



## **SAUSALITO MARIN CITY SCHOOL DISTRICT**

Board of Trustees:  
William Ziegler, President  
Joshua Barrow, Vice President  
Caroline Van Alst, Clerk  
Shirley Thornton, Ed. D.  
Thomas Newmeyer  
Superintendent: Steve Van Zant

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### **Sausalito Marin City School District** **Agenda for the Regular Meeting of the Board of Trustees** **Bayside/Martin Luther King School** **200 Phillips Drive, Marin City, CA 94965**

**Tuesday, January 14, 2014**

- 5:30 p.m. Open Session – Bayside/Martin Luther King School Conference Room  
5:31 p.m. Closed Session – Bayside/Martin Luther King School Conference Room  
6:00 p.m. Open Session – Bayside/Martin Luther King School Library

**I. OPEN SESSION – Call to Order**

**II. CLOSED SESSION – AGENDA**

1. With respect to every item of business to be discussed pursuant to GC Section 54957:  
Public Employees – Superintendent's Evaluation

**OPEN SESSION AGENDA**

- III. OPEN SESSION** - Depending upon completion of Closed Session items, the Governing Board intends to convene in open Session at 6:00 p.m. to conduct the remainder of the meeting, reserving the right to return to Closed Session at any time.

**PLEDGE OF ALLEGIANCE**

**1. AGENDA REORGANIZATION/APPROVAL**

Are there any requests from the Board to move any agenda item to a different location?

**2. BOARD COMMUNICATIONS**

Board of Trustees Reports - Board Members may make brief announcements or briefly report on their own activities as they may relate to school business.

**3. CORRESPONDENCE**

**3.01** School Activity Calendars, Schedules and Events

**4. REPORTS**

- 4.01** SMCTA Report  
**4.02** CSEA Report  
**4.03** Superintendent's Report – Steve Van Zant  
**4.04** Principal's Report – Daniel Norbutas  
**4.05** Willow Creek Academy

Entire board packet on [www.smcsd.org/School Board/Meeting Agendas and Minutes](http://www.smcsd.org/School Board/Meeting Agendas and Minutes)

## **5. ORAL COMMUNICATIONS**

Because the Board has a responsibility to conduct district business in an orderly and efficient way, the following procedures shall regulate public presentations to the Board. The Board is asking that members of the public wishing to speak, fill out a form located on the counter/table, stating their name and address; the agenda item; and the topic to be discussed. BB 9323.

The Governing Board is prohibited from taking any action on any item raised in this section unless the item is specifically agendized. The members of the Governing Board may ask a question for clarification, provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting on any matter or take action directing staff to place a matter of business on a future agenda. Governing Board members may make brief announcements or briefly report on his/her own activities as they relate to school business.

State open meeting laws allow members of the public to lodge public criticism of District policies, procedures, programs, or services. However, those same laws include specific provisions designed to protect the liberty and reputational interests of public employees by providing for the non-public hearing of complaints or charges against employees of the District. Under these laws, it is the employee subject to complaints or charges who is provided the right to choose whether those complaints or charges will be heard in open or closed session. It is therefore the desire of the Sausalito Marin City School District that complaints against an employee be put in writing, and that when the Board hears complaints or charges against an employee it do so in closed session unless the employee requests an open session. Consistent with the law and the opinion of the State Attorney General's Office, please submit any complaints against an employee in writing, to the administration, in accordance with the district's complaint procedure. This procedure is designed to allow the District to address complaints against employees while at the same time respecting their legitimate privacy rights and expectations.

## **6. GENERAL FUNCTIONS**

- 6.01** Consent agenda: \*6.03, \*6.05, \*9.03, \*9.04, \*9.05, \*9.06, \*9.07, \*10.01
- 6.02** Designation of MCSBA representative - Action - RC
- \*6.03** Williams Quarterly Report
- 6.04** Construction Update
- \*6.05** Approval of Board Minutes of November 21, 2013 and December 11, 2013

## **7. PUPIL SERVICES**

## **8. PERSONNEL**

## **9. FINANCIAL & BUSINESS**

- 9.01** 2012-2013 District Audit Report – Action - RC
- 9.02** Willow Creek Academy – 2012-2013 Audit Report - RC
- \*9.03** 2013-2014 Audit Contract - Action
- \*9.04** Bid Threshold Annual Adjustment - Action
- \*9.05** Interschola Service Agreement - Action
- \*9.06** Annual Adjustment to Liability Limit of Parent or Guardian – Action
- \*9.07** Payment of Warrants – Batches 26-30 – Action

## **10. CURRICULUM AND INSTRUCTION**

- \*10.01** Instructional Minutes and Bell Schedules for the 2013-2014 School Year – Action

## **11. POLICY DEVELOPMENT**

- 11.01** Board Policy and Administrative Regulation 1230 – Community Relations -School Connected Organizations- Action
- 11.02** Board Policy and Administrative Regulation 1240 - Community Relations – Volunteer Assistance - Action
- 11.03** Board Policy and Administrative Regulation 1260 - Community Relations – Educational Foundations - Action
- 11.04** Board Policy and Administrative Regulation 3312.2 - Business and Non-instructional Operations - Educational Travel Program Contracts - Action
- 11.05** Board Policy (BP) & Administrative Regulation (AR) 3100– Budget - Action
- 11.06** Board Bylaw (BB) 9000 – Role of the Board – First Read

Entire board packet on [www.smcsd.org/School Board/Meeting Agendas and Minutes](http://www.smcsd.org/School Board/Meeting Agendas and Minutes)

- 11.07 Board Bylaw (BB) 9005 – Governance Standards – First Read
- 11.08 Board Bylaw (BB) 9010 – Public Statements – First Read
- 11.09 Board Bylaw (BB) 9130 – Board Committees – First Read

## 12. FUTURE PLANNING/ACTION ITEMS

Ball Field

## 13. FUTURE MEETING

The next Regular Meeting of the Board of Trustees will be on Tuesday, February 11, 2014, in the Bayside/Martin Luther King School Library

## 14. ADJOURNMENT

\*Consent Agenda Items

*In compliance with Government Code section 54957.5, open session materials distributed to Board Members for review prior to a meeting may be viewed at the District Office of the Sausalito Marin City School District, 200 Phillips Drive, Marin City, California, or at the scheduled meeting. Board agenda back-up materials may also be accessed online at [www.smcsd.org](http://www.smcsd.org). In addition, if you would like a copy of any record related to an item on the agenda, please contact the Administrative Assistant to the Superintendent at 415-332-3109*

*In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's governing board, please contact the office of the District Superintendent at 415-332-3190. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability.*

## Sausalito Marin City School District

**Agenda Item:** 6.02

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☒ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☐ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☒ **Item is for Information Only:** ☐

**Item:** Representative to Marin County School Boards Association (MCSBA)

### **Background:**

Marin County School Boards Association (MSBA) has asked that we submit the name of a representative to their organization. Therefore, we respectfully request the board to select a representative so that we can forward the name of the person to MCSBA.

### **Fiscal Impact:**

Undetermined

### **Recommendation:**

Select a Representative to MCSBA

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant



## Sausalito Marin City School District

**Agenda Item:** 6.03

**Date:** January 14, 2014

☐ Correspondence

☒ Consent Agenda

☐ Reports

☒ General Functions

☐ Pupil Services

☐ Personnel Services

☐ Financial & Business Procedures

☐ Curriculum and Instruction

☐ Policy Development

**Item Requires Board Action:** ☐

**Item is for Information Only:** ☒

**Item:** Williams Quarterly Report

### **Background:**

As in the past, the District has not received any complaints under the Williams Act. This quarterly report is brought to the Board for information.

### **Fiscal Impact:**

Undetermined

### **Recommendation:**

Information Only

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

**Valenzuela/CAHSEE Lawsuit Settlement**  
**Quarterly Report on Williams Uniform Complaints**  
 [Education Code § 35186(d)]

District: Sausalito Marin City

Person completing this form: Steve Van Zant Title: Superintendent

Quarterly Report Submission Date:

☐ July 2013  
☐ October 2013  
☒ January 2014  
☐ April 2014

Date for information to be reported publicly at governing board meeting January 14, 2014

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			
Teacher Vacancy or Misassignment			
Facilities Conditions			
CAHSEE Intensive Instruction and Services			
<b>TOTALS</b>			

Steve Van Zant  
 Print Name of District Superintendent

\_\_\_\_\_  
 Signature of District Superintendent

01/14/14  
 Date

**Sausalito Marin City School District**

**Agenda Item:** 6.04

**Date:** January 14, 2014

☐ Correspondence

☐ Consent Agenda

☐ Reports

☒ General Functions

☐ Pupil Services

☐ Personnel Services

☐ Financial & Business Procedures

☐ Curriculum and Instruction

☐ Policy Development

**Item Requires Board Action:** ☐

**Item is for Information Only:** ☒

**Item:** Construction Update

**Background:**

The Director of Maintenance and Operations will give an update on the construction project.

**Fiscal Impact:**

Undetermined

**Recommendation:**

Information Only

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

**Sausalito Marin City School District**

**Agenda Item:** 6.05

**Date:** January 14, 2014

☐ Correspondence

☒ Consent Agenda

☐ Reports

☒ General Functions

☐ Pupil Services

☐ Personnel Services

☐ Financial & Business Procedures

☐ Curriculum and Instruction

☐ Policy Development

**Item Requires Board Action:** ☒

**Item is for Information Only:** ☐

**Item:** Approval of Board Minutes

**Background:**

Board minutes for November 21 and December 11, 2013 are brought to the Board for approval.

**Fiscal Impact:**

Undetermined

**Recommendation:**

Approve

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
BOARD MEETING MINUTES  
November 21, 2013**

**ATTENDANCE**

Board Members Present: William Ziegler, Shirley Thornton Ed. D., Caroline Van Alst, Thomas Newmeyer, Joshua Barrow  
Superintendent: Steve Van Zant

The meeting was called to order at 5:30 p.m.

The agenda order was approved.

**CLOSED SESSION**

The Board and Superintendent convened closed session at 5:31 p.m.

**RECONVENE TO OPEN SESSION**

Open session reconvened at 6:04p.m.

**Report Out from Closed Session**

Trustee Zeigler announced that no reportable action was taken in closed session.

**Pledge of Allegiance**

Trustee Barrow led the Pledge of Allegiance.

**BOARD COMMUNICATIONS**

Trustee Thornton said that the Rotary Club received 16 proposals for its mini grants to teachers in the District. Grantees will be selected in the next few weeks.

Trustee Newmeyer thanked Forrest Corson, Daniel Norbutas and Royce Conner for their help in submitting a grant proposal to the Marin County Bicycle Coalition for bike racks.

**Superintendent's Report – Steve Van Zant**

Speaking of the District's Pre K to 3 Initiative, Superintendent Van Zant said that although we are making a lot of progress in preparing our youngest students for Kindergarten, we still have some ways to go. All of the staff members involved in the project will be getting together as a group to establish policies and procedures which will put us on the right path to achieve our readiness goals.

**Principal's Report – Daniel Norbutas**

Principal Norbutas said that the school had its first K-8 Halloween Parade last week. All staff members were in formalwear costumes, the theme for this year. We also celebrated our second Family Fun Night; our topic was Healthy Bodies Healthy Brains, with our Eco Top chefs preparing their celebrated chili and cornbread.

Mr. Norbutas told the Board that Common Core Standards - aligned report cards will be issued this trimester. He concluded by inviting everyone to attend the Whole School Assembly being held every Friday.

### **Willow Creek Academy**

Head of School Royce Conner said that the school's first trimester just ended. We have concluded a very successful book fair which added many volumes to our library, he said. The schools administration hopes to have its charter renewal letter completed by December 16.

### **Proposed Field Trip Report – Jan McDougal**

Math teacher Jan McDougal said that the school plans to set up an organization called Growth Circles in order to raise funds for extracurricular activities. Because this is a costly and time consuming procedure, she asked that the district accept funds raised for field trips and other activities on behalf of the school. She said that the purpose of Growth Circles would be to provide our students with life skills and opportunities for social and emotional growth that they need in addition to their "book learning" in order to succeed.

She described the three-day field trip at the Alliance Redwoods in Occidental at the start of the school year, where students learned about team-building and cooperation. The second field trip to build on these skills will take place at the Sierra Club Hostel near Sugar Bowl in January. In the spring, the school hopes to organize a 5-day trip to Washington DC to reinforce the history curriculum, and finally, the big goal will be to raise enough money to send three 8<sup>th</sup> graders to Oxford or Cambridge for a 4- week summer program before entering high school. Ms. McDougal said that the school needs to raise an additional \$11,000 to fund the spring field trip to Washington.

No action was taken on this proposal.

### **Marin Promise Partnership**

Trustee Barrow explained that the non-profit Marin Promise organization would like to form a partnership with the District to emphasize that both are working on Kindergarten Readiness, increasing graduation rates, and having students who are well prepared to enter secondary school and college.

