

**Return of Organization Exempt From Income Tax**

**2010**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

**Open to Public Inspection**

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2010 calendar year, or tax year beginning** , **2010**, and ending ,

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Application pending

CALIFORNIA SCHOOLS VOL. EMP. BEN ASSOC.  
 FKA SO.CAL SCHOOLS VOL.EMP.BENEFITS ASSO  
 8885 RIO SAN DIEGO DR. #300  
 SAN DIEGO, CA 92108

**D Employer Identification Number**  
33-0579503

**E Telephone number**  
(619) 278-0021

**G Gross receipts \$** 355,870,538.

**F Name and address of principal officer:**  
Same As C Above

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If 'No,' attach a list. (see instructions)

**I Tax-exempt status**  501(c)(3)  501(c) ( 9 ) ◀ (insert no.)  4947(a)(1) or  527

**J Website:** ▶ www.vebaonline.com

**K Form of organization:**  Corporation  Trust  Association  Other ▶

**L Year of Formation:** 1993

**M State of legal domicile:** CA

**H(c) Group exemption number** ▶

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>THE VEBA IS A JOINT LABOR-MGMT ASSOC OF PARTICIPANT SCHOOL DISTRICTS IN SOUTHERN CALIFORNIA. THE VEBA PROVIDES INSURANCE COVERAGE TO EMPLOYEES, RETIREES &amp; DEPENDENTS OF THE MEMBER DISTRICTS.</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a).....	3	16
	4 Number of independent voting members of the governing body (Part VI, line 1b).....	4	16
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a).....	5	0
	6 Total number of volunteers (estimate if necessary).....	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12.....	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34.....	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h).....		
	9 Program service revenue (Part VIII, line 2g).....	340,414,791.	355,385,386.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d).....	484,635.	485,152.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e).....		
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12).....	340,899,426.	355,870,538.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3).....		
	14 Benefits paid to or for members (Part IX, column (A), line 4).....	334,994,840.	348,697,445.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10).....		
	16a Professional fundraising fees (Part IX, column (A), line 11e).....		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f).....	5,346,122.	6,080,818.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25).....	340,340,962.	354,778,263.	
19 Revenue less expenses. Subtract line 18 from line 12.....	58,558,464.	1,092,275.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16).....	Beginning of Current Year 29,570,500.	End of Year 35,795,125.
	21 Total liabilities (Part X, line 26).....	21,701,999.	26,979,107.
	22 Net assets or fund balances. Subtract line 21 from line 20.....	7,868,501.	8,816,018.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title. \_\_\_\_\_

**Paid Preparer Use Only**

Print/Type preparer's name: Scott Trendel  
 Preparer's signature: Scott Trendel  
 Date: 10/18/11  
 Check  if self-employed PTIN: P00969573

Firm's name: ▶ ROSNER BROWN TOUCHSTONE & KELLER, LLP  
 Firm's address: ▶ 4909 MURPHY CANYON ROAD, STE. 120  
 SAN DIEGO, CA 92123  
 Firm's EIN: ▶ 33-0567239  
 Phone no.: 858-430-0300

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:

