20 |
| EXXON MOBIL CORP NOTES DTD 03/06/2015 1.305% 03/06/2018 | 30231GAL6 | 4,325,000.00 | AA+ | Aaa | 03/04/15 | 03/06/15 | 4,325,000.00 | 1.31 | 3,919.53 | 4,325,000.00 | 4,338,087.45 |
| AMERICAN HONDA FINANCE CORP NOTES DTD 03/13/2015 1.500% 03/13/2018 | 02665WAT8 | 4,475,000.00 | A+ | A1 | 03/10/15 | 03/13/15 | 4,469,003.50 | 1.55 | 3,356.25 | 4,472,067.44 | 4,493,405.68 |
| GENERAL ELEC CAP CORP GLOBAL NOTES DTD 04/02/2013 1.625% 04/02/2018 | 36962G6W9 | 4,495,000.00 | AA- | A1 | 07/01/15 | 07/07/15 | 4,508,035.50 | 1.52 | 36,318.98 | 4,502,245.22 | 4,540,880.47 |
| PEPSICO, INC CORP NOTES DTD 04/30/2015 1.250% 04/30/2018 | 713448CR7 | 1,025,000.00 | A | A1 | 04/27/15 | 04/30/15 | 1,024,877.00 | 1.25 | 5,374.13 | 1,024,934.64 | 1,027,220.15 |
| BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 05/29/2015 1.600% 05/22/2018 | 06406HDB2 | 4,970,000.00 | A | A1 | 05/22/15 | 05/29/15 | 4,969,552.70 | 1.60 | 28,494.67 | 4,969,747.77 | 4,999,631.14 |
| TOYOTA MOTOR CREDIT CORP DTD 07/13/2015 1.550% 07/13/2018 | 89236TCP8 | 1,940,000.00 | AA- | Aa3 | 07/08/15 | 07/13/15 | 1,938,351.00 | 1.58 | 6,515.17 | 1,939,010.66 | 1,950,497.34 |
| AMERICAN EXPRESS CRD CRP NT (CALLABLE) DTD 07/31/2015 1.800% 07/31/2018 | 0258M0DV8 | 2,925,000.00 | A- | A2 | 09/15/15 | 09/18/15 | 2,919,033.00 | 1.87 | 8,921.25 | 2,921,169.51 | 2,942,067.38 |





Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| Corporate Note | | | | | | | | | | | |
| JOHN DEERE CAPITAL CORP NOTE DTD 09/11/2015 1.750% 08/10/2018 | 24422ETA7 | 4,365,000.00 | A | A2 | 09/08/15 | 09/11/15 | 4,360,722.30 | 1.78 | 10,821.56 | 4,362,231.54 | 4,405,044.51 |
| AMERICAN EXP CREDIT CORP NT (CALLABLE) DTD 11/05/2015 1.875% 11/05/2018 | 0258M0DZ9 | 1,375,000.00 | A- | A2 | 10/29/15 | 11/05/15 | 1,374,876.25 | 1.88 | 10,455.73 | 1,374,912.89 | 1,386,237.88 |
| JOHN DEERE CAPITAL CORP NOTE DTD 01/08/2016 1.950% 01/08/2019 | 24422ETE9 | 1,245,000.00 | A | A2 | 01/05/16 | 01/08/16 | 1,244,925.30 | 1.95 | 5,597.31 | 1,244,943.10 | 1,265,513.87 |
| TOYOTA MOTOR CREDIT CORP DTD 02/19/2016 1.700% 02/19/2019 | 89236TCU7 | 1,630,000.00 | AA- | Aa3 | 02/16/16 | 02/19/16 | 1,629,804.40 | 1.70 | 3,232.83 | 1,629,843.83 | 1,642,715.63 |
| AMERICAN HONDA FINANCE CORP NOTES DTD 02/23/2016 1.700% 02/22/2019 | 02665WBA8 | 615,000.00 | A+ | A1 | 02/18/16 | 02/23/16 | 614,877.00 | 1.71 | 1,132.63 | 614,901.27 | 620,231.81 |
| BERKSHIRE HATHAWAY INC NOTES DTD 03/15/2016 1.700% 03/15/2019 | 084664CG4 | 1,435,000.00 | AA | Aa2 | 03/08/16 | 03/15/16 | 1,433,909.40 | 1.73 | 1,084.22 | 1,434,103.24 | 1,448,169.00 |
| IBM CORP NOTES DTD 02/19/2016 1.800% 05/17/2019 | 459200JE2 | 4,200,000.00 | AA- | Aa3 | 02/16/16 | 02/19/16 | 4,198,278.00 | 1.81 | 46,620.00 | 4,198,676.87 | 4,260,475.80 |
| BERKSHIRE HATHAWAY INC CORPORATE NOTES DTD 08/15/2016 1.300% 08/15/2019 | 084664CK5 | 1,200,000.00 | AA | Aa2 | 08/08/16 | 08/15/16 | 1,198,836.00 | 1.33 | 1,993.33 | 1,198,884.76 | 1,202,026.80 |
| CISCO SYSTEMS INC CORP NOTES DTD 09/20/2016 1.400% 09/20/2019 | 17275RBG6 | 2,460,000.00 | AA- | A1 | 09/13/16 | 09/20/16 | 2,457,269.40 | 1.44 | 1,052.33 | 2,457,296.71 | 2,462,147.58 |
| Security Type Sub-Total | | 66,370,000.00 | | | | | 66,831,035.65 | 1.49 | 333,582.34 | 66,489,758.97 | 66,829,964.41 |
| Commercial Paper | | | | | | | | | | | |
| BANK OF TOKYO MITSUBISHI LTD COMM PAPER -- 0.000% 10/04/2016 | 06538BK44 | 5,150,000.00 | A-1 | P-1 | 04/01/16 | 04/04/16 | 5,126,700.54 | 0.89 | 0.00 | 5,149,618.02 | 5,149,768.25 |
| BANK OF TOKYO MITSUBISHI COMM PAPER -- 0.000% 12/13/2016 | 06538BMD2 | 3,000,000.00 | A-1 | P-1 | 06/16/16 | 06/17/16 | 2,985,978.33 | 0.94 | 0.00 | 2,994,281.67 | 2,995,320.00 |





Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| Commercial Paper | | | | | | | | | | | |
| BNP PARIBAS NY BRANCH COMM PAPER -- 0.000% 01/03/2017 | 09659BN30 | 7,320,000.00 | A-1 | P-1 | 04/08/16 | 04/08/16 | 7,263,453.00 | 1.04 | 0.00 | 7,300,313.30 | 7,302,966.36 |
| CREDIT AGRICOLE CIB NY COMM PAPER -- 0.000% 02/03/2017 | 22533TP34 | 2,500,000.00 | A-1 | P-1 | 08/09/16 | 08/10/16 | 2,484,389.58 | 1.28 | 0.00 | 2,488,975.70 | 2,491,337.50 |
| BANK OF MONTREAL CHICAGO COMM PAPER -- 0.000% 03/03/2017 | 06366GO36 | 2,850,000.00 | A-1 | P-1 | 06/09/16 | 06/10/16 | 2,828,473.74 | 1.03 | 0.00 | 2,837,618.35 | 2,837,844.75 |
| BNP PARIBAS NY BRANCH COMM PAPER -- 0.000% 03/13/2017 | 09659BOD5 | 1,250,000.00 | A-1 | P-1 | 06/16/16 | 06/17/16 | 1,240,192.71 | 1.06 | 0.00 | 1,244,057.29 | 1,243,480.00 |
| TOYOTA MOTOR CREDIT CORP COMM PAPER -- 0.000% 04/13/2017 | 89233GRD0 | 2,200,000.00 | A-1+ | P-1 | 07/20/16 | 07/20/16 | 2,183,030.67 | 1.05 | 0.00 | 2,187,670.23 | 2,187,308.20 |
| Security Type Sub-Total | | 24,270,000.00 | | | | | 24,112,218.57 | 1.02 | 0.00 | 24,202,534.56 | 24,208,025.06 |
| Certificate of Deposit | | | | | | | | | | | |
| CANADIAN IMPERIAL BANK NY YCD DTD 04/10/2015 1.010% 04/06/2017 | 13606JYY9 | 5,650,000.00 | A-1 | P-1 | 04/06/15 | 04/10/15 | 5,650,000.00 | 1.01 | 27,739.93 | 5,650,000.00 | 5,642,937.50 |
| RABOBANK NEDERLAND NV CERT DEPOS DTD 04/27/2015 1.070% 04/21/2017 | 21684BXH2 | 3,150,000.00 | A-1 | P-1 | 04/22/15 | 04/27/15 | 3,150,000.00 | 1.07 | 14,980.00 | 3,150,000.00 | 3,148,402.95 |
| BMO HARRIS BANK NA CD DTD 10/23/2015 1.000% 04/24/2017 | 05574BFW5 | 5,000,000.00 | A-1 | Aa3 | 10/22/15 | 10/23/15 | 5,000,000.00 | 1.01 | 47,777.78 | 5,000,000.00 | 5,008,565.00 |
| NORDEA BANK FINLAND NY CD DTD 05/29/2015 1.150% 05/26/2017 | 65558LFA5 | 3,400,000.00 | AA- | Aa3 | 05/27/15 | 05/29/15 | 3,400,000.00 | 1.15 | 13,902.22 | 3,400,000.00 | 3,398,436.00 |
| NATL AUSTRALIA BANK NY FLT CERT DEPOS DTD 06/08/2016 1.057% 06/08/2017 | 63253TE87 | 4,000,000.00 | A-1+ | P-1 | 06/06/16 | 06/08/16 | 4,000,000.00 | 1.00 | 2,347.91 | 4,000,000.00 | 3,996,104.00 |
| SVENSKA HANDELSBANKEN NY FLT CERT DEPOS DTD 11/24/2015 1.275% 08/24/2017 | 86958DH54 | 3,300,000.00 | A-1+ | P-1 | 11/20/15 | 11/24/15 | 3,300,000.00 | 0.84 | 4,325.87 | 3,300,000.00 | 3,307,491.00 |