**Newmeyer/Thornton/All to accept the partnership with Marin Promise.**

### **Willow Creek Academy Proposition 39 Request**

Superintendent Van Zant said that he would like to formally inform the Board that the district has received Willow Creek Academy's Proposition 39 request and will be responding in a timely manner.

### **Construction Update**

Maintenance and Facilities director Forrest Corson said that non-fruiting olive and myrtle trees have been planted on campus. The artificial turf order has been placed and should be in before the Winter Recess.

We have passed several inspections conducted by the State and we are now close to the end of the construction project.

Trustee Thornton said that we need a marquee at the school site. Mr. Corson said that we plan to have it in the budget for next year.

### **Budget update**

Business Manager Paula Rigney gave a report on the budget, showing trends in public funding of school districts in the last seven years. She said that she is working revisions to complete the first interim budget.

**Memorandum of Understanding with Larkspur Corte Madera School District**

Shared Services Agreement for:

1. Administrative Student Placement

**Newmeyer/Barrow/ All to approve the shared services agreement for Administrative Student Placement, amending the amount to \$20,000**

2. Technology Services/Professional Development

**Newmeyer/Van Alst/ All to approve the shared services agreement for technology services**

3. Director of Special Education

**Newmeyer/Van Alst/ All to approve the shared services agreement for the director of Special Education**

**Memorandum of Understanding with Marin Head Start – Hiring a Parent Liaison as part of the PreK-3 Initiative**

The Board heard that the parent liaison would be hired by Marin Head Start, paid for through the Pre K-3 Grant, and work under the direction of school site administration.

**Thornton/Newmeyer/ All to approve the hiring of a parent liaison as part of the PreK-3 Initiative**

**Lease Agreement with Community Action Marin - use of school facilities for the preschool program**

The Board was told that the preschool program would be housed in the portables.

**Barrow/Newmeyer/ All to approve the lease agreement with Community Action Marin**

**Contract with County of Marin for Coordination of the district-wide Nutrition Education Obesity Prevention Program**

This is a program funded through a grant awarded to the District by the County of Marin.

**Newmeyer/Van Alst/ All to approve the contract with the County of Marin**

**Change of Format in the Fund 40 Unaudited Actuals for 2012-2013**

Board members were notified that this change in format has taken place.

**Change Orders**

Change Order – MLK Electrical #1

Change Order – MLK Modular #2

Change Order – MLK Civil Improvement #1

Superintendent Van Zant said that these change orders were originally brought before the Board in October, when a decision was deferred until trustees could study them further. Trustee Newmeyer explained that the Facilities Committee went over these orders with Todd Lee of Greystone West. The Division of the State Architect, which oversees school construction projects, objected to several pieces of the project that dealt with heat sensors; there were issues regarding plaster, and a few other sundry matters that could not be foreseen. Once these change orders amounting to \$57,000 are approved, the project is essentially done. Trustee Ziegler said that he saw the change orders as reasonable on the whole; a few items were missed by the architect, but given the scope of the project and the aim of opening the school on time, the change orders are acceptable.



Trustee Van Alst asked why the change orders came in so late. Trustee Newmeyer said that there are delays because Greystone West must negotiate with contractors for a final cost before bringing the change order to the Board.

Trustee Newmeyer said that originally the final cost of the construction project was estimated to be \$3.5 million. This included \$460,000 that was set aside for contingencies, including \$30,000 for the demolition of the annex. As of today, we have spent roughly \$3.8 million, so we are over our budget by \$300,000. In 2013, we set aside \$200,000 in deferred maintenance to pay for some of this. If the demolition of the annex does not take place, that is another \$70,000 that we have not spent. If the Office of Public School Construction comes through with the funds for the Annex demolition, we will be able to replenish our deferred maintenance fund several times over.

Trustee Barrow said that this is a lot of ifs. He objected to everything happening after the fact and asked that a new process be put in place so that the Board can make decisions before work is done and not after. Trustee Newmeyer said that some of the problems came about because of the expanded scope of the project, which occurred without Board discussion.

**Newmeyer/Thornton/ All to approve all three change orders**

#### **CONSENT AGENDA**

Minutes of Board Meetings, October 15, October 24, November 13, 2013

Field trips

Payment of warrants Batches 20-23

**Thornton/Van Alst/All - Roll Call Ayes 5, 0Noes 0 to approve the above consent agenda items.**

#### **POLICY DEVELOPMENT**

Board Policy and Exhibit 0210 - Philosophy, Goals, Objectives and Comprehensive Plans: Equity – Third Reading

Board Policy and Administrative Regulations 0460 – Local Control And Accountability Plan – First Read

Board Policy 3110 – Business and Non-instructional Operations-Transfer of Funds-First Read

Board Policy and Administrative Regulations 0500 – Accountability – first Read

These policies were brought to the board for their review.

**ADJOURNMENT**

**Thornton/Newmeyer/All to adjourn the meeting at 7:40 p.m.**

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Signature/Date

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Title

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
BOARD MEETING MINUTES  
December 11, 2013**

**ATTENDANCE**

Board Members Present: William Ziegler, Caroline Van Alst, Thomas Newmeyer, Joshua Barrow  
Participating via conference call: Shirley Thornton Ed. D.  
Superintendent: Steve Van Zant

The meeting was called to order at 5:30 p.m.

The agenda order was changed to allow Willow Creek Academy to present its interim budget at the start of the meeting.

Newmeyer/Van Alst/All to approve the change in the agenda order.

**CLOSED SESSION**

The Board and Superintendent convened closed session at 5:31 p.m.

**RECONVENE TO OPEN SESSION**

Open session reconvened at 6:10 p.m.

**Report Out from Closed Session**

Trustee Zeigler announced that the board took the following actions in closed session:

The Board voted to deny the request to extend a leave of absence for employee #47006 to January 2015.  
The Board voted to approve a leave of absence of one day a week from January 9, 2014 to May 15, 2015 for employee #47034.  
The board approved a suspended expulsion for student # 4142410650 for the rest of the 2013-2014 school year.

**PLEDGE OF ALLEGIANCE**

Trustee Newmeyer led the Pledge of Allegiance.

**ELECTION OF BOARD OFFICERS**

Election of Board President

Newmeyer/Van Alst /All to reelect William Ziegler as president

Election of Board Vice President

Van Alst/Newmeyer/All to reelect Joshua Barrow as vice president

Election of Board Clerk

Newmeyer/Barrow/All to re-elect Caroline Van Alst as clerk

Appointment of Board Secretary, Steve Van Zant

Newmeyer/Barrow/All to elect Steve Van Zant as secretary of the Board of Trustees

**Designation of Governing Board Meeting Dates for Calendar Year 2014**

The board agreed to change the date of its regularly scheduled meetings to the second Tuesday of each month.

Newmeyer/Van Alst/All to approve the Board Meeting Calendar

**Newmeyer/Van Alst/All to adjourn the Organizational Meeting at 6:30 pm**

**OPEN SESSION – Regular Board Meeting reconvened at 6:31 p.m.**

**Superintendent's Report**

Superintendent Van Zant said that he is working hard on the Pre K-3 program. In his conversations with the community about the school, he is finding that the overall response to the culture that we are trying to build is positive.

**Principal's Report**

**PreK-3 Grant**

Principal Daniel Norbutas said this grant is funded by the Marin Community Foundation and is intended to strengthen Kindergarten readiness for children in several Marin County districts. He thanked Don Jen of MCF for coming to the meeting and for his continued support. Mr. Norbutas said that the overarching vision for the school connects all the work that teachers and administrators do to improve school climate, emphasize high quality teaching, alignment, family engagement and extended learning. This vision unifies all of our work across all grants, and our work as a school, he said. Some of the elements of our work are data-driven instruction, breaking down the walls between classrooms to allow for teacher collaboration, formal and informal assessment tools, positive behavior and self regulation practices for students, and conflict resolution strategies including restorative justice. Our goal is that if you walk into any of our classrooms, you will see all of these practices in play, he said.

The PreK-3 grant facilitator, Glenna Coleman, has coordinated with after-school providers at Manzanita, the Boys and Girls Club, Bridge the Gap and Reading Partners so that practices are consistent from place to place as a child moves from class to an after-school program or from class to class.

Assistant Principal Tenisha Tate said that in an effort to increase parental engagement, the district has expanded the services that it provides to families. We now have a school counselor, a community specialist from the county, and a parent liaison to give parents the support that they need. We also have a designated parent center at the school and organize monthly family fun nights to enhance community participation. Our goal is to have all 150 families volunteer for at least one hour during the year. Every other Thursday, we have an informal coffee and chat meeting with parents to discuss various subjects like bedtime routine or discipline. Last time, ten percent of parents attended.

Trustee Zeigler asked about the monitoring of the grant. Principal Norbutas said that facilitators Jan Derby and Glenna Coleman make sure that we are on the right track and that the school reports yearly to the Marin Community Foundation.

**Transforming Schools Grant**

Principal Norbutas said that this grant is aimed at the middle school and has three main elements:

1. Collaborative learning groups
2. Community-based learning - children going out into the community to learn
3. Growth Circles - pushing students out of their comfort zone

Trustee Newmeyer asked if we are doing the necessary work so that we can still reach our goals when the grant ends. Principal Norbutas said that we are in some areas, but need to redouble our efforts in others.

The long- term plan is to build in a set of procedures so that we can continue the conversation we still need to have regarding improving the culture of our middle school.

#### **Academic Performance Index**

Principal Norbutas said that this is the last year for STAR testing, which will be replaced by the Smarter Balance Assessment. Bayside's API dropped 82 points and MLK's rose 32 points. He emphasized that we like to look at individual student growth rather than district-wide scores.

#### **ORAL COMMUNICATIONS**

Science Teacher Denise Suto said that the Eco Top Chef team worked during the Thanksgiving break to make a gingerbread house which is on display at the Driver's market in Sausalito. She also shared that the students greatly enjoy using the donated microscopes.

#### **CONSENT AGENDA**

**Roll Call Newmeyer/Van Alst /All to approve the following items:**

Payment of Warrants – Batches 24-25

Student Expulsion

Leave Request – Certificated

Leave Request – Classified

#### **Agreement with Indoor Environmental Services**

Superintendent Van Zant said that this company will perform an audit of our facilities to suggest efficiencies and cost savings in energy.

**Barrow/Van Alst/All to approve the agreement with Indoor Environmental Services**

#### **Marin Community Foundation – Transforming Schools Grant Agreement**

**Thornton/ Newmeyer /All to approve the Transforming Schools Grant Agreement with the Marin Community Foundation**

#### **Agreement with Dannis, Woliver and Kelly**

Superintendent Van Zant said that he has had positive experiences with this law firm in the past and would like to use their services for the district.

**Newmeyer /Barrow/ All to approve the agreement with Dannis, Woliver and Kelly**

#### **CONSTRUCTION UPDATE**

Facilities Director Forrest Corson said that the artificial turf is set arrive and will be finished by end of the week. Landscaping around the school is complete and the basketball court is ready. Bike racks have been ordered and will be installed very soon, he added.

#### **BUDGET UPDATE – District First Interim Budget**

Business Manager Paula Rigney gave a report on the district first interim budget. This is a snapshot of our fiscal situation from July first to October 31, and we should expect changes from the first to the second interim budget. We are certifying a positive budget to the Marin County Office of Education, she said.

**Van Alst/ Barrow/ All to accept the First Interim Budget**

### **Willow Creek Academy – First Interim Budget**

Clark Warden gave a report on WCA first interim budget, showing a deficit of \$38,123. He said that he hopes to bring it into balance by the second interim and that Superintendent Van Zant will work with the charter school on efficiencies and savings.

**Newmeyer/Van Alst/All to accept the Willow Creek Academy First Interim Budget**

### **CURRICULUM AND INSTRUCTION**

#### **Student Field Trips**

The Board discussed the upcoming field trip that will take middle schoolers to the Tahoe area. Trustee Barrow asked why the field trip is taking place during the week rather than on the weekend. Principal Norbutas said that the school would like to reinforce team building and going beyond one's comfort zone in places outside the school environment.