THE VEBA IS A JOINT LABOR-MGMT ASSOC OF PARTICIPANT SCHOOL DISTRICTS IN SOUTHERN CALIFORNIA. THE VEBA PROVIDES INSURANCE COVERAGE TO EMPLOYEES, RETIREES & DEPENDENTS OF THE MEMBER DISTRICTS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 348,697,445. including grants of \$ ) (Revenue \$ ) THE VEBA IS A JOINT LABOR-MGMT ASSOC OF PARTICIPANT SCHOOL DISTRICTS IN SOUTHERN CALIFORNIA. THE VEBA PROVIDES INSURANCE COVERAGE TO EMPLOYEES, RETIREES & DEPENDENTS OF THE MEMBER DISTRICTS.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services. (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 348,697,445.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If 'Yes,' complete Schedule A.</i> .....		X
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions) .....		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If 'Yes,' complete Schedule C, Part I.</i> .....		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If 'Yes,' complete Schedule C, Part II.</i> .....		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If 'Yes,' complete Schedule C, Part III.</i> .....		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If 'Yes,' complete Schedule D, Part I.</i> .....		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If 'Yes,' complete Schedule D, Part II.</i> .....		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If 'Yes,' complete Schedule D, Part III.</i> .....		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If 'Yes,' complete Schedule D, Part IV.</i> .....		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If 'Yes,' complete Schedule D, Part V.</i> .....		X
11 If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? <i>If 'Yes,' complete Schedule D, Part VI.</i> .....		X
b Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VII.</i> .....		X
c Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VIII.</i> .....		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part IX.</i> .....		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If 'Yes,' complete Schedule D, Part X.</i> .....	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If 'Yes,' complete Schedule D, Part X.</i> .....		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If 'Yes,' complete Schedule D, Parts XI, XII, and XIII.</i> .....	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> .....		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E.</i> .....		X
14a Did the organization maintain an office, employees, or agents outside of the United States? .....		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If 'Yes,' complete Schedule F, Parts I and IV.</i> .....		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If 'Yes,' complete Schedule F, Parts II and IV.</i> .....		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If 'Yes,' complete Schedule F, Parts III and IV.</i> .....		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If 'Yes,' complete Schedule G, Part I (see instructions).</i> .....		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If 'Yes,' complete Schedule G, Part II.</i> .....		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If 'Yes,' complete Schedule G, Part III.</i> .....		X
20 a Did the organization operate one or more hospitals? <i>If 'Yes,' complete Schedule H.</i> .....		X
b If 'Yes' to line 20a, did the organization attach its audited financial statements to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions) .....		

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>		
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i>		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If 'Yes,' complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O.	X	

BAA

Form 990 (2010)

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V. [ ]

Table with columns for question number, description, and Yes/No boxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

**Part VI Governance, Management and Disclosure** For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI.

**Section A. Governing Body and Management**

		Yes	No
<b>1 a</b>	Enter the number of voting members of the governing body at the end of the tax year. . . . .	<b>1 a</b>	16
<b>1 b</b>	Enter the number of voting members included in line 1a, above, who are independent. . . . .	<b>1 b</b>	16
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? . . . . .	<b>2</b>	X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	<b>3</b>	X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	<b>4</b>	X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	<b>5</b>	X
<b>6</b>	Does the organization have members or stockholders? . . . . .	<b>6</b>	X
<b>7 a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	<b>7 a</b>	X
<b>7 b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	<b>7 b</b>	X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8 a</b>	The governing body? . . . . .	<b>8 a</b>	X
<b>8 b</b>	Each committee with authority to act on behalf of the governing body? . . . . .	<b>8 b</b>	X
<b>9</b>	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O. . . . .	<b>9</b>	X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10 a</b>	Does the organization have local chapters, branches, or affiliates? . . . . .	<b>10 a</b>	X
<b>10 b</b>	If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	<b>10 b</b>	
<b>11 a</b>	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .	<b>11 a</b>	X
<b>11 b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990. See Schedule O		
<b>12 a</b>	Does the organization have a written conflict of interest policy? If 'No,' go to line 13. . . . .	<b>12 a</b>	X
<b>12 b</b>	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12 b</b>	X
<b>12 c</b>	Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done. . . . . See Schedule O . . . . .	<b>12 c</b>	X
<b>13</b>	Does the organization have a written whistleblower policy? . . . . .	<b>13</b>	X
<b>14</b>	Does the organization have a written document retention and destruction policy? . . . . .	<b>14</b>	X
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15 a</b>	The organization's CEO, Executive Director, or top management official. . . . .	<b>15 a</b>	X
<b>15 b</b>	Other officers of key employees of the organization. . . . .	<b>15 b</b>	X
	If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
<b>16 a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	<b>16 a</b>	X
<b>16 b</b>	If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	<b>16 b</b>	

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ▶ CA
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Schedule O
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization:  
 ▶ McGregor & Associates Inc. 8885 Rio San Diego Dr #300 San Diego CA 92108 619/278-0021