Managed Account Detail of Securities Held

For the Month Ending **September 30, 2016**

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|----------------------|------------|----------------|------------|-------------|----------------------|-------------|-------------------|----------------------|----------------------|
| Certificate of Deposit | | | | | | | | | | | |
| US BANK NA CINCINNATI (CALLABLE) CD DTD 09/11/2014 1.375% 09/11/2017 | 90333VPF1 | 3,745,000.00 | AA- | Aa1 | 09/09/14 | 09/11/14 | 3,738,970.55 | 1.41 | 2,860.76 | 3,743,102.03 | 3,758,100.01 |
| BANK OF NOVA SCOTIA HOUSTON YCD DTD 11/09/2015 1.560% 11/06/2017 | 06417GAS7 | 5,000,000.00 | A-1 | P-1 | 11/06/15 | 11/09/15 | 5,000,000.00 | 1.55 | 31,416.67 | 5,000,000.00 | 5,016,675.00 |
| SKANDINAVISKA ENSKILDA BANKEN NY CD DTD 11/17/2015 1.480% 11/16/2017 | 83050FBG5 | 5,000,000.00 | A-1 | P-1 | 11/16/15 | 11/17/15 | 5,000,000.00 | 1.48 | 65,572.22 | 5,000,000.00 | 5,007,500.00 |
| ROYAL BANK OF CANADA NY CD DTD 03/15/2016 1.700% 03/09/2018 | 78009NZZ2 | 4,305,000.00 | AA- | Aa3 | 03/11/16 | 03/15/16 | 4,305,000.00 | 1.69 | 4,472.42 | 4,305,000.00 | 4,325,341.13 |
| TORONTO DOMINION BANK NY CD DTD 03/14/2016 1.720% 03/14/2018 | 89113E5E2 | 2,700,000.00 | AA- | Aa1 | 03/14/16 | 03/16/16 | 2,700,000.00 | 1.72 | 25,929.00 | 2,700,000.00 | 2,704,482.00 |
| Security Type Sub-Total | | 45,250,000.00 | | | | | 45,243,970.55 | 1.26 | 241,324.78 | 45,248,102.03 | 45,314,034.59 |
| Asset-Backed Security / Collateralized Mortgage Obligation | | | | | | | | | | | |
| TOYOTA ABS 2015-A A2 DTD 03/04/2015 0.710% 07/15/2017 | 89236WAB4 | 24,829.99 | AAA | Aaa | 02/24/15 | 03/04/15 | 24,829.75 | 0.71 | 7.84 | 24,829.92 | 24,827.29 |
| HONDA ABS 2015-3 A3 DTD 08/19/2015 1.270% 04/18/2019 | 43814MAC1 | 1,895,000.00 | NR | Aaa | 08/12/15 | 08/19/15 | 1,894,976.69 | 1.27 | 869.07 | 1,894,984.93 | 1,899,584.76 |
| CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019 | 14314EAB7 | 1,445,000.00 | AAA | NR | 07/14/16 | 07/20/16 | 1,444,882.09 | 1.18 | 751.40 | 1,444,890.05 | 1,446,230.42 |
| NISSAN ABS 2015-A A3 DTD 04/14/2015 1.050% 10/15/2019 | 65477UAC4 | 2,330,000.00 | NR | Aaa | 04/07/15 | 04/14/15 | 2,329,510.23 | 1.06 | 1,087.33 | 2,329,688.78 | 2,331,938.56 |
| TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020 | 89237KAD5 | 2,035,000.00 | AAA | Aaa | 02/23/16 | 03/02/16 | 2,034,884.62 | 1.25 | 1,130.56 | 2,034,904.48 | 2,039,588.93 |
| NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020 | 65475WAD0 | 2,260,000.00 | NR | Aaa | 07/15/15 | 07/22/15 | 2,259,820.33 | 1.34 | 1,345.96 | 2,259,873.71 | 2,268,353.19 |
| TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020 | 89237WAD9 | 865,000.00 | AAA | Aaa | 08/01/16 | 08/10/16 | 864,976.82 | 1.14 | 438.27 | 864,980.76 | 863,428.04 |
| HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020 | 44930UAD8 | 860,000.00 | AAA | Aaa | 03/22/16 | 03/30/16 | 859,833.16 | 1.57 | 596.27 | 859,853.95 | 865,968.40 |





Managed Account Detail of Securities Held

For the Month Ending **September 30, 2016**

YOLO COUNTY - TREASURY POOL

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|-------------------------|---------------|-------------------|---------------|----------------|-------------------------|----------------|---------------------|-------------------------|-------------------------|
| Asset-Backed Security / Collateralized Mortgage Obligation | | | | | | | | | | | |
| NISSAN ABS 2016-B A3 DTD 04/27/2016 1.320% 01/15/2021 | 65478VAD9 | 645,000.00 | NR | Aaa | 04/18/16 | 04/27/16 | 644,899.96 | 1.33 | 378.40 | 644,910.95 | 647,579.81 |
| Security Type Sub-Total | | 12,359,829.99 | | | | | 12,358,613.65 | 1.24 | 6,605.10 | 12,358,917.53 | 12,387,499.40 |
| Managed Account Sub-Total | | 279,225,385.04 | | | | | 279,885,218.50 | 1.13 | 887,383.56 | 279,421,792.74 | 280,037,756.92 |
| Securities Sub-Total | | \$279,225,385.04 | | | | | \$279,885,218.50 | 1.13% | \$887,383.56 | \$279,421,792.74 | \$280,037,756.92 |
| Accrued Interest | | | | | | | | | | | \$887,383.56 |
| Total Investments | | | | | | | | | | | \$280,925,140.48 |



YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|--|--|
| SUBJECT: Quarterly Report on Williams Uniform Complaints for YCOE Operated Schools Covering the Months of October, November, and December, 2016 | AGENDA ITEM #: 3.8 |
| PER: <input type="checkbox"/> BOARD REQUEST <input checked="" type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: <div style="text-align: center;">Viola DeVita</div> |
| <u>BACKGROUND:</u> | DATE: January 31, 2017 |

Statutory changes to the Williams Settlement as stated in California Education Code 35186 (d) requires that a school district report summarized data on the nature and resolution of all Uniform Complaints on a quarterly basis to the county superintendent of schools and the governing board of the school district. Further, the summaries must be publicly reported on a quarterly basis at a regularly scheduled meeting of the governing board of the school district. The report must include the number of complaints by general subject area with the number of resolved and unresolved complaints. The complaints and written responses must be available as public records.