**Thornton/Barrow/All to approve the January 2014 field trip**

### **POLICY DEVELOPMENT**

**Barrow /Van Alst/ All to approve the following board policies:**

Board Policy 0210 – Equity

Board Policy and Administrative Regulation 0460 --- Local Control and Accountability Plan

Board Policy 0500 – Accountability

Board Policy 3110 – Business and Non-instructional Operations-Transfer of Funds

The following board policies were brought before the Board for a First Read:

Board Policy and Administrative Regulation 1230 – Community Relations -School Connected Organizations

Board Policy and Administrative Regulation 1240 - Community Relations – Volunteer Assistance

Board Policy and Administrative Regulation 1260 - Community Relations – Educational Foundations

Board Policy and Administrative Regulation 3100- Business and Non-instructional Operations – Budget

Board Policy and Administrative Regulation 3312 - Business and Non-instructional Operations - Educational Travel Program Contracts

### **FUTURE MEETING**

The next Regular Meeting of the Board of Trustees will be on Tuesday, January 14, 2013, in the Bayside/Martin Luther King School Library

### **ADJOURNMENT**

**Thornton/Newmeyer/All to adjourn the meeting at 8:45 p.m.**

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Signature/Date

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Title

## Sausalito Marin City School District

**Agenda Item:** 9.01

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☒ Financial & Business Procedures  
☐ Curriculum and Instruction  
☐ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☒ **Item is for Information Only:** ☐

**Item:** District Audit Report for 2012-2013

### **Background:**

The District has just completed its ninth year with the firm of Stephen Roatch Accountancy Corporation for its annual independent audit. The 2012-13 Audit Report was submitted to the County and State by the December 15<sup>th</sup> deadline as required. It is also a requirement that the annual audit be reviewed by the Board of Trustees by January 31<sup>st</sup> each year.

The audit includes examining evidence supporting the amounts and disclosures in the District's financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Mr. Habbas Nassar will be present to discuss the audit in general and answer any questions from the Board.

### **Fiscal Impact:**

There is no direct financial impact from this discussion. The cost of this audit is \$16,300 including reimbursable expenses.

### **Recommendation:**

This item is brought before the board for approval.

**Prepared for:** Steve Van Zant

**Prepared by:** P. Rigney



SAUSALITO MARIN CITY SCHOOL DISTRICT  
COUNTY OF MARIN  
SAUSALITO, CALIFORNIA

AUDIT REPORT

JUNE 30, 2013



SAUSALITO MARIN CITY SCHOOL DISTRICT

JUNE 30, 2013

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SAUSALITO MARIN CITY SCHOOL DISTRICT

JUNE 30, 2013

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## FINANCIAL SECTION



**STEPHEN ROATCH ACCOUNTANCY CORPORATION**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Sausalito Marin City School District  
Sausalito, 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 the Sausalito Marin City School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District'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.

**Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Sausalito Marin City School District, as of June 30, 2013, and the respective changes in financial position thereof for the 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 4 through 14 and the budgetary comparison information on page 49 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 Sausalito Marin City School District's basic financial statements. The accompanying combining fund financial statements and supplementary schedules listed in the table of contents, including the Schedule of Expenditures of Federal Awards, which is presented as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining fund financial statements and supplementary schedules listed in the table of contents 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.

Board of Trustees  
Sausalito Marin City School District  
Page Three

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 on our consideration of Sausalito Marin City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Sausalito Marin City School District's internal control over financial reporting and compliance.

*Stephen Roatch Accountancy Corporation*

STEPHEN ROATCH ACCOUNTANCY CORPORATION  
Certified Public Accountants

December 13, 2013

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)**

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This section of Sausalito Marin City School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 through 3, and the District's financial statements, which immediately follow this section.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, presented on pages 16 and 17, provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 18 through 24, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statement provides financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

**FINANCIAL HIGHLIGHTS**

- The District's overall financial status declined during fiscal year 2012-13, as total net position decreased 6.5%.
- On the Statement of Activities, total current year expenses exceeded total current year revenues by \$539,069.
- Capital assets, net of depreciation, increased \$200,592 due to the addition of \$1,048,363 of new capital assets and the current year recognition of \$847,771 of depreciation expense.
- Total long-term liabilities increased \$3,139,396 due primarily to the current year issuance of \$3,675,000 of certificates of participation.
- On the Statement of Revenues, Expenditures, and Changes in Fund Balances, total current year revenues and other financing sources exceeded total current year expenditures and other financing uses by \$2,731,866 due primarily to the receipt of proceeds from the current year issuance of certificates of participation that remain unspent at June 30, 2013.
- The District maintains sufficient reserves for a district its size. It meets the state required minimum reserve for economic uncertainty of 5% of total general fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2012-13, General Fund expenditures and other financing uses totaled \$5,968,514. At June 30, 2013, the District has available reserves of \$1,555,347 in the General Fund, which represents a reserve of 26.1%.

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)**

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**THE FINANCIAL REPORT**

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives, government-wide and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements comprise the remaining statements.
  - ❖ Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
  - ❖ Short and long-term financial information about the activities of the District that operate like businesses are provided in the proprietary fund statements.
  - ❖ Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's budget for the year is included.

**Reporting the District as a Whole**

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health (net position) can be measured by the difference between the District's assets and liabilities.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)**

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**THE FINANCIAL REPORT (CONCLUDED)**

**Reporting the District as a Whole (Concluded)**

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

*Governmental Activities:*

The basic services provided by the District, such as regular and special education, administration, and special education transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition are also included here, but are financed by a combination of local revenues and state and federal programs.

*Business-type Activities:*

The District does not provide any services that should be included in this category.

**Reporting the District's Most Significant Funds**

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

*Governmental Funds:*

The major governmental funds of Sausalito Marin City School District are the General Fund, Bond Interest and Redemption Fund, Corporation Debt Service Fund, Capital Projects - Special Reserve Fund, and Corporation Acquisition Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

*Proprietary Funds:*

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business-type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore no reconciling entries are required. Internal service funds are reported with the Governmental Funds. The District has no funds of this type.

*Fiduciary Funds:*

The District is the trustee, or fiduciary, for its student activity fund. All of the District's fiduciary activities are reported in a separate fiduciary statement. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

**GOVERNMENTAL ACTIVITIES**

The District's total net position decreased from \$8,332,497 at June 30, 2012, down to \$7,793,428 at June 30, 2013, a decrease of 6.5%.

<b><u>Comparative Statement of Net Position</u></b>		
	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2013</b>
<b><u>Assets</u></b>		
Deposits and Investments	\$ 3,529,414	\$ 6,949,300
Current Receivables	411,265	529,820
Long-term Receivable	547,734	72,734
Prepaid Expenses	0	168,345
Capital Assets, net	22,161,980	22,362,572
<b>Total Assets</b>	<b>26,650,393</b>	<b>30,082,771</b>
<b><u>Liabilities</u></b>		
Current	1,463,704	2,252,891
Long-term *	16,854,192	20,036,452
<b>Total Liabilities *</b>	<b>18,317,896</b>	<b>22,289,343</b>
<b><u>Net Position</u></b>		
Investment in Capital Assets		
- Net of Related Debt	5,925,963	5,842,896
Restricted for Capital Projects	548,323	73,324
Restricted for Debt Service	(52,901)	(290,965)
Restricted for Educational Programs	255,067	199,318
Restricted for Other Purposes	1,040	9,797
Unrestricted *	1,655,005	1,959,058
<b>Total Net Position *</b>	<b>\$ 8,332,497</b>	<b>\$ 7,793,428</b>
* The prior year balances have been adjusted to reflect the restatement described in Note 20.		
Table includes financial data of the combined governmental funds		

The deficit balance presented above for Restricted for Debt Service represents the difference between the obligation for accumulated accreted interest on the District's outstanding capital appreciation bonds and the accrued interest on the District's long-term liabilities and amounts available in the Bond Interest and Redemption Fund. The deficit will be eliminated by future property tax collections.



SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

The District's total current year expenses exceeded total current year revenues by \$539,069.

<u>Comparative Statement of Change in Net Position</u>		
	Governmental Activities	
	2012	2013
<u>Program Revenues</u>		
Operating Grants & Contributions	\$ 1,582,135	\$ 1,610,105
<u>General Revenues</u>		
Taxes Levied	4,217,184	4,209,238
Federal & State Aid	738,167	763,878
Interest & Investment Earnings	61,238	(7,477)
Transfers from Other Agencies	20,259	59,410
Miscellaneous	192,007	238,752
Total Revenues	6,810,990	6,873,906
<u>Expenses</u>		
Instruction	2,875,031	3,340,541
Instruction-Related Services	834,991	850,399
Pupil Services	415,760	460,283
General Administration	752,940	787,167
Plant Services	653,972	619,797
Ancillary Services	4,521	3,930
Interest on Long-Term Debt	783,793	799,976
Other Outgo	578,482	550,882
Total Expenses	6,899,490	7,412,975
Change in Net Position	\$ (88,500)	\$ (539,069)

*Table includes financial data of the combined governmental funds*



**SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)**

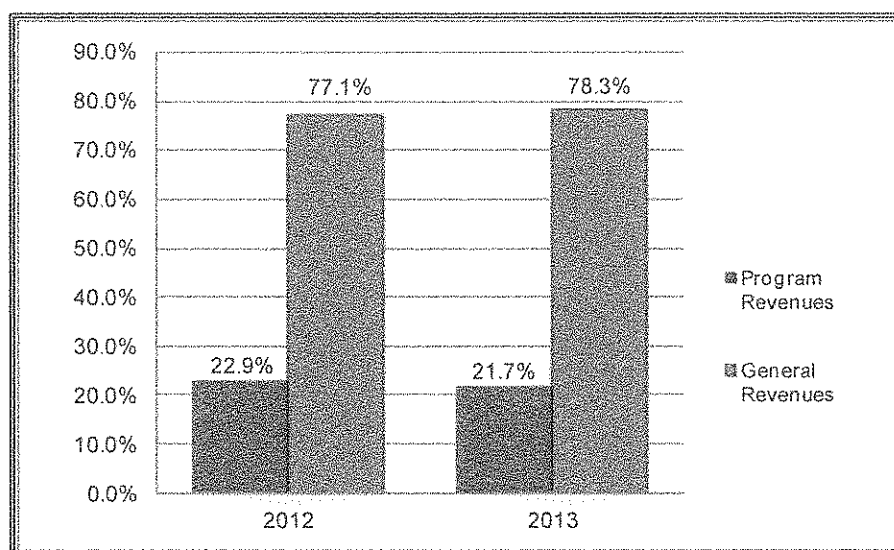
**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)**

**GOVERNMENTAL ACTIVITIES (CONTINUED)**

<b><u>Comparative Schedule of Costs of Services</u></b>				
	<b><u>Total Cost of Services</u></b>		<b><u>Net Cost of Services</u></b>	
	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
Instruction	\$ 2,875,031	\$ 3,340,541	\$ 1,909,413	\$ 2,354,398
Instruction-Related Services	834,991	850,399	552,293	618,995
Pupil Services	415,760	460,283	295,975	250,485
General Administration	752,940	787,167	723,287	758,067
Plant Services	653,972	619,797	653,972	614,899
Ancillary Services	4,521	3,930	4,521	3,930
Interest on Long-Term Debt	783,793	799,976	783,793	799,976
Other Outgo	578,482	550,882	394,101	402,120
Totals	<u>\$ 6,899,490</u>	<u>\$ 7,412,975</u>	<u>\$ 5,317,355</u>	<u>\$ 5,802,870</u>

*Table includes financial data of the combined governmental funds*

The table above presents the cost of major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The \$5,802,870 net cost represents the financial burden that was placed on the District's general revenues for providing the services listed.



In 2012-13, program revenues financed 21.7% of the total cost of providing the services listed above, while the remaining 78.3% was financed by the general revenues of the District.