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) KEVIN OGDEN Director	0	X					0.	0.	0.	
(2) KEVIN HOLT Director	0	X					0.	0.	0.	
(3) DR. JANICE COOK Director	0	X					0.	0.	0.	
(4) JOHN DEBECK Director	0	X					0.	0.	0.	
(5) EDWARD NELSON Director	0	X					0.	0.	0.	
(6) ETHEL LARKINS Director	0	X					0.	0.	0.	
(7) KIM MYERS Director	0	X					0.	0.	0.	
(8) LORA DUZYK Director	0	X					0.	0.	0.	
(9) MARK ANDERSON Director	0	X					0.	0.	0.	
(10) MARC CAPITELLI Director	0	X					0.	0.	0.	
(11) JOYCE M. LA FLEUR Director	0	X					0.	0.	0.	
(12) ANA ZUNIGA Director	0	X					0.	0.	0.	
(13) -OPEN- Director	0	X					0.	0.	0.	
(14) DAVID FERNANDEZ Director	0	X					0.	0.	0.	
(15) TIM O'NEILL Director	0	X					0.	0.	0.	
(16) SANDRA HUEZO Director	0	X					0.	0.	0.	
(17) _____ Director										

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**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)**

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) -----										
(19) -----										
(20) -----										
(21) -----										
(22) -----										
(23) -----										
(24) -----										
(25) -----										
(26) -----										
(27) -----										
(28) -----										
(29) -----										
<b>1 b Sub-total</b> .....							0.	0.	0.	
<b>c Total from continuation sheets to Part VII, Section A</b> .....							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b> .....							0.	0.	0.	

COPY

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ▶ 0

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual.</i> .....		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes' complete Schedule J for such individual.</i> .....		X
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i> .....		X

**Section B. Independent Contractors**

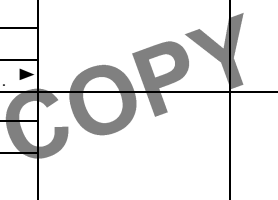
**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 0

**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS</b>	<b>1 a</b> Federated campaigns . . . . .	<b>1 a</b>				
	<b>b</b> Membership dues . . . . .	<b>1 b</b>				
	<b>c</b> Fundraising events . . . . .	<b>1 c</b>				
	<b>d</b> Related organizations . . . . .	<b>1 d</b>				
	<b>e</b> Government grants (contributions) . . . . .	<b>1 e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . .	<b>1 f</b>				
	<b>g</b> Noncash contributions included in lns 1a-1f: \$					
<b>h Total.</b> Add lines 1a-1f . . . . . ▶						
<b>PROGRAM SERVICE REVENUE</b>	<b>Business Code</b>					
	<b>2 a</b> <u>Membership Dues &amp; Assessments</u>		355385386.		355385386.	
	<b>b</b> -----					
	<b>c</b> -----					
	<b>d</b> -----					
	<b>e</b> -----					
	<b>f</b> All other program service revenue . . . . .					
<b>g Total.</b> Add lines 2a-2f . . . . . ▶		355385386.				
<b>OTHER REVENUE</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . . ▶		485,152.		485,152.	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . . ▶					
	<b>5</b> Royalties . . . . . ▶					
	<b>6 a</b> Gross Rents . . . . .	(i) Real				
		(ii) Personal				
		<b>b</b> Less: rental expenses . . . . .				
		<b>c</b> Rental income or (loss) . . . . .				
	<b>d</b> Net rental income or (loss) . . . . . ▶					
	<b>7 a</b> Gross amount from sales of assets other than inventory . . . . .	(i) Securities				
		(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses . . . . .				
		<b>c</b> Gain or (loss) . . . . .				
	<b>d</b> Net gain or (loss) . . . . . ▶					
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>a</b>				
		<b>b</b> Less: direct expenses . . . . .	<b>b</b>			
<b>c</b> Net income or (loss) from fundraising events . . . . . ▶						
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>a</b>					
	<b>b</b> Less: direct expenses . . . . .	<b>b</b>				
	<b>c</b> Net income or (loss) from gaming activities . . . . . ▶					
<b>10 a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
	<b>b</b> Less: cost of goods sold . . . . .	<b>b</b>				
	<b>c</b> Net income or (loss) from sales of inventory . . . . . ▶					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
<b>11 a</b> -----						
	<b>b</b> -----					
	<b>c</b> -----					
	<b>d</b> All other revenue . . . . .					
<b>e Total.</b> Add lines 11a-11d . . . . . ▶						
<b>12 Total revenue.</b> See instructions . . . . . ▶		355870538.	0.	0.	355870538.	



