

McFarland Unified School District

**CONTINUING DISCLOSURE ANNUAL REPORT
FISCAL YEAR ENDING JUNE 30, 2012**

Prepared By:



McFarland Unified School District
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A. INTRODUCTION

The McFarland Unified School District (“District”) of Kern County hereby provides the continuing disclosure annual report pursuant to the Continuing Disclosure Agreements in connection with the following financings for the fiscal year ended June 30, 2012 (“Annual Report”)

Dated Date	Base CUSIP	Par Amount	Name of Issue
September 1, 1998	580415	\$9,150,000.00	1998 General Obligation Refunding Bonds
June 2, 2004	580415	\$2,999,995.80	General Obligation Bonds, Election of 2004, Series 2004 A
December 21, 2006	580415	\$1,799,837.65	General Obligation Bonds, Election of 2004, Series 2006 B
April 17, 2008	580415	\$1,214,760.90	General Obligation Bonds, Election of 2004, Series 2008 C
April 17, 2008	580415	\$2,970,000.00	2008 General Obligation Refunding Bonds
August 30, 2012	580415	\$4,400,000.00	2012 General Obligation Refunding Bonds
December 27, 2012	580415	\$5,105,000.00	General Obligation Bonds, Election of 2012, 2012 Series A
January 24, 2013	580415	\$7,400,000.00	General Obligation Bonds, Election of 2012, 2013 Series A

B. AVERAGE DAILY ATTENDANCE

MCFARLAND UNIFIED SCHOOL DISTRICT 2011-12

Fiscal Year	Enrollment	Average Daily Attendance	Base Revenue Limit Per ADA
2011-12	3,344	3,127.18	\$6,008.46

Source: District

C. AUDITED FINANCIAL STATEMENT

	FY 2011-12 Budget	FY 2011-12 Audit	FY 2012-13 Budget (1)
Revenues:			
Revenue Limit Sources			\$17,888,530
State Apportionment	\$13,936,754	\$14,854,029	
Local Sources	4,243,457	4,243,457	
Federal Revenue	5,602,918	5,389,266	4,305,502
Other State Revenue	8,306,111	7,833,719	7,196,537
Other Local Revenue	380,662	400,257	194,000
Total Revenues	\$32,795,731	\$32,720,728	\$29,584,569
Expenditures:			
Certificated Salaries	\$13,998,205	\$13,999,205	\$14,479,808
Classified Salaries	3,758,780	3,762,483	4,193,356
Employee Benefits	7,605,336	7,605,332	7,505,806
Books and Supplies	1,366,750	1,366,153	1,629,919
Services and Other Operating Expenditures	3,856,554	3,856,558	3,848,299
Other Outgo	370,853	382,608	705,550
Direct Support/Indirect Costs	(67,606)	(67,606)	(79,379)
Capital Outlay	228,068	228,068	30,000
Other Financing Uses	-	-	-
Debt Service			
Principal	168,860	155,518	80,855
Interest	8,779	8,457	1,133
Total Expenditures	\$31,295,246	\$31,297,376	\$32,395,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$1,500,485	\$1,423,352	(\$2,810,778)
Other Financing Sources (Uses)			
Transfers In	-	-	
Transfers Out	(\$144,653)	(\$71,562)	(\$61,634)
Other Sources (Uses)	-	-	
Total Other Financing Sources (Uses)	(\$144,653)	(\$71,562)	(\$61,634)
Net Changes in Fund Balance	\$1,355,832	\$1,351,790	(\$2,872,412)
Fund Balance July 1	\$11,421,585	\$11,421,585	\$8,039,404
Fund Balance June 30	\$12,777,417	\$12,773,375	\$5,166,992

(1) FY 2012-13 Budget was adopted by the McFarland Unified School District Board of Education on June 21, 2012

D. DISTRICT OUTSTANDING DEBT

SCHEDULE OF CHANGES IN LONG TERM DEBT FOR THE YEAR ENDED JUNE 30, 2012

	Balance July 01, 2011	Additions	Deductions	Balance June 30, 2012	Balance Due In One Year ⁽²⁾
G.O. Bonds Series 2004 A	\$4,625,308	-	\$175,000	\$4,450,308	\$190,000
G.O. Bonds Series 2006 B	1,799,838	-	5,000	1,794,838	10,000
G.O. Bonds Series 2008 C	1,214,761	-	40,000	1,174,761	40,000
2006 Refunding G.O. Bonds	2,150,000	-	260,000	1,890,000	260,000
G.O. Bonds Series 1998	395,000	-	55,000	340,000	50,000
Capital Leases	224,160	-	156,647	67,512	67,512
Net OPEB	707,533	\$201,710	-	918,243	-
Compensated Absences ⁽¹⁾	119,094	8,792	135,140	119,094	-
Total	\$11,235,694	\$219,502	\$826,787	\$10,754,756	\$617,215

(1) Other long-term liabilities

(2) Does not include the District's \$5,105,000 General Obligation Bonds 2012 Election, 2012 Series A (Bank Qualified) issued in December 2012

Source: District

E. ASSESSED VALUATION

MCFARLAND UNIFIED SCHOOL DISTRICT 2012-13

	Local Secured	Utility	Unsecured	Total
2012-13	\$1,312,248,438	\$369,484	\$82,705,987	\$1,395,323,909

Source: California Municipal Statistics

F. SECURED TAX CHARGES & DELINQUENCIES

MCFARLAND UNIFIED SCHOOL DISTRICT

Fiscal Year	Secured Tax Charge ⁽¹⁾	Percent Delinquent	Secured Tax Delinquencies ⁽²⁾
2011-12	\$873,509,90	0.66	0

(1) Bond debt service levy.