Education Code 35186 (a) states that a school district shall use the Uniform Complaint process it has adopted as required by Chapter 5.1 (commencing with Section 4600) of Title 5 of the California Code of Regulations, with modifications, as necessary, to help identify and resolve any deficiencies related to instructional materials, emergency or urgent facilities conditions that pose a threat to the health and safety of pupils or staff, and teacher vacancy or misassignment,

The Quarterly Report on Williams Uniform Complaints Education Code 35186 is attached for Yolo County Office of Education operated schools.

RECOMMENDATION/COMMENTS: For information.

Quarterly Report on *Williams* Uniform Complaints
 [Education Code § 35186(d)]

District: Yolo County Office of Education

Person completing this form: Viola DeVita Title: Coord. CI&SS

Quarterly Report Submission Date:
 (check one)

- October 2016
- January 2017
- April 2017
- July 2017

Date for information to be reported publicly at governing board meeting: January 31, 2017

Please check the box that applies:

- No complaints were filed with any school in the district during the quarter indicated above.
- Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

| General Subject Area | Total # of Complaints | # Resolved | # Unresolved |
|--|-----------------------|------------|--------------|
| Textbooks and Instructional Materials | 0 | | |
| Teacher Vacancy or Misassignment | 0 | | |
| Facilities Conditions | 0 | | |
| TOTALS | 0 | | |

Jesse Ortiz, Ed. D.
 Print Name of District Superintendent


 Signature of District Superintendent

1/12/2017
 Date

YOLO COUNTY BOARD OF EDUCATION

Public Hearing for:

The Superintendent's Response to the Initial Proposal from California School Employees Association (CSEA), Chapter #639, for 2016-17.

| | |
|--------------------------------|-------------------------------|
| SUBJECT: Public Hearing | AGENDA ITEM #: 3.9 |
| | DATE: January 31, 2017 |

A public hearing will be conducted to receive comment from parents, teachers, members of the community, and bargaining unit leaders regarding the Yolo County Superintendent of Schools' Response to the Initial Proposal from the California School Employees Association (CSEA), Chapter #639, for 2016-17.

YOLO COUNTY BOARD OF EDUCATION

Letter of Transmittal to County Board

From the Superintendent

| | |
|--|---|
| SUBJECT: Discuss Yolo County Board of Education Retreat Goals | AGENDA ITEM #: 3.10 |
| PER: <input checked="" type="checkbox"/> BOARD REQUEST <input type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Board President Matt Taylor |
| | DATE: January 19, 2016 |

BACKGROUND:

The Board will discuss the goals for the retreat tentatively scheduled on February 16, 2017 at 9:00am.

RECOMMENDATION/COMMENTS: For information.

YOLO COUNTY BOARD OF EDUCATION
Letter of Transmittal to County Board
From the Superintendent

| | |
|--|---|
| SUBJECT: Suggested Future Agenda Items | AGENDA ITEM #: 3.11 |
| PER: <input checked="" type="checkbox"/> BOARD REQUEST <input type="checkbox"/> STAFF REQUEST | ATTACHMENTS: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| FOR BOARD: <input type="checkbox"/> ACTION <input checked="" type="checkbox"/> INFORMATION | RESEARCH & PREPARATION BY: Superintendent's Office |
| <u>BACKGROUND:</u> | DATE: January 31, 2017 |

1. Approval of Board Policies and Administrative Regulations
01-20-15 Special Meeting: per Superintendent, revisions of the Board Policies and Administrative Regulations have been finalized and need to be brought to the Board for approval.
08-25-15 Update: The Board adopted the 5000 Series (Students) Board policies; the Board requested to hold off on further review/approval until California County Boards of Education policies are published.

RECOMMENDATION/COMMENTS: This agenda item serves as a tracking tool for future agenda items. The Board may want to add additional item(s).