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.  
 All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	348,697,445.	348,697,445.		
5 Compensation of current officers, directors, trustees, and key employees	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a Management fees	2,271,196.		2,271,196.	
b Program support	1,472,519.		1,472,519.	
c Other deductions	1,329,407.		1,329,407.	
d Communications	608,776.		608,776.	
e Consulting fees	398,920.		398,920.	
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	354,778,263.	348,697,445.	6,080,818.	0.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
ASSETS	1	Cash — non-interest-bearing		1
	2	Savings and temporary cash investments	12,867,952.	2 18,570,410.
	3	Pledges and grants receivable, net		3
	4	Accounts receivable, net	399,270.	4 108,635.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6
	7	Notes and loans receivable, net	2,605,587.	7 1,823,152.
	8	Inventories for sale or use		8
	9	Prepaid expenses and deferred charges	99,069.	9 134,852.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D		10a
	b	Less: accumulated depreciation		10b 10c
	11	Investments — publicly traded securities	13,473,856.	11 14,994,238.
	12	Investments — other securities. See Part IV, line 11		12
	13	Investments — program-related. See Part IV, line 11		13
	14	Intangible assets		14
	15	Other assets. See Part IV, line 11	124,766.	15 163,838.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	29,570,500.	16 35,795,125.	
LIABILITIES	17	Accounts payable and accrued expenses	129,717.	17 147,680.
	18	Grants payable		18
	19	Deferred revenue	7,234,735.	19 11,726,616.
	20	Tax-exempt bond liabilities		20
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22
	23	Secured mortgages and notes payable to unrelated third parties		23
	24	Unsecured notes and loans payable to unrelated third parties		24
	25	Other liabilities. Complete Part X of Schedule D	14,337,547.	25 15,104,811.
	26	<b>Total liabilities.</b> Add lines 17 through 25	21,701,999.	26 26,979,107.
NET ASSETS OR FUND BALANCES	<b>Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.</b>			
	27	Unrestricted net assets		27
	28	Temporarily restricted net assets		28
	29	Permanently restricted net assets		29
	<b>Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.</b>			
	30	Capital stock or trust principal, or current funds		30
	31	Paid-in or capital surplus, or land, building, or equipment fund		31
	32	Retained earnings, endowment, accumulated income, or other funds	7,868,501.	32 8,816,018.
	33	<b>Total net assets or fund balances.</b>	7,868,501.	33 8,816,018.
34	<b>Total liabilities and net assets/fund balances.</b>	29,570,500.	34 35,795,125.	

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Form 990 (2010)

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	355,870,538.
2	Total expenses (must equal Part IX, column (A), line 25)	2	354,778,263.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,092,275.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	7,868,501.
5	Other changes in net assets or fund balances (explain in Schedule O). See Schedule O	5	-144,758.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	8,816,018.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
2d	If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

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Form 990 (2010)

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**SCHEDULE D  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.**  
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No. 1545-0047

**2010**

**Open to Public Inspection**

Name of the organization

Employer identification number

CALIFORNIA SCHOOLS VOL. EMP. BEN ASSOC.  
FKA SO.CAL SCHOOLS VOL.EMP.BENEFITS ASSO

33-0579503

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year . . . . .		
2 Aggregate contributions to (during year) . . . . .		
3 Aggregate grants from (during year) . . . . .		
4 Aggregate value at end of year . . . . .		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? . . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register . . . . .	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? . . . . .  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? . . . . .  Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If 'Yes,' explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment \_\_\_\_\_ %
- b Permanent endowment \_\_\_\_\_ %
- c Term endowment \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

**Total.** Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) 0.

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
<b>Total.</b> (Column (b) must equal Form 990 Part X, column (B) line 12.)		

**Part VIII Investments—Program Related.** (See Form 990, Part X, line 13) N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (B) line 13.)		