(2) Kern County utilizes the Teeter Plan for assessment levy and distribution. The Teeter Plan guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.

Source: California Municipal Statistics

G. LARGEST LOCAL SECURED TAXPAYERS

MCFARLAND UNIFIED SCHOOL DISTRICT 2012-13

	Property Owner	2012-13 Assessed Valuation	% of Total ⁽¹⁾
1	Berry Petroleum Company	\$306,198,881	23.33%
2	Elysium West LLC	84,081,375	6.41
3	CPT Operating Partnership LP	57,651,395	4.39
4	Mt. Paso Cogeneration Co. LP	47,176,520	3.60
5	Vintage Petroleum LLC	41,911,421	3.19
6	Sun World International LLC	32,312,673	2.46
7	Paramount Land Company LLC	29,915,017	2.28
8	E&B Natural Resource Management Corp.	26,039,827	1.98
9	Delano Energy Co. Inc	24,320,632	7.85
10	Farmland Reserve Inc.	22,807,883	1.74
11	Jakov Dulcich & Sons LLC	17,463,406	1.33
12	Oxy USA Inc.	13,498,184	1.03
13	Central Valley Almond Associates	12,936,558	0.99
14	Paramount Citrus LLC	12,912,164	0.98
15	Mamzirp LLC	9,373,295	0.71
16	Sam and Suzanne Etchegaray	8,727,560	0.67
17	Mzirp Inc.	7,740,198	0.59
18	P&N LP	7,273,778	0.55
19	McFarland Ventures LP	6,725,378	0.51
20	Western Milling LLC	6,520,138	0.50
		\$775,586,283	59.10%

(1) 2012-13 Local Secured Assessed Valuation: \$1,312,248,348

Source: California Municipal Statistics

H. AD VALOREM TAXES

TYPICAL TAX RATES PER \$100 ASSESSED VALUATION (TRA 91-1)

	2011-12	2012-13
General	1.000000	1.000000
McFarland Unified School District	0.062635	0.039389
Kern Community College District SRID	0.009057	0.008502
Total	1.071692	1.047891

Source: California Municipal Statistics

I. REPORTING OF SIGNIFICANT EVENTS

	Yes*	No
1 Principal and interest delinquencies		X
2 Non-payment related defaults		X
3 Unscheduled draws on debt service reserves reflecting financial difficulties		X
4 Unscheduled draws on credit enhancements reflecting financial difficulties		X
5 Substitution of the credit or liquidity providers or their failure to perform		X
6 Adverse tax opinions or events affecting the tax-exempt status of the Bonds		X
7 Modifications to rights of Bond owners		X
8 Bond Calls (Other Than Mandatory Scheduled Redemptions, Not Otherwise Contingent Upon The Occurrence Of An Event, Including But Not Limited To, Sinking Fund Payments)	X	
9 Defeasances		X
10 Release, substitution or sale of property securing repayment of the Bonds		X
11 Rating changes		X

*If answered "Yes", please see following for notification of significant events

8. The District refunded its outstanding 1998 General Obligation Refunding Bonds and General Obligation Bonds, Election of 2004, Series 2004 A with proceeds from the District's 2012 General Obligation Refunding Bonds dated August 30, 2012.

1998 GENERAL OBLIGATION REFUNDING BONDS IDENTIFICATION OF REFUNDED BONDS

CUSIP	Maturity Date	Par Amount	Call Date	Call Price
580415CV7	06/01/2013	\$50,000	10/01/2012	100.00
580415CW5	06/01/2014	50,000	10/01/2012	100.00
580415CX3	06/01/2015	50,000	10/01/2012	100.00
580415CY1	06/01/2016	50,000	10/01/2012	100.00
580415CZ8	06/01/2017	50,000	10/01/2012	100.00
580415DA2	06/01/2018	45,000	10/01/2012	100.00
580415DB0	06/01/2019	45,000	10/01/2012	100.00
		\$340,000		

GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2004 A IDENTIFICATION OF REFUNDED BONDS

CUSIP	Maturity Date	Par Amount	Call Date	Call Price
580415DL8	11/01/2014	\$225,000	11/01/2013	101.00
580415DM6	11/01/2015	245,000	11/01/2013	101.00
580415DN4	11/01/2016	265,000	11/01/2013	101.00
580415DP9	11/01/2017	290,000	11/01/2013	101.00
580415DQ7	11/01/2018	315,000	11/01/2013	101.00
580415DR5	11/01/2019	340,000	11/01/2013	101.00
580415DS3	11/01/2022	1,185,000	11/01/2013	101.00
580415DT1	11/01/2024	950,000	11/01/2013	101.00
		\$3,815,000		

**GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2004 A
OUTSTANDING BONDS FOLLOWING ISSUANCE OF REFUNDING BONDS**

CUSIP	Maturity Date	Par Amount	Maturity Value
580415DU8	11/01/2025	\$65,576.90	\$530,000
580415DV6	11/01/2026	60,604.20	540,000
580415DW4	11/01/2027	56,499.00	555,000
580415DX2	11/01/2028	52,628.10	570,000

J. CONTACT INFORMATION

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