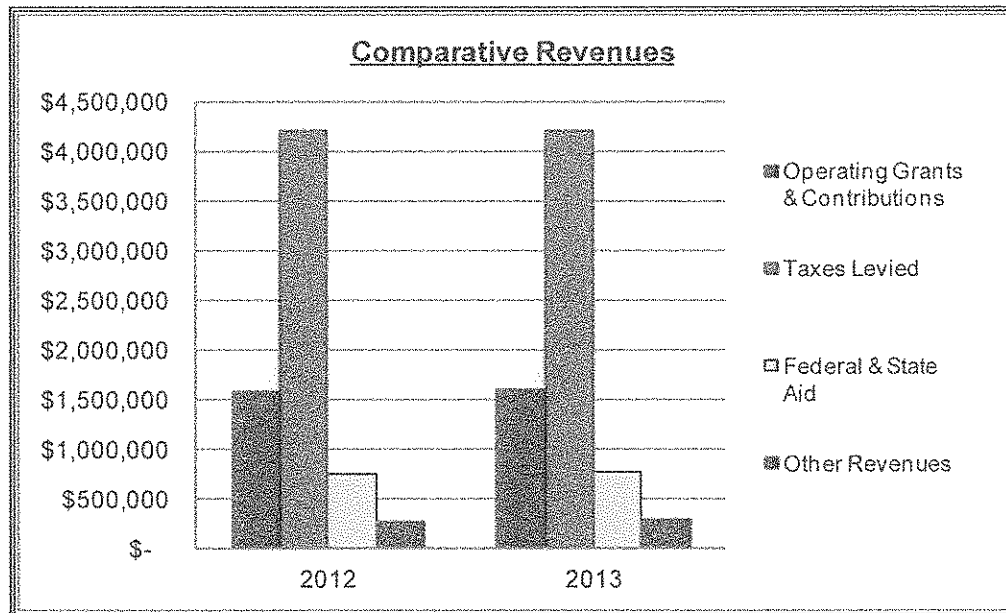
**SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)**

**GOVERNMENTAL ACTIVITIES (CONTINUED)**

<b><u>Schedule of Revenues For Governmental Functions</u></b>					
	FYE 2012 Amount	Percent of Total	FYE 2013 Amount	Percent of Total	
<b><u>Program Revenues</u></b>					
Operating Grants & Contributions	\$ 1,582,135	23.23%	\$ 1,610,105	23.42%	
<b><u>General Revenues</u></b>					
Taxes Levied	4,217,184	61.92%	4,209,238	61.24%	
Federal & State Aid	738,167	10.84%	763,878	11.11%	
Other Revenues	273,504	4.02%	290,685	4.23%	
<b>Total Revenues</b>	<b>\$ 6,810,990</b>	<b>100.00%</b>	<b>\$ 6,873,906</b>	<b>100.00%</b>	

*Table includes financial data of the combined governmental funds*



SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

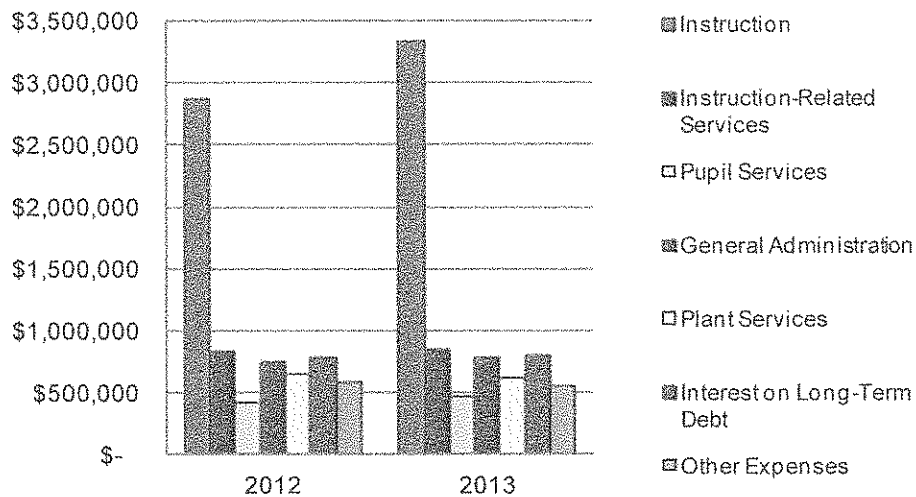
GOVERNMENTAL ACTIVITIES (CONTINUED)

Schedule of Expenses For Governmental Functions

	FYE 2012 Amount	Percent of Total	FYE 2013 Amount	Percent of Total
<u>Expenses</u>				
Instruction	\$ 2,875,031	41.67%	\$ 3,340,541	45.06%
Instruction-Related Services	834,991	12.10%	850,399	11.47%
Pupil Services	415,760	6.03%	460,283	6.21%
General Administration	752,940	10.91%	787,167	10.62%
Plant Services	653,972	9.48%	619,797	8.36%
Interest on Long-Term Debt	783,793	11.36%	799,976	10.79%
Other Expenses	583,003	8.45%	554,812	7.48%
Total Expenses	<u>\$ 6,899,490</u>	<u>100.00%</u>	<u>\$ 7,412,975</u>	<u>100.00%</u>

*Table includes financial data of the combined governmental funds*

Comparative Expenses



SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

<u>Comparative Schedule of Capital Assets</u>		
	Governmental Activities	
	2012	2013
Land	\$ 948,870	\$ 948,870
Sites and Improvements	2,022,186	2,022,186
Buildings and Improvements	24,046,205	24,046,205
Furniture and Equipment	422,235	422,235
Work-in-Progress	13,903	1,062,266
Subtotals	27,453,399	28,501,762
Less: Accumulated Depreciation	(5,291,419)	(6,139,190)
Capital Assets, net	<u>\$ 22,161,980</u>	<u>\$ 22,362,572</u>

Capital assets, net of depreciation, increased \$200,592 due to the addition of \$1,048,363 of new capital assets and the current year recognition of \$847,771 of depreciation expense.

<u>Comparative Schedule of Long-Term Liabilities</u>		
	Governmental Activities	
	2012	2013
Compensated Absences	\$ 17,236	\$ 9,412
General Obligation Bonds	15,701,400	15,656,262
Certificates of Participation	820,000	4,055,000
Capital Leases	1,091,148	1,065,390
Early Retirement Incentives	50,652	33,768
Totals *	<u>\$ 17,680,436</u>	<u>\$ 20,819,832</u>

\* The prior year balance has been adjusted to reflect the restatement described in Note 20.

Total long-term liabilities increased \$3,139,396 due primarily to the current year issuance of \$3,675,000 of certificates of participation.

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONCLUDED)**

**GOVERNMENTAL ACTIVITIES (CONCLUDED)**

The general obligation bonds are financed by the local taxpayers and represent 75.2% of the District's total long-term liabilities. The 2006 certificates of participation are financed by the proceeds from the Martin Luther King Jr. Site Lease/Purchase agreement with the City of Sausalito and represent 1.8% of the total long-term liabilities. The 2013 certificates of participation and capital leases are financed by the General Fund and represent 22.8% of the total long-term liabilities. The obligations for compensated absences and early retirement incentives are also financed by the General Fund, and make up the remaining portion of the long-term liabilities.

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

**FINANCIAL ANALYSIS OF DISTRICT'S FUNDS**

<b><u>Comparative Schedule of Fund Balances</u></b>			
	<b>Fund Balances June 30, 2012</b>	<b>Fund Balances June 30, 2013</b>	<b>Increase (Decrease)</b>
General	\$ 1,720,402	\$ 1,755,665	\$ 35,263
Bond Interest & Redemption	571,830	589,041	17,211
Corporation Debt Service	323,513	328,259	4,746
Capital Projects - Special Reserve	106,570	185,479	78,909
Corporation Acquisition	57	2,452,145	2,452,088
Deferred Maintenance	181,780	271,314	89,534
Cafeteria	0	8,797	8,797
Debt Service	600,418	645,735	45,317
Building	246	246	0
County School Facilities	589	590	1
Totals	<u>\$ 3,505,405</u>	<u>\$ 6,237,271</u>	<u>\$ 2,731,866</u>

The combined fund balances of all District funds increased \$2,731,866. The Corporation Acquisition Fund increased \$2,452,088 due to certificates of participation proceeds received in the current year but unspent at June 30, 2013.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May Revise figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim to reflect the most current financial information available at that point in time. The original and final budgets for fiscal year 2012-13 are presented alongside the actual results on page 49.

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(PREPARED BY DISTRICT MANAGEMENT)**

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**ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE**

The new Local Control Funding Formula (LCFF) has currently been approved by legislators but the full financial implications are still being clarified. LCFF in its current form has financial implications to the District that will vary depending upon Willow Creek Academy's enrollment due to the increased in-lieu property tax contribution that may be required. The District will have to make additional cuts to ongoing expenditures and make some hard decisions about the direction of its educational programs, facilities, staffing, etc. The District's first steps toward dealing with the budget deficit is the closure of one school campus (Bayside Elementary) in fiscal year 2013-14 and consolidating all District students onto one campus, Bayside/MLK Academy, as well as reducing personnel at the District Office.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the District Office, Sausalito Marin City School District, 200 Phillips Drive, Marin City, California 94965.

## BASIC FINANCIAL STATEMENTS



SAUSALITO MARIN CITY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Governmental Activities
<b><u>Assets</u></b>	
Deposits and Investments (Note 2)	\$ 6,949,300
Receivables (Note 4)	529,820
Long-Term Receivable (Note 5)	72,734
Prepaid Expenses (Note 11)	168,345
Capital Assets: (Note 7)	
Land	948,870
Sites and Improvements	2,022,186
Buildings and Improvements	24,046,205
Furniture and Equipment	422,235
Work-in-Progress	1,062,266
Less: Accumulated Depreciation	(6,139,190)
Total Assets	<u>30,082,771</u>
<b><u>Liabilities</u></b>	
Accounts Payable and Other Current Liabilities	1,469,511
Long-Term Liabilities:	
<i>Portion Due or Payable Within One Year:</i>	
Compensated Absences (Note 11)	9,412
General Obligation Bonds	
Current Interest	350,000
Certificates of Participation	380,000
Capital Leases	27,084
Early Retirement Incentives	16,884
<i>Portion Due or Payable After One Year:</i>	
General Obligation Bonds (Note 8)	
Current Interest	10,210,000
Capital Appreciation	5,096,262
Certificates of Participation (Note 9)	3,675,000
Capital Leases (Note 10)	1,038,306
Early Retirement Incentives (Note 11)	16,884
Total Liabilities	<u>22,289,343</u>
<b><u>Net Position</u></b>	
Investment in Capital Assets, Net of Related Debt	5,842,896
Restricted:	
For Capital Projects	73,324
For Debt Service	(290,965)
For Educational Programs	199,318
For Other Purposes	9,797
Unrestricted	<u>1,959,058</u>
Total Net Position	<u><u>\$ 7,793,428</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS



SAUSALITO MARIN CITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

					Net (Expense) Revenue and Changes in Net Position
Program Revenues					
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Governmental Activities</u>					
Instruction	\$ 3,340,541		\$ 986,143		\$ (2,354,398)
Instruction-Related Services:					
Supervision of Instruction	109,536		53,347		(56,189)
Instructional Library and Technology	54,458				(54,458)
School Site Administration	686,405		178,057		(508,348)
Pupil Services:					
Home-to-School Transportation	96,005		12		(95,993)
Food Services	187,307		83,021		(104,286)
Other Pupil Services	176,971		126,765		(50,206)
General Administration:					
Data Processing Services	31,063		5,137		(25,926)
Other General Administration	756,104		23,963		(732,141)
Plant Services	619,797		4,898		(614,899)
Ancillary Services	3,930				(3,930)
Interest on Long-Term Debt	799,976				(799,976)
Other Outgo	550,882		148,762		(402,120)
Total Governmental Activities	<u>\$ 7,412,975</u>	<u>\$ 0</u>	<u>\$ 1,610,105</u>	<u>\$ 0</u>	<u>(5,802,870)</u>
<u>General Revenues</u>					
Taxes Levied for General Purposes					3,417,948
Taxes Levied for Debt Service					791,158
Taxes Levied for Specific Purposes					132
Federal and State Aid - Unrestricted					763,878
Interest and Investment Earnings					(7,477)
Transfers from Other Agencies					59,410
Miscellaneous					238,752
Total General Revenues					<u>5,263,801</u>
Change in Net Position					(539,069)
Net Position - July 1, 2012					<u>8,332,497</u>
(As Restated - Note 20)					
Net Position - June 30, 2013					<u>\$ 7,793,428</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

SAUSALITO MARIN CITY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	General	Bond Interest and Redemption	Corporation Debt Service
<b><u>Assets</u></b>			
Deposits and Investments (Note 2)	\$ 1,678,841	\$ 589,041	\$ 328,259
Receivables (Note 4)	499,236		
Long-Term Receivable (Note 5)			
Due from Other Funds (Note 6)	120,746		
Total Assets	<u>\$ 2,298,823</u>	<u>\$ 589,041</u>	<u>\$ 328,259</u>
<b><u>Liabilities and Fund Balances</u></b>			
Liabilities:			
Accounts Payable	\$ 543,158		
Due to Other Funds (Note 6)			
Deferred Revenue (Note 11)			
Total Liabilities	<u>543,158</u>		
Fund Balances: (Note 13)			
Nonspendable	1,000		
Restricted	199,318	\$ 589,041	\$ 328,259
Assigned			
Unassigned	1,555,347		
Total Fund Balances	<u>1,755,665</u>	<u>589,041</u>	<u>328,259</u>
Total Liabilities and Fund Balances	<u>\$ 2,298,823</u>	<u>\$ 589,041</u>	<u>\$ 328,259</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

Capital Projects - Special Reserve	Corporation Acquisition	Non-Major Governmental Funds	Total Governmental Funds
\$ (97,258)	\$ 3,500,508	\$ 949,909	\$ 6,949,300
		30,584	529,820
72,734			72,734
1,048,363			1,169,109
<u>\$ 1,023,839</u>	<u>\$ 3,500,508</u>	<u>\$ 980,493</u>	<u>\$ 8,720,963</u>
\$ 690,992		\$ 7,699	\$ 1,241,849
74,634	\$ 1,048,363	46,112	1,169,109
72,734			72,734
<u>838,360</u>	<u>1,048,363</u>	<u>53,811</u>	<u>2,483,692</u>
		40	1,040
	2,452,145	655,328	4,224,091
185,479		271,314	456,793
			1,555,347
<u>185,479</u>	<u>2,452,145</u>	<u>926,682</u>	<u>6,237,271</u>
<u>\$ 1,023,839</u>	<u>\$ 3,500,508</u>	<u>\$ 980,493</u>	<u>\$ 8,720,963</u>