**Part IX Other Assets.** (See Form 990, Part X, line 15) N/A

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, column(B), line 15)	

**Part X Other Liabilities.** (See Form 990, Part X, line 25)

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) Insurance premiums and claims payab	13,770,211.
(3) Other liabilities	228,600.
(4) Unpaid self-insurance claims incurr	1,106,000.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (B) line 25)	15,104,811.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

<b>Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements</b>	
1 Total revenue (Form 990, Part VIII, column (A), line 12)	355,870,538.
2 Total expenses (Form 990, Part IX, column (A), line 25)	354,778,263.
3 Excess or (deficit) for the year. Subtract line 2 from line 1	1,092,275.
4 Net unrealized gains (losses) on investments	1,193,859.
5 Donated services and use of facilities	
6 Investment expenses	
7 Prior period adjustments	
8 Other (Describe in Part XIV). See Part XIV	-1,338,617.
9 Total adjustments (net). Add lines 4 through 8	-144,758.
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	947,517.

<b>Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>	
1 Total revenue, gains, and other support per audited financial statements	1 355,725,780.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a Net unrealized gains on investments	2a 1,193,859.
b Donated services and use of facilities	2b
c Recoveries of prior year grants	2c
d Other (Describe in Part XIV). See Part XIV	2d -1,338,617.
e Add lines 2a through 2d	2e -144,758.
3 Subtract line 2e from line 1	3 355,870,538.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a Investments expenses not included on Form 990, Part VIII, line 7b	4a
b Other (Describe in Part XIV.)	4b
c Add lines 4a and 4b	4c
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5 355,870,538.

<b>Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>	
1 Total expenses and losses per audited financial statements	1 354,778,263.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a Donated services and use of facilities	2a
b Prior year adjustments	2b
c Other losses	2c
d Other (Describe in Part XIV.)	2d
e Add lines 2a through 2d	2e
3 Subtract line 2e from line 1	3 354,778,263.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a Investments expenses not included on Form 990, Part VIII, line 7b	4a
b Other (Describe in Part XIV.)	4b
c Add lines 4a and 4b	4c
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5 354,778,263.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

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**Part XIV** Supplemental Information *(continued)*

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**Schedule D, Part XI, Line 8  
Other Changes In Net Assets Or Fund Balances**

Allowance for billing and eligibility adjustments.....	\$ -1,338,617.
Total	<u>\$ -1,338,617.</u>

**Schedule D, Part XII, Line 2d  
Other Revenue Included In F/S But Not Included On Form 990**

Allowance for billing and eligibility ad.....	\$ -1,338,617.
Total	<u>\$ -1,338,617.</u>

COPY

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

**Supplemental Information to Form 990 or 990-EZ**

OMB No. 1545-0047

**2010**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

Name of the organization **CALIFORNIA SCHOOLS VOL. EMP. BEN ASSOC.**  
**FKA SO.CAL SCHOOLS VOL.EMP.BENEFITS ASSO**

Employer identification number  
**33-0579503**

**Form 990, Part VI, Line 11b - Form 990 Review Process**

A Review will be conducted or was conducted prior to filing.

**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts**

The Trustees are required to affirm their continued compliance with the Trust's  
Conflict of Interest Policy on an annual basis.

**Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available**

The VEBA makes its governing documents, conflict of interest policy, and financial  
statements available to the Board of Directors as well as to its Member School  
Districts. The documents are uploaded to the VEBA's website for review by member  
districts and/or distributed upon individual member school district's request.

**COPY**

**Form 990, Part XI, Line 5**  
**Other Changes in Net Assets or Fund Balances**

Allowance for billing and eligibility adjustments.....	\$ -1,338,617.
Net Unrealized Gains or Losses on Investments.....	<u>1,193,859.</u>
Total	<u>\$ -144,758.</u>

COPY

California Exempt Organization Annual Information Return

Calendar year 2010 or fiscal year beginning month day year, and ending month day year

**A** First Return Filed?  Yes  No **B** Type of organization Exempt under Section 23701... **I** (insert letter)  IRC Section 4947(a)(1) trust...  **CORP #** 9767623

Corporation/Organization Name **CALIFORNIA SCHOOLS VOL. EMP. BEN ASSOC. FKA SO.CAL SCHOOLS VOL.EMP.BENEFITS ASSO** **FEIN** 33-0579503

Address **8885 RIO SAN DIEGO DR. #300** City State ZIP Code **SAN DIEGO, CA 92108**

**C** Amended Return?  Yes  No  
**D** Are you a subordinate/affiliate in a group exemption?  Yes  No  
**a** Is this a group filing for affiliates? See General Instruction L.  Yes  No  
**b** If 'Yes,' enter the number of affiliates. ....  
**c** Are all affiliates included?  Yes  No (If 'No,' attach a list. See instructions.)  
**d** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**e** Federal Group Exemption Number. ....  
**f** Is a roster of subordinates attached?  Yes  No  
**E** Final return?  Dissolved  Surrendered (Withdrawn)  Merged/Reorganized (attach explanation) If a box is checked, enter date. ....  
**F** Check the box if the organization filed the following federal forms or schedule: 1  990T 2  990PF 3  (Schedule H) 990  
**G** If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. See General Instruction F. No filing fee is required.  1  Cash 2  Accrual 3  Other  
**H** Accounting method used...  
**I** If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If 'Yes,' complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations. **N/A**  Yes  No  
**J** Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If 'Yes,' complete an explanation and attach copies of revised documents.  Yes  No  
**K** Is the organization exempt under R&TC Section 23701g?  Yes  No If 'Yes,' enter amount of gross receipts from nonmember sources. \$ .....  
**L** Is the organization under audit by the IRS or has the IRS audited in a prior year?  Yes  No  
**M** Is the organization a Limited Liability Company?  Yes  No  
**N** Did the organization file Form 100 or Form 109 to report taxable income?  Yes  No

**Part I Complete Part I unless not required to file this form. See General Instructions B and C.**

<b>Receipts and Revenues</b>	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8.	1	485,152.
	2	Gross dues and assessments from members and affiliates.	2	355,385,386.
	3	Gross contributions, gifts, grants, and similar amounts received.	3	
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. <b>This line must be completed.</b> If the result is less than \$25,000, see General Instruction B.	4	355,870,538.
	5	Cost of goods sold.	5	
	6	Cost or other basis, and sales expenses of assets sold.	6	
	7	Total costs. Add line 5 and line 6.	7	
	8	Total gross income. Subtract line 7 from line 4.	8	355,870,538.
<b>Expenses</b>	9	Total expenses and disbursements. From Side 2, Part II, line 18.	9	354,778,263.
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8.	10	1,092,275.
<b>Filing Fee</b>	11	Filing fee \$10 or \$25. See General Instruction F.	11	10.
	12	Total payments.	12	
	13	Penalties and Interest. See General Instruction J.	13	
	14	Use tax. See General Instruction K.	14	
	15	<b>Balance due.</b> Add line 11, line 13, and line 14. Then subtract line 12 from the result.	15	10.

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.  
 Signature of officer Title Date Telephone (619) 278-0021

**Paid Preparer's Use Only** Preparer's signature **SCOTT TRENDEL** Date **10/18/11** Check if self-employed  Preparer's PTIN/SSN **P00969573**  
 Firm's name (or yours, if self-employed) and address **ROSNER BROWN TOUCHSTONE & KELLER, LLP**  
**4909 MURPHY CANYON ROAD, STE. 120**  
**SAN DIEGO, CA 92123**  
 Telephone **33-0567239**  
**858-430-0300**

May the FTB discuss this return with the preparer shown above? See instructions.  Yes  No

**Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts – complete Part II or furnish substitute information. See Specific Line Instructions.**

<b>Receipts from Other Sources</b>	1	Gross sales or receipts from all business activities. See instructions.	●	1	
	2	Interest	●	2	485,152.
	3	Dividends	●	3	
	4	Gross rents	●	4	
	5	Gross royalties	●	5	
	6	Gross amount received from sale of assets (See Instructions)	●	6	
	7	Other income. Attach schedule.	●	7	
	8	<b>Total</b> gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1.		8	485,152.
<b>Expenses and Disbursements</b>	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule.	●	9	
	10	Disbursements to or for members.	●	10	348,697,445.
	11	Compensation of officers, directors, and trustees. Attach schedule. <b>SEE STATEMENT 1</b>	●	11	0.
	12	Other salaries and wages	●	12	
	13	Interest	●	13	
	14	Taxes	●	14	
	15	Rents	●	15	
	16	Depreciation and depletion (See Instructions)	●	16	
	17	Other. Attach schedule. <b>SEE STATEMENT 2</b>	●	17	6,080,818.
	18	<b>Total</b> expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9.		18	354,778,263.