**SAUSALITO MARIN CITY SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

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<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 6,237,271</b>
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Amounts reported for governmental activities in the statement of net position are different from amounts reported in governmental funds due to the following:

Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation. Capital assets and accumulated depreciation are:

Capital Assets	\$ 28,501,762	
Accumulated Depreciation	(6,139,190)	
Net		22,362,572

Unamortized costs: In governmental funds, debt issuance costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issuance costs are amortized over the life of the debt. Unamortized debt issuance costs included in prepaid expenses on the statement of net position are:

168,345

Deferred recognition of earned but unavailable revenues: In governmental funds, revenue is recognized only to the extent that it is "available," meaning it will be collected soon enough after the end of the period to finance expenditures of that period. Receivables for revenues that are earned but unavailable are deferred until the period in which the revenues become available. In the government-wide statements, revenue is recognized when earned, regardless of availability. The amount of unavailable revenues that were deferred as a liability in governmental funds, but are recognized in the government-wide statements is:

72,734

Long-term liabilities: 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:

Compensated Absences	\$ 9,412	
General Obligation Bonds	15,656,262	
Certificates of Participation	4,055,000	
Capital Leases	1,065,390	
Early Retirement Incentives	33,768	
Total		(20,819,832)

Unmatured interest on long-term debt: 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 unmatrued interest owing at the end of the period was:

(227,662)

<b>Total Net Position - Governmental Activities</b>	<b>\$ 7,793,428</b>
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SAUSALITO MARIN CITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General	Bond Interest and Redemption	Corporation Debt Service
<b><u>Revenues</u></b>			
Revenue Limit Sources:			
State Apportionment	\$ 201,487		
Local Taxes	3,417,947		
Total Revenue Limit Sources	3,619,434		
Federal Revenue	345,295		
State Revenue	888,629	\$ 3,885	
Local Revenue	1,150,419	787,715	\$ 39
Total Revenues	6,003,777	791,600	39
<b><u>Expenditures</u></b>			
Instruction	2,665,795		
Supervision of Instruction	109,536		
Instructional Library and Technology	49,106		
School Site Administration	648,057		
Home-To-School Transportation	96,005		
Food Services			
Other Pupil Services	176,971		
Data Processing Services	28,987		
Other General Administration	728,731		
Plant Services	542,141		
Facilities Acquisition and Construction	16,170		
Ancillary Services	3,930		
Debt Service:			
Principal Retirement	25,758	325,000	440,000
Interest and Issuance Costs	4,249	449,389	211,258
Other Outgo	548,969		
Total Expenditures	5,644,405	774,389	651,258
Excess of Revenues Over (Under) Expenditures	359,372	17,211	(651,219)
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers In			480,998
Operating Transfers Out	(324,109)		(33)
Other Sources			175,000
Total Other Financing Sources (Uses)	(324,109)	0	655,965
Net Change in Fund Balances	35,263	17,211	4,746
Fund Balances - July 1, 2012	1,720,402	571,830	323,513
Fund Balances - June 30, 2013	\$ 1,755,665	\$ 589,041	\$ 328,259

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

<u>Capital Projects - Special Reserve</u>	<u>Corporation Acquisition</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
			\$ 201,487
			3,417,947
			3,619,434
		\$ 77,700	422,995
		10,248	902,762
\$ 475,363	\$ 418	(10,239)	2,403,715
475,363	418	77,709	7,348,906
			2,665,795
			109,536
			49,106
			648,057
			96,005
		157,420	157,420
			176,971
			28,987
			728,731
		10,705	552,846
1,053,863			1,070,033
			3,930
			790,758
			664,896
			548,969
1,053,863	0	168,125	8,292,040
(578,500)	418	(90,416)	(943,134)
1,194,174	33	234,065	1,909,270
(536,765)	(1,048,363)		(1,909,270)
	3,500,000		3,675,000
657,409	2,451,670	234,065	3,675,000
78,909	2,452,088	143,649	2,731,866
106,570	57	783,033	3,505,405
\$ 185,479	\$ 2,452,145	\$ 926,682	\$ 6,237,271

**SAUSALITO MARIN CITY SCHOOL DISTRICT**  
**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, 2013**

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<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$ 2,731,866</b>
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Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds due to the following:

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Capital Outlay Expenditures	\$ 1,048,363	
Depreciation Expense	(847,771)	
Net		200,592

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premiums or discounts, were:

(3,675,000)

Earned but unavailable revenues: In governmental funds, revenues are recognized only to the extent that they are "available," meaning they will be collected soon enough after the end of the period to finance expenditures of that period. In government-wide statements, revenue is recognized when earned regardless of availability. The amount of earned but unavailable revenues relating to the current period, less revenues that became available in the current period, but related to a prior period is:

(475,000)

Debt issue costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, issue costs are amortized over the life of the debt. The difference between debt issue costs recognized in the current period and issue costs amortized for the period is:

Cost of Issuance	\$ 170,258	
Cost of Issuance Amortized	(1,913)	
Net		168,345

Debt service: 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:

General Obligation Bonds	\$ 325,000	
Certificates of Participation	440,000	
Capital Leases	25,758	
Total		790,758

Compensated absences and early retirement incentives: In governmental funds, compensated absences and early retirement incentives are measured by the amounts paid during the period. In the statement of activities, compensated absences and early retirement incentives are measured by the amounts earned. The difference between amounts paid and amounts earned was:

24,708

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

(305,338)

<b>Change in Net Position of Governmental Activities</b>	<b>\$ (539,069)</b>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS



SAUSALITO MARIN CITY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013

	Agency Funds	Total Fiduciary Funds
<u>Assets</u>		
Deposits and Investments (Note 2)	\$ 1,119	\$ 1,119
<u>Liabilities</u>		
Due to Student Groups	1,119	1,119
<u>Net Position</u>		
Total Net Position	\$ 0	\$ 0

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Sausalito Marin City School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five member Board of Trustees elected by registered voters of the District, which comprises an area in Marin County. The District serves students in kindergarten through grade eight.

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The financial reporting entity consists of the following:

- The primary government
- Organizations for which the primary government is financially accountable
- Other organizations for which the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit.

Component Units are legally separate organizations for which elected officials of the primary government (District) are financially accountable. The District is financially accountable for the Sausalito School District Financing Corporation (the "Corporation") and therefore the Corporation meets the reporting entity definition. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District.

The following are those aspects of the relationship between the District and the Corporation that satisfy the financial reporting entity criteria:

- The Board of Directors for the Corporation is appointed by the District's Board.
- The Corporation has no employees or members. The District's Business Manager shall serve as the Chief Financial Officer and the District's Superintendent shall serve as the Chief Executive Officer of the Corporation. These individuals receive no additional compensation for work performed in these capacities.
- The District exercises significant influence over operations of the Corporation as the District will always be the sole lessee of all facilities owned by the Corporation. Any deficits incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period.
- All major financing arrangements, contracts, and financial transactions of the Corporation must have the consent of the District.
- The property, assets, profits, and net revenues of the Corporation are irrevocably dedicated to the District, subject to the indebtedness of the Corporation.
- The District has assumed a "moral obligation" and potentially a legal obligation for any debt incurred by the Corporation.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Concluded)

For financial presentation purposes, the Corporation's financial activity has been blended, or combined, with the financial data of the District. The financial activity of the Corporation is included in the Corporation Debt Service Fund and Corporation Acquisition Fund, and the certificates of participation issued by the Corporation are reported as a liability in the Statement of Net Position.

The Corporation is a nonprofit, public benefit corporation, incorporated under the laws of the State of California and recorded by the Secretary of State in 1996. The Corporation was formed for the sole purpose of providing financial assistance to the Sausalito Marin City School District by acquiring, constructing, remodeling, rehabilitating, equipping, improving and financing various public facilities, land and equipment and by leasing certain facilities, land and equipment for the use, benefit and enjoyment of the public served by the District.

Governmental Accounting Standards Board Statement No. 39 (GASB 39), *Determining Whether Certain Organizations are Component Units*, provides further guidance, stating that a legally separate organization should be reported as a component unit if specific criteria are met. The District has determined that there are no organizations, for which the District is not financially accountable, which should be reported within its financial reporting entity under GASB 39.

B. Implementation of New Accounting Pronouncements

In June of 2011, the Governmental Accounting Standard Board issued Statement No. 63 (GASB 63) *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, with required implementation for the District during the year ended June 30, 2013. The objective of GASB 63 is to identify net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. There was no effect on beginning net position/fund balance as a result of implementing GASB 63.

C. Basis of Presentation

*Government-wide Financial Statements:*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District and its component units. The effect of interfund activity within the governmental activities has been removed from these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Concluded)

*Government-wide Financial Statements (Concluded):*

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

*Fund Financial Statements:*

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

*Revenues - Exchange and Non-exchange Transactions:*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 45, 60, 90 days after year-end, depending on the revenue source. 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 apportionments, the California Department of Education has defined available as collectible within one year.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Concluded)

Revenues - Exchange and Non-exchange Transactions (Concluded):

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Revenue:

Deferred revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred revenue.

Expenses/Expenditures:

On an accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District maintains the following governmental fund types:

*General Fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund.



SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Accounting (Continued)

*Special Revenue Funds* - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects. Other resources also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund.

*Debt Service Funds* - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital Projects Funds* - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District's funds are organized into major, non-major, and fiduciary funds as follows:

Major Governmental Funds:

*General Fund* is the general operating fund of the District. For financial reporting purposes the financial activities and balances of the Special Revenue - Special Reserve Fund have been combined with the General Fund.

*Bond Interest & Redemption Fund* is used to account for District taxes received and expended to pay bond interest and redeem bond principal and related costs.

*Corporation Debt Service Fund* is used to account for the payment of interest and redemption of principal on the outstanding certificates of participation issued by the Sausalito Marin City School District Financing Corporation.

*Capital Projects - Special Reserve Fund* is used to account for proceeds from real property sales and capital outlays for District property.

*Corporation Acquisition Fund* is used to account for proceeds from the sale of certificates of participation that will be used to finance the renovation, construction, and modernization of the District's school facilities.

Non-major Governmental Funds:

*Deferred Maintenance Fund* is used for the purpose of major repairs or replacement of District property.

*Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's cafeteria program.

*Debt Service Fund* is used to account for payments made to the sinking fund, which is required by the lease purchase agreement that was entered into with California School Board Association Finance Corporation, for purposes of financing capital improvements at the District's two schools.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Accounting (Concluded)

Non-major Governmental Funds (Concluded):

*Building Fund* is used to account for acquisition of major governmental facilities financed from bond proceeds.

*County School Facilities Fund* is used to account for state apportionments (Education Code Sections 17009.5 and 17070.10-17076.10).

Fiduciary Funds:

*Agency Funds* are used to account for assets of others for which the District acts as an agent. The District maintains an agency fund for the student body account at Martin Luther King Jr. Academy, which is used to account for the raising and expending of money to promote the general welfare, and educational experience of the student body.

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By state law, the District's Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's Governing Board and Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budget is presented for the General Fund as required supplementary information on page 49.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account (See Note 3).

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. 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 at June 30.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Assets, Liabilities and Equity

1. Deposits and Investments

The District is authorized to maintain cash in banks and revolving funds that are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The County is authorized to deposit cash and invest excess funds by California *Government Code* Section 53648 et seq. The funds maintained by the County are either secured by the FDIC or are collateralized.

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

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

2. Prepaid Expenses

Prepaid expenses represent the unamortized debt issue costs associated with the certificates of participation issued since the implementation of GASB 34. These debt issue costs will be amortized annually over the life of the debt. Reported prepaid expenses are equally offset by a reserve, which indicates that the amounts are not available for appropriation.

3. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the estimated useful lives in the following table:

<u>Asset Class</u>	<u>Years</u>
Sites and Improvements	14-36
Buildings and Improvements	10-40
Furniture and Equipment	5-20



SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Assets, Liabilities and Equity (Continued)

4. Deferred Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Deferred revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures. The deferred revenue balance at June 30, 2013, represents the remaining payment to be received from the City of Sausalito that will not be collected within the availability period (see Note 5).

5. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken, since such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

6. Long-term Liabilities

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position. Premiums and discounts as well as issuance costs are deferred and amortized over the life of the obligation. The liability is reported net of applicable premiums, discounts or issuance costs. In the fund financial statements, governmental funds recognize premiums and discounts as well as issuance costs, during the period the debt is issued. The face amount of the debt issued, premiums, discounts, or issuance costs is reported as other financing sources or uses.

7. Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The allowable classifications in the governmental fund financial statements are as follows:

*Nonspendable Fund Balance* consist of funds that are inherently nonspendable, due to their form (e.g. inventories and prepaid amounts), or that are legally or contractually required to be maintained intact.

*Restricted Fund Balance* consists of funds that have limitations on use that are externally enforceable by external parties, constitutional provisions or enabling legislation.

*Committed Fund Balance* consists of funds that are set aside for a specific purpose by the district's highest level of decision making authority, the Governing Board. The Governing Board may commit fund balance by taking formal action, such as majority vote or resolution. The same formal action must be taken by the Governing Board to remove or change limitations placed on the funds.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Assets, Liabilities and Equity (Continued)

7. Fund Balance (Concluded)

*Assigned Fund Balance* consists of funds that are set aside with the intent to be used for a specific purpose by the District. The Governing Board has delegated authority to the Superintendent and/or their designee to identify intended uses of assigned funds.

*Unassigned Fund Balance* consists of positive net resources of the General Fund in excess of what can properly be classified in the previous four categories. The Board is committed to maintain a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's minimum fund balance policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts equal to at least 10% of the General Fund operating expenditures and other financing uses.

The District considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

8. Revenue Limit/Property Tax

The District's revenue limit is received from a combination of local property taxes, state apportionments, and other local sources.

The County of Marin is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date.

Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternative method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue limit sources by the District.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

I. Assets, Liabilities and Equity (Concluded)

8. Revenue Limit/Property Tax (Concluded)

The District's Base Revenue Limit is the amount of general purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the applicable attendance period ADA to derive the District's total entitlement. The District is considered a "basic aid school district" because property taxes exceed the computed revenue limit, therefore the District does not receive state aid for their revenue limit.

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2013, consist of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Cash in Bank		\$ 1,119
Cash in Revolving Fund	\$ 1,040	
Cash with Fiscal Agent	4,536,251	
County Pool Investments	<u>2,412,009</u>	
Total Deposits and Investments	<u>\$ 6,949,300</u>	<u>\$ 1,119</u>

Cash in Bank and in Revolving Fund

Cash in bank consists of all cash maintained in the commercial bank account owned by the District, exclusive of amounts held in revolving funds. Cash in revolving fund consists of all cash maintained in commercial bank accounts that are used as revolving funds.

Cash with Fiscal Agent

Cash with Fiscal Agent consists of \$328,259, \$3,500,508, and \$645,735, held by US Bank as trustee, for future payment of interest and redemption of principal for certificates of participation, for the MLK Classroom Construction Project, and for the future pay-off of a capital lease, respectively. Cash with fiscal agent also consists of \$61,749 of earned construction retention funds, held in an escrow account by Bank of America that will be released to the contractor at the completion of the MLK classroom project.

County Pool Investments

County pool investments consist of District cash held by the Marin County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio).

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

General Authorization

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, as the length of the maturity of an investment increases, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury that purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Segmented Time Distribution

Information about the sensitivity of the fair value of the District's investment to market interest rate fluctuations is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Carrying Value	Fair Value	Less Than 1 Year	More Than 1 Year
County Pool Investments	\$ 2,412,009	\$ 2,411,803	\$ 2,086,930	\$ 325,079

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (CONCLUDED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Carrying Value	Fair Value	Rating as of Year End		
			AAA	Aa	Unrated
County Pool Investments	\$ 2,412,009	\$ 2,411,803			\$ 2,412,009

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. However, the District does not hold any investments in any one issuer, at year-end, that represents five percent or more of the total investments held by the District.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public 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, 2013, the District does not have a bank balance that is exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Custodial Credit Risk - Investments

This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District does not have a policy limiting the amount of securities that can be held by counterparties. As of June 30, 2013, the District does not have any investments that are held by counterparties.

Derivative Investments

The District does not directly invest in any derivative investments. Information related to the use of derivative investments by the Marin County Treasury was not available.



SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations in the General Fund were as follows:

<u>General Fund</u>	<u>Excess Expenditures</u>
Capital Outlay	\$ 749
Debt Service: Principal Retirement	9,242
Debt Service: Interest and Fiscal Charges	1,365

The District incurred unanticipated expenditures in the expenditure classifications above for which the budget was not revised.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2013 consist of the following:

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Totals</u>
Federal Government	\$ 112,471	\$ 28,632	\$ 141,103
State Government	196,982	1,952	198,934
Local Governments	183,443		183,443
Miscellaneous	6,340		6,340
Totals	<u>\$ 499,236</u>	<u>\$ 30,584</u>	<u>\$ 529,820</u>

NOTE 5 - LONG-TERM RECEIVABLE

During fiscal year 1996-97, the City of Sausalito entered into a site lease/purchase agreement with the Sausalito Marin City School District for the purchase of Martin Luther King Jr. school site. Under the terms of the agreement, the City of Sausalito is required to make 17 annual lease payments to the District, with an interest rate of 7.46% factored into the annual payment amount. The lease does not include a prepayment option. As a result, the City of Sausalito is required to pay the full amount of each annual payment, even if the city were to decide to prepay the entire lease balance. Proceeds from the lease agreement are used to make the debt service payments on the outstanding 2006 certificates of participation, which are discussed in Note 10. The remaining payment to be received under this agreement is \$72,734 during fiscal year 2013-14.

NOTE 6 - INTERFUND ACTIVITIES

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 6 - INTERFUND ACTIVITIES (CONTINUED)

A. Due From/Due To Other Funds

Individual fund interfund receivable and payable balances at June 30, 2013 are as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 120,746	
Capital Projects - Special Reserve	1,048,363	\$ 74,634
Corporation Acquisition		1,048,363
Cafeteria		46,112
Totals	<u>\$ 1,169,109</u>	<u>\$ 1,169,109</u>

All interfund receivables and payables are scheduled to be paid within one year.

B. Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General		\$ 324,109
Corporation Debt Service	\$ 480,998	33
Capital Projects - Special Reserve	1,194,174	536,765
Corporation Acquisition	33	1,048,363
Deferred Maintenance	95,102	
Cafeteria	83,196	
Debt Service	55,767	
Totals	<u>\$ 1,909,270</u>	<u>\$ 1,909,270</u>

Transfer \$90,000 from General Fund to Capital Projects - Special Reserve Fund for architect fees.

Transfer \$44 from General Fund to Capital Projects - Special Reserve Fund to cover negative interest in fund.

Transfer \$95,102 from General Fund to Deferred Maintenance Fund of contribution for future deferred maintenance projects.

Transfer \$83,196 from General Fund to Cafeteria Fund to support the cafeteria program.

Transfer \$55,767 from General Fund to Capital Projects - Special Reserve Fund for capital lease sinking fund payment.

Transfer \$33 from Corporation Debt Service Fund to Corporation Acquisition Fund excess interest earnings from the certificates of participation reserve account, which will be used to finance future construction projects.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 6 - INTERFUND ACTIVITIES (CONCLUDED)

B. Interfund Transfers (Concluded)

Transfer \$480,998 from Capital Projects - Special Reserve Fund to Corporation Debt Service Fund for debt service payment on outstanding 2006 certificates of participation.

Transfer \$55,767 from Capital Projects - Special Reserve Fund to Debt Service Fund for capital lease sinking fund payment.

Transfer \$1,048,363 from Corporation Acquisition Fund to Capital Projects - Special Reserve Fund to reimburse fund for expenditures incurred for MLK classroom project.

NOTE 7 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2013, is shown below:

	Balances July 1, 2012	Additions	Deletions	Balances June 30, 2013
Land	\$ 948,870			\$ 948,870
Sites and Improvements	2,022,186			2,022,186
Buildings and Improvements	24,046,205			24,046,205
Furniture and Equipment	422,235			422,235
Work-in-Progress	13,903	\$ 1,048,363		1,062,266
Totals at Historical Cost	27,453,399	1,048,363	\$ 0	28,501,762
Less Accumulated Depreciation for:				
Sites and Improvements	1,204,114	53,479		1,257,593
Buildings and Improvements	3,988,246	762,306		4,750,552
Furniture and Equipment	99,059	31,986		131,045
Total Accumulated Depreciation	5,291,419	847,771	0	6,139,190
Governmental Activities Capital Assets, net	\$ 22,161,980	\$ 200,592	\$ 0	\$ 22,362,572

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:

Instruction	\$ 691,630
Instructional Library, Media, and Technology	5,352
School Site Administration	38,348
Food Services	29,887
Data Processing Services	2,076
Other General Administration	24,989
Plant Services	55,489
Total Depreciation Expense	\$ 847,771



**SAUSALITO MARIN CITY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 8 - GENERAL OBLIGATION BONDS**

The outstanding general obligation debt of the District as of June 30, 2013 was as follows:

**A. Current Interest Bonds**

Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2012	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2013
8/18/05	3.65-5.50	8/1/30	\$ 7,640,000	\$ 6,530,000		\$ 230,000	\$ 6,300,000
9/7/06	3.25-4.125	8/1/22	1,680,000	1,245,000		95,000	1,150,000
9/7/06	3.85-4.375	8/1/28	3,110,000	3,110,000			3,110,000
Totals			<u>\$ 12,430,000</u>	<u>\$ 10,885,000</u>	<u>\$ 0</u>	<u>\$ 325,000</u>	<u>\$ 10,560,000</u>

The annual requirements to amortize the current interest bonds, as of June 30, 2013, are as follows:

Year Ended June 30	Principal	Interest	Totals
2014	\$ 350,000	\$ 432,809	\$ 782,809
2015	385,000	414,626	799,626
2016	425,000	397,167	822,167
2017	455,000	380,798	835,798
2018	490,000	362,991	852,991
2019-2023	3,065,000	1,479,541	4,544,541
2024-2028	3,550,000	798,645	4,348,645
2029-2033	1,840,000	102,711	1,942,711
Totals	<u>\$ 10,560,000</u>	<u>\$ 4,369,288</u>	<u>\$ 14,929,288</u>

**B. Capital Appreciation Bonds**

Date of Issue	Accretion Rate %	Date of Maturity	Amount of Original Issue	Outstanding July 1, 2012	Issued Current Year	Accreted Interest Current Year	Outstanding June 30, 2013
9/7/06	7.586	8/1/33	\$ 309,991	\$ 478,051		\$ 36,952	\$ 515,003
9/7/06	5.523	8/1/42	3,159,933	4,338,349		242,910	4,581,259
Totals			<u>\$ 3,469,924</u>	<u>\$ 4,816,400</u>	<u>\$ 0</u>	<u>\$ 279,862</u>	<u>\$ 5,096,262</u>

The outstanding obligation for the Series 2006A capital appreciation bonds at June 30, 2013, is as follows:

Year Ended June 30	Accretion Rate	Original Issue (Principal)	Accreted Interest	Totals
2014-2018		\$ 0	\$ 0	\$ 0
2019-2023		0	0	0
2024-2028	7.586%	172,333	113,971	286,304
2029-2033	7.586%	118,765	78,545	197,310
2034-2038	7.586%	18,893	12,496	31,389
Totals		<u>\$ 309,991</u>	<u>\$ 205,012</u>	<u>\$ 515,003</u>

**SAUSALITO MARIN CITY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 8 - GENERAL OBLIGATION BONDS (CONCLUDED)**

**B. Capital Appreciation Bonds (Concluded)**

The annual requirements to amortize the Series 2006A capital appreciation bonds at June 30, 2013, are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014-2018	\$ 0	\$ 0	\$ 0
2019-2023	0	0	0
2024-2028	172,333	527,667	700,000
2029-2033	118,765	581,235	700,000
2034-2038	18,893	121,107	140,000
<b>Totals</b>	<b>\$ 309,991</b>	<b>\$ 1,230,009</b>	<b>\$ 1,540,000</b>

The outstanding obligation for Series 2006B capital appreciation bonds at June 30, 2013, is as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Accretion</u> <u>Rate</u>	<u>Original Issue</u> <u>(Principal)</u>	<u>Accreted</u> <u>Interest</u>	<u>Totals</u>
2014-2018		\$ 0	\$ 0	\$ 0
2019-2023		0	0	0
2024-2028		0	0	0
2029-2033	5.523%	778,788	350,291	1,129,079
2034-2038	5.523%	1,275,448	573,714	1,849,162
2039-2043	5.523%	1,105,697	497,321	1,603,018
<b>Totals</b>		<b>\$ 3,159,933</b>	<b>\$ 1,421,326</b>	<b>\$ 4,581,259</b>

The annual requirements to amortize the Series 2006B capital appreciation bonds at June 30, 2013, are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014-2018	\$ 0	\$ 0	\$ 0
2019-2023	0	0	0
2024-2028	0	0	0
2029-2033	778,788	2,221,212	3,000,000
2034-2038	1,275,448	4,894,552	6,170,000
2039-2043	1,105,697	5,899,303	7,005,000
<b>Totals</b>	<b>\$ 3,159,933</b>	<b>\$ 13,015,067</b>	<b>\$ 16,175,000</b>

**NOTE 9 - CERTIFICATES OF PARTICIPATION**

In August 2006, the Sausalito School District Financing Corporation issued certificates of participation (COPS) in the amount of \$3,235,000 to refund the outstanding 1996 Refunding COPS and to provide financing for the renovation, construction, and modernization of certain District facilities. At June 30, 2013, the principal balance outstanding was \$380,000.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 9 - CERTIFICATES OF PARTICIPATION (CONCLUDED)

On February 12, 2013, the Sausalito School District Financing Corporation issued certificates of participation in the principal amount of \$3,675,000 to provide financing for the MLK Jr. Academy Classroom Construction Project. At June 30, 2013, the principal balance outstanding was \$3,675,000.

The annual requirements to amortize the certificates of participation as of June 30, 2013 are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014	\$ 380,000	\$ 143,935	\$ 523,935
2015	95,000	102,215	197,215
2016	95,000	101,669	196,669
2017	95,000	100,980	195,980
2018	95,000	100,125	195,125
2019-2023	490,000	480,065	970,065
2024-2028	545,000	420,180	965,180
2029-2033	630,000	334,125	964,125
2034-2038	750,000	220,412	970,412
2039-2043	880,000	79,100	959,100
Totals	<u>\$ 4,055,000</u>	<u>\$ 2,082,806</u>	<u>\$ 6,137,806</u>

NOTE 10 - CAPITAL LEASES

- A. On December 1, 2002, the District entered into a \$1,000,000 lease agreement to finance the remodel of its existing school facilities and the update of its technology systems. The agreement requires the District to make fifteen (15) annual payments of \$55,766 to a sinking fund maintained by US Bank. The sum of the annual payments plus interest earned on the sinking fund balance are expected to be sufficient to make a single \$1,000,000 lease payment on December 19, 2017 and pay-off the entire lease balance at that time. The lease does not include a prepayment option. The agreement provides for title to pass upon expiration of the lease period. Future required sinking fund payments as of June 30, 2013 are as follows:

<u>Year Ended June 30</u>	<u>Sinking Fund Payments</u>
2014	\$ 55,766
2015	55,766
2016	55,766
2017	55,766
2018	<u>55,766</u>
Total sinking fund payments remaining	<u>\$ 278,830</u>
Lease payment due December 19, 2017	<u>\$ 1,000,000</u>

At June 30, 2013, the Debt Service Fund has a fund balance of \$645,735.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 10 - CAPITAL LEASES (CONCLUDED)

- B. The District entered into lease agreements to finance the acquisition of energy management equipment and the purchase of computer equipment valued at \$156,600 and \$29,752, respectively. The agreements provide for title to pass upon expiration of the lease periods.

Future minimum lease payments under these agreements are as follows:

Year Ended <u>June 30</u>	Lease <u>Payments</u>
2014	\$ 30,007
2015	19,399
2016	<u>19,399</u>
Total payments	68,805
Less amounts representing interest	<u>(3,415)</u>
Present value of net minimum lease payments	<u>\$ 65,390</u>

The District will receive no sublease rental revenues nor pay any contingent rentals for the leased assets.

NOTE 11 - EARLY RETIREMENT INCENTIVES

In addition to the pension benefits described in Note 15, the District offered an early retirement incentive benefit program through the Public Agency Retirement System (PARS) in fiscal year 2009-10. The PARS program was offered to all certificated employees with at least 30 years of teaching experience and 10 years of service with the District. The future payments are as follows:

Year Ended <u>June 30</u>	<u>PARS</u>
2014	\$ 16,884
2015	<u>16,884</u>
Total	<u>\$ 33,768</u>

NOTE 12 - LONG-TERM LIABILITIES

The changes in long-term liabilities for the year ended June 30, 2013, is shown below:

	Balances July 1, 2012	Additions	Deductions	Balances June 30, 2013	Due within One Year
Compensated Absences	\$ 17,236	\$ 9,412	\$ 17,236	\$ 9,412	\$ 9,412
General Obligation Bonds:					
Current Interest	10,885,000		325,000	10,560,000	350,000
Capital Appreciation	4,816,400	279,862		5,096,262	
Certificates of Participation	820,000	3,675,000	440,000	4,055,000	380,000
Capital Leases	1,091,148		25,758	1,065,390	27,084
Early Retirement Incentives	50,652		16,884	33,768	16,884
Totals *	<u>\$ 17,680,436</u>	<u>\$ 3,964,274</u>	<u>\$ 824,878</u>	<u>\$ 20,819,832</u>	<u>\$ 783,380</u>

\* The prior year balance has been adjusted to reflect the restatement described in Note 20.

**SAUSALITO MARIN CITY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 13 - FUND BALANCES**

The District's fund balances at June 30, 2013 consisted of the following:

	General Fund	Bond Interest and Redemption Fund	Corporation Debt Service Fund	Capital Projects- Special Reserve Fund	Corporation Acquisition Fund	Non-Major Governmental Funds	Totals
Nonspendable	\$ 1,000					\$ 40	\$ 1,040
Restricted	199,318	\$ 589,041	\$ 328,259		\$ 2,452,145	655,328	4,224,091
Assigned				\$ 185,479		271,314	456,793
Unassigned:							
Economic Uncertainties	588,841						588,841
Other	966,506						966,506
Total Fund Balances	<u>\$ 1,755,665</u>	<u>\$ 589,041</u>	<u>\$ 328,259</u>	<u>\$ 185,479</u>	<u>\$ 2,452,145</u>	<u>\$ 926,682</u>	<u>\$ 6,237,271</u>

**NOTE 14 - ON-BEHALF PAYMENTS MADE BY THE STATE OF CALIFORNIA**

The District was the recipient of on-behalf payments made by the State of California to the State Teachers' Retirement System (CalSTRS) for K-12 Education. This payment consists of state general fund contributions to CalSTRS of \$62,720 (5.175512% of salaries subject to CalSTRS).

**NOTE 15 - EMPLOYEE RETIREMENT SYSTEMS**

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

**A. State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability, and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from the STRS, 100 Waterfront Place, West Sacramento, California 95605.

**Funding Policy**

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-13 was 8.25% of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ended June 30, 2013, 2012, and 2011, were \$116,109, \$90,718, and \$99,979, respectively, and equal 100% of the required contributions for each year.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 15 - EMPLOYEE RETIREMENT SYSTEMS (CONCLUDED)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

Funding Policy

Active plan members are required to contribute 7.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-13 was 11.417%. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ended June 30, 2013, 2012, and 2011, were \$106,529, \$106,309, and \$106,473, respectively, and equal 100% of the required contributions for each year.

C. Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use Social Security as its alternative plan. Contributions made by the District and participating employee vest immediately. The District contributes 6.2% of an employee's gross earnings and employees were required to contribute 4.2% of their gross earnings from July 2012 through December 2012 and 6.2% from January 2013 through June 2013.

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2012-13, the District participated in one joint powers authority (JPA) for purposes of pooling for risk. There were no significant reductions in coverage during the year. Settlements have not exceeded coverage for each of the past three years.

NOTE 17 - JOINT VENTURES

The District participates in two joint ventures under joint powers agreements with Marin School Insurance Authority (MSIA) for workers' compensation and property and liability insurance, and Marin Pupils Transportation Agency (MPTA) for pupil transportation services for special education children. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.



SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 17 - JOINT VENTURES (CONCLUDED)

The JPAs arrange for and/or provide coverage or transportation services for its members. The JPAs are governed by a board consisting of a representative from each member district. Each board controls the operations of their JPAs, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage or service requested and shares surpluses and deficits proportionately to their participation in the JPAs. The District is charged by the MPTA based upon actual cost of pupil transportation. The JPAs are audited on an annual basis. Financial information can be obtained by contacting each JPA's management.

NOTE 18 - CHARTER SCHOOL

In accordance with Education Code Section 47605, the District approved a charter school agreement with Willow Creek Academy Charter School, which was renewed for an additional five years for the period July 1, 2009 through June 30, 2014.

Under the terms of the agreement, the charter school is responsible for managing, budgeting, and accounting for its activities in accordance with accounting principles generally accepted in the United States of America. Therefore, the financial activities of the charter school are not included in the District's financial reports; however, the financial transactions between the charter school and the District are included.

NOTE 19 - COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards and Grants

The District 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 reimbursements will not be material.

B. Litigation

The District is subject to various legal proceedings and claims. In the opinion of management, the ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

C. Construction Commitments

As of June 30, 2013, the District has the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
MLK New Classrooms Construction Project	\$ 755,620	August 2013

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 20 - RESTATEMENT OF NET POSITION

The beginning government-wide net position balance has been restated to reflect an adjustment to the other post employment benefits (OPEB) liability balance, which has been deemed to be immaterial to the financial statements. The effect of the restatement on the current year financial statements is as follows:

	Governmental <u>Activities</u>
Net Position - July 1, 2012 (as originally stated)	\$ 8,330,984
Overstatement of OPEB Liability	<u>1,513</u>
Net Position - July 1, 2012 (as restated)	<u><u>\$ 8,332,497</u></u>

NOTE 21 - SUBSEQUENT EVENTS

The District's management has evaluated events or transactions that occurred for possible recognition or disclosure in the financial statements from the balance sheet date through December 13, 2013, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require disclosure in or adjustment to the current year financial statements.



## SUPPLEMENTARY INFORMATION SECTION



SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b><u>Revenues</u></b>				
Revenue Limit Sources:				
State Apportionment	\$ 159,224	\$ 201,268	\$ 201,487	\$ 219
Local Sources	3,302,345	3,411,556	3,417,947	6,391
Total Revenue Limit Sources	3,461,569	3,612,824	3,619,434	6,610
Federal Revenue	209,978	328,058	345,295	17,237
Other State Revenue	765,912	894,980	888,629	(6,351)
Other Local Revenue	1,022,915	1,128,671	1,150,419	21,748
Total Revenues	5,460,374	5,964,533	6,003,777	39,244
<b><u>Expenditures</u></b>				
Certificated Salaries	1,636,917	1,627,384	1,576,754	50,630
Classified Salaries	864,411	941,765	937,709	4,056
Employee Benefits	781,600	765,407	750,723	14,684
Books and Supplies	136,172	329,974	255,587	74,387
Services and Other				
Operating Expenditures	1,488,838	1,782,224	1,528,486	253,738
Capital Outlay		15,421	16,170	(749)
Debt Service:				
Principal Retirement	15,877	16,516	25,758	(9,242)
Interest and Fiscal Charges	3,523	2,884	4,249	(1,365)
Other Expenditures	518,641	580,644	548,969	31,675
Total Expenditures	5,445,979	6,062,219	5,644,405	417,814
Excess of Revenues Over (Under) Expenditures	14,395	(97,686)	359,372	457,058
<b><u>Other Financing (Uses)</u></b>				
Operating Transfers Out	(209,851)	(299,851)	(324,109)	(24,258)
Net Change in Fund Balances	(195,456)	(397,537)	35,263	\$ 432,800
Fund Balances - July 1, 2012	1,720,402	1,720,402	1,720,402	
Fund Balances - June 30, 2013	\$ 1,524,946	\$ 1,322,865	\$ 1,755,665	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

SAUSALITO MARIN CITY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Deferred Maintenance	Cafeteria
<u><b>Assets</b></u>		
Deposits and Investments	\$ 274,214	\$ 29,124
Receivables		30,584
Total Assets	<u>\$ 274,214</u>	<u>\$ 59,708</u>
<u><b>Liabilities and Fund Balances</b></u>		
Liabilities:		
Accounts Payable	\$ 2,900	\$ 4,799
Due to Other Funds		46,112
Total Liabilities	<u>2,900</u>	<u>50,911</u>
Fund Balances:		
Nonspendable		40
Restricted		8,757
Assigned	<u>271,314</u>	
Total Fund Balances	<u>271,314</u>	<u>8,797</u>
Total Liabilities and Fund Balances	<u>\$ 274,214</u>	<u>\$ 59,708</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

Debt Service	Building	County School Facilities	Total Non-Major Governmental Funds
\$ 645,735	\$ 246	\$ 590	\$ 949,909 30,584
\$ 645,735	\$ 246	\$ 590	\$ 980,493
			\$ 7,699 46,112
			53,811
\$ 645,735	\$ 246	\$ 590	40 655,328 271,314
645,735	246	590	926,682
\$ 645,735	\$ 246	\$ 590	\$ 980,493

SAUSALITO MARIN CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Deferred Maintenance	Cafeteria
<b><u>Revenues</u></b>		
Federal Revenue		\$ 77,700
State Revenue	\$ 4,898	5,350
Local Revenue	239	(29)
Total Revenues	5,137	83,021
<b><u>Expenditures</u></b>		
Food Services		157,420
Plant Services	10,705	
Total Expenditures	10,705	157,420
Excess of Revenues Over (Under) Expenditures	(5,568)	(74,399)
<b><u>Other Financing Sources</u></b>		
Operating Transfers In	95,102	83,196
Net Change in Fund Balances	89,534	8,797
Fund Balances - July 1, 2012	181,780	0
Fund Balances - June 30, 2013	\$ 271,314	\$ 8,797

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

<u>Debt Service</u>	<u>Building</u>	<u>County School Facilities</u>	<u>Total Non-Major Governmental Funds</u>
			\$ 77,700
			10,248
\$ (10,450)		\$ 1	(10,239)
(10,450)		1	77,709
			157,420
			10,705
0		0	168,125
(10,450)		1	(90,416)
55,767			234,065
45,317		1	143,649
600,418	\$ 246	589	783,033
<u>\$ 645,735</u>	<u>\$ 246</u>	<u>\$ 590</u>	<u>\$ 926,682</u>

SAUSALITO MARIN CITY SCHOOL DISTRICT  
ORGANIZATION/BOARD OF TRUSTEES/ADMINISTRATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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ORGANIZATION

The Sausalito Marin City School District comprises and serves the City of Sausalito, Marin City, and several military installations. There were no changes in the boundaries of the District during the current year. The District currently operates two elementary schools serving students in kindergarten through grade eight.

BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
William Ziegler	President	December 2016
Joshua Barrow	Vice President	December 2014
Thomas Newmeyer	Member	December 2014
Caroline Van Alst	Clerk	December 2016
Shirley Thornton, Ed. D.	Member	December 2014

ADMINISTRATION

Dr. Valerie Pitts  
Superintendent

Paula F. Rigney  
Business Manager



SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	P-2 Report		Annual Report	
	District Reported	Audited	District Reported	Audited
<u>Elementary</u>				
Kindergarten	16.23	16.23	16.46	16.46
First through Third	38.85	38.09	40.22	39.44
Fourth through Sixth	34.82	34.46	34.89	34.59
Seventh and Eighth	22.40	22.07	22.21	21.80
Special Education - Special Day Class	1.77	2.53	2.64	2.55
Special Education - Nonpublic	4.83	3.03	4.68	3.10
Extended Year - Nonpublic	0	0.27	0.27	0.27
Totals	<u>118.90</u>	<u>116.68</u>	<u>121.37</u>	<u>118.21</u>

SEE NOTES TO SUPPLEMENTARY INFORMATION

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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<u>Grade Level</u>	<u>1982-83 Actual Minutes</u>	<u>Adjusted 1982-83 Actual Minutes</u>	<u>1986-87 Minutes Required</u>	<u>Adjusted 1986-87 Minutes Required</u>	<u>2012-13 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
Kindergarten	31,500	30,625	36,000	35,000	58,530	180	N/A	In Compliance
Grade 1	45,500	44,236	50,400	49,000	58,530	180	N/A	In Compliance
Grade 2	45,500	44,236	50,400	49,000	59,890	180	N/A	In Compliance
Grade 3	45,500	44,236	50,400	49,000	59,890	180	N/A	In Compliance
Grade 4	54,250	52,743	54,000	52,500	59,890	180	N/A	In Compliance
Grade 5	54,250	52,743	54,000	52,500	61,195	180	N/A	In Compliance
Grade 6	54,250	52,743	54,000	52,500	61,195	180	N/A	In Compliance
Grade 7	54,250	52,743	54,000	52,500	61,195	180	N/A	In Compliance
Grade 8	54,250	52,743	54,000	52,500	61,195	180	N/A	In Compliance

SEE NOTES TO SUPPLEMENTARY INFORMATION

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Program Name</u>	<u>Federal Catalog Number</u>	<u>Pass-Through Identification Number</u>	<u>Federal Program Expenditures</u>
U.S. Department of Agriculture:			
Passed through California Department of Education (CDE):			
<i>Child Nutrition Cluster:</i>			
National School Lunch	10.555	13524	\$ 58,955
School Needy Breakfast	10.553	13526	18,745
U.S. Department of Education:			
Passed through CDE:			
Education Jobs Fund	84.410	25152	509
NCLB: Title I - Basic Grant Low-Income & Neglected	84.010	14329	199,139
NCLB: Title II - Improving Teacher Quality	84.367	14341	25,029
NCLB: Title III - Immigrant Education Program	84.365	15146	400
NCLB: Title III - Limited English Proficient	84.365	14346	2,642
Passed through Marin County SELPA:			
<i>Special Education Cluster:</i>			
IDEA Part B Basic Local Assistance	84.027	13379	69,533
IDEA Part B Mental Health Allocation Plan	84.027A	14468	30,247
Received Direct:			
Federal Impact Aid	84.041	n/a	17,428
Total			<u>\$ 422,627</u>

SEE NOTES TO SUPPLEMENTARY INFORMATION

**SAUSALITO MARIN CITY SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT  
WITH AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	General Fund	Special Revenue - Special Reserve Fund	Corporation Debt Service Fund	Capital Projects - Special Reserve Fund	Corporation Acquisition Fund	Debt Service Fund
June 30, 2013 Annual Financial and Budget Report Fund Balances	\$ 1,684,365	\$ 172,310	\$ 323,513	\$ 184,671	\$ 57	\$ 600,418
Adjustments Increasing/(Decreasing) Fund Balances:						
Overstatement of State Revenues	(9,639)					
Understatement of Employee Benefits	(9,152)					
Understatement of Other Outgo	(82,219)					
Overstatement of Other Outgo				536,765		
Understatement of Interest Revenue			39		418	
Overstatement of Interest Revenue						(10,450)
Understatement of Contract Services			(170,258)			
Understatement of Debt Service Interest			(41,000)			
Overstatement of Capital Outlay				58,249		
Understatement of Debt Service Principal			(440,000)			
Understatement of Transfers In			480,998	1,048,363	33	55,767
Understatement of Transfers Out			(33)	(536,765)	(1,048,363)	
Understatement of Other Sources			175,000		3,500,000	
Overstatement of Other Sources				(1,105,804)		
Reclassifications Increasing/(Decreasing) Fund Balances:	172,310	(172,310)				
Net Adjustments & Reclassifications	71,300	(172,310)	4,746	808	2,452,088	45,317
June 30, 2013 Audited Financial Statements Fund Balances	\$ 1,755,665	\$ 0	\$ 328,259	\$ 185,479	\$ 2,452,145	\$ 645,735

Auditor's Comments

The audited financial statements of all other funds were in agreement with the Annual Financial and Budget Report for the fiscal year ended June 30, 2013.

The reclassification of fund balances above was required as a result of the definition of special revenue funds prescribed by GASB 54.

**SAUSALITO MARIN CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	GENERAL FUND			
	(Budget)* 2013-14**	2012-13	2011-12	2010-11
Revenues and Other Financial Sources	\$ 5,497,101	\$ 6,003,777	\$ 5,869,977	\$ 6,516,776
Expenditures	5,668,575	5,644,405	5,505,000	6,345,571
Other Uses and Transfers Out	283,600	324,109	295,016	108,133
Total Outgo	5,952,175	5,968,514	5,800,016	6,453,704
Change in Fund Balance	(455,074)	35,263	69,961	63,072
Ending Fund Balance	\$ 1,300,591	\$ 1,755,665	\$ 1,720,402	\$ 1,650,441
Available Reserves	\$ 1,139,198	\$ 1,555,347	\$ 1,364,459	\$ 1,382,942
Reserve for Economic Uncertainties ***	\$ 595,218	\$ 588,841	\$ 577,517	\$ 894,140
Available Reserves as a Percentage of Total Outgo	19.1%	26.1%	23.5%	21.4%
Average Daily Attendance at P-2	119	117	128	157
Total Long-Term Liabilities	\$ 20,036,452	\$ 20,819,832	\$ 17,680,436 <sup>(1)</sup>	\$ 18,140,296 <sup>(1)</sup>

\* Amounts reported for the 2013-14 budget are presented for analytical purposes only and have not been audited.

\*\* Amounts have been adjusted to ensure comparability with the current year GASB 54 financial statement presentation.

\*\*\* Reported balances are a component of available reserves.

<sup>(1)</sup> The amounts presented have been adjusted to reflect the restatement described in Note 20.

The fund balance of the General Fund increased \$105,224 (6.4%) over the past two years. The fiscal year 2013-14 budget projects a decrease of \$455,074 (25.9%). For a district this size, the state recommends available reserves of at least 5% of total general fund expenditures, transfers out, and other uses (total outgo).

The District produced operating surpluses of \$35,263, \$69,961, and \$63,072 during fiscal years 2012-13, 2011-12, and 2010-11, respectively.

Average daily attendance (ADA) decreased 40 ADA (25.5%) over the past two years. The District anticipates an increase of 2 ADA during fiscal year 2013-14.

Total long-term liabilities increased \$2,679,536 over the past two years due primarily to the issuance of \$3,675,000 of certificates of participation in fiscal year 2012-13.

SEE NOTES TO SUPPLEMENTARY INFORMATION

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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<u>Charter School</u>	<u>District Audit</u>
Willow Creek Academy	Excluded

SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES

A. Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the District is required to present a Schedule of Revenues, Expenditures, and Changes in Fund Balance budgetary comparison for the General Fund and each Major Special Revenue Fund that has an adopted budget. This schedule presents the original adopted budget, final adopted budget, and the actual revenues and expenditures of each of these funds by object.

B. Combining Statements

Combining statements are presented for purposes of additional analysis, and are not a required part of the District's basic financial statements. These statements present more detailed information about the financial position and financial activities of the District's individual funds.

C. Schedule of Average Daily Attendance

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

D. Schedule of Instructional Time

The District received state funding under the Basic Aid Provision and therefore did not receive incentive funding for increasing instructional time as provided by the incentive for longer instructional day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

E. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes the federal grant activities of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

F. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds, as reported in the Annual Financial and Budget Report to the audited financial statements.

G. Schedule of Financial Trends and Analysis

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



SAUSALITO MARIN CITY SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES (CONCLUDED)

H. Schedule of Charter Schools

This schedule lists all charter schools chartered by the District and identifies whether or not the charter schools were included or excluded from the audit of the District.

OTHER INDEPENDENT AUDITOR'S REPORTS SECTION



**STEPHEN ROATCH ACCOUNTANCY CORPORATION**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE**

Board of Trustees  
Sausalito Marin City School District  
Sausalito, California

Report on State Compliance

We have audited Sausalito Marin City School District's compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-13* for the year ended June 30, 2013.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws, regulations, contracts, and grants.

Auditor's Responsibility

Our responsibility is to express an opinion on Sausalito Marin City School District's compliance based on our compliance audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-13*, prescribed in the California Code of Regulations, Title 5, section 19810 and following. 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 above occurred. An audit includes examining, on a test basis, evidence about Sausalito Marin City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations applicable in the following areas. However, our audit does not provide a legal determination of Sausalito Marin City School District's compliance with those requirements.

<u>Description</u>	<u>Procedures in Education Audit Appeals Panel's Audit Guide</u>	<u>Procedures Performed</u>
Attendance Accounting:		
Attendance Reporting	6	Yes
Teacher Certification and Misassignments	3	Yes
Kindergarten Continuance	3	Yes
Independent Study	23	Not Applicable
Continuation Education	10	Not Applicable

<u>Description</u>	<u>Procedures In Education Audit Appeals Panel's Audit Guide</u>	<u>Procedures Performed</u>
Instructional Time:		
School Districts	6	Yes
County Offices of Education	3	Not Applicable
Instructional Materials:		
General Requirements	8	Yes
Ratios of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes
Early Retirement Incentive	4	Not Applicable
Gann Limit Calculation	1	Yes
School Accountability Report Card	3	No (see below)
Juvenile Court Schools	8	Not Applicable
Class Size Reduction:		
General Requirements	7	Yes
Option One	3	Yes
Option Two	4	Not Applicable
Districts or Charter Schools With Only One School Serving K-3	4	Not Applicable
After School Education and Safety Program:		
General Requirements	4	Yes
After School	5	Yes
Before School	6	Not Applicable
Contemporaneous Records of Attendance For Charter Schools	1	Not Applicable
Mode of Instruction for Charter Schools	1	Not Applicable
Nonclassroom-Based Instruction/ Independent Study for Charter Schools	15	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction for Charter Schools	3	Not Applicable
Annual Instructional Minutes - Classroom Based For Charter Schools	4	Not Applicable

We were unable to perform the procedures for the school accountability report card because the District did not publish the school accountability report card for fiscal year 2012-13.

#### Opinion on Compliance

In our opinion, Sausalito Marin City School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2013, except as described in the accompanying Schedule of Findings and Questioned Costs, as noted in **Findings 13-5, 13-6, and 13-7**.

Board of Trustees  
Sausalito Marin City School District  
Page Three

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

*Stephen Roatch Accountancy