<b>Schedule L Balance Sheets</b>		<b>Beginning of taxable year</b>		<b>End of taxable year</b>	
		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
<b>Assets</b>					
1	Cash		12,867,952.	●	18,570,410.
2	Net accounts receivable		399,270.	●	108,635.
3	Net notes receivable. Attach schedule		2,605,587.	●	1,823,152.
4	Inventories			●	
5	Federal and state government obligations			●	
6	Investments in other bonds. Attach sch.			●	
7	Investments in stock. Attach schedule.		3,710,789.	●	4,179,290.
8	Mortgage loans (number of loans _____)			●	
9	Other investments. Attach schedule		9,763,067.	●	10,814,948.
10a	Depreciable assets				
b	Less accumulated depreciation				
11	Land			●	
12	Other assets. Attach schedule. <b>STM. 3</b>		223,835.	●	298,690.
13	<b>Total assets</b>		29,570,500.		35,795,125.
<b>Liabilities and net worth</b>					
14	Accounts payable		129,717.	●	147,680.
15	Contributions, gifts, or grants payable			●	
16	Bonds and notes payable. Attach schedule			●	
17	Mortgages payable			●	
18	Other liabilities. Attach schedule. <b>STM. 4</b>		21,572,282.		26,831,427.
19	Capital stock or principle fund			●	
20	Paid-in or capital surplus. Attach reconciliation			●	
21	Retained earnings or income fund		7,868,501.	●	8,816,018.
22	<b>Total liabilities and net worth</b>		29,570,500.		35,795,125.

<b>Schedule M-1 Reconciliation of income per books with income per return</b>			
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000			
1	Net income per books	●	1,092,275.
2	Federal income tax	●	
3	Excess of capital losses over capital gains	●	
4	Income not recorded on books this year. Attach schedule.	●	
5	Expenses recorded on books this year not deducted in this return. Attach schedule	●	
6	<b>Total.</b> Add line 1 through line 5		1,092,275.
7	Income recorded on books this year not included in this return. Attach schedule.	●	
8	Deductions in this return not charged against book income this year. Attach schedule.	●	
9	<b>Total.</b> Add line 7 and line 8		
10	<b>Net income per return.</b> Subtract line 9 from line 6		1,092,275.

10/18/11

11:37AM

**Statement 1**  
**Form 199, Part II, Line 11**  
**Compensation of Officers, Directors, Trustees and Key Employees**

**Current Officers:**

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
KEVIN OGDEN 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	\$ 0.	\$ 0.	\$ 0.
KEVIN HOLT 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
DR. JANICE COOK 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
JOHN DEBECK 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
EDWARD NELSON 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
ETHEL LARKINS 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
KIM MYERS 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
LORA DUZYK 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
MARK ANDERSON 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
MARC CAPITELLI 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
JOYCE M. LA FLEUR 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
ANA ZUNIGA 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.

**Statement 1 (continued)**  
**Form 199, Part II, Line 11**  
**Compensation of Officers, Directors, Trustees and Key Employees**

**Current Officers:**

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/ Other
-OPEN- 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	\$ 0.	\$ 0.	\$ 0.
DAVID FERNANDEZ 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
TIM O'NEILL 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
SANDRA HUEZO 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
<b>Total</b>		<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

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**Statement 2**  
**Form 199, Part II, Line 17**  
**Other Expenses**

Communications.....	\$ 608,776.
Consulting fees.....	398,920.
Management fees.....	2,271,196.
Other deductions.....	1,329,407.
Program support.....	1,472,519.
<b>Total</b>	<u>\$ 6,080,818.</u>

**Statement 3**  
**Form 199, Schedule L, Line 12**  
**Other Assets**

PREPAIDS.....	134,852.
TENTHLY RESERVES.....	163,838.
<b>Total</b>	<u>\$ 298,690.</u>

**Statement 4**  
**Form 199, Schedule L, Line 18**  
**Other Liabilities**

Deferred Revenue.....	11,726,616.
Insurance premiums and claims payable.....	13,770,211.
Other liabilities.....	228,600.
Unpaid self-insurance claims incurred.....	<u>1,106,000.</u>
Total	<u>\$ 26,831,427.</u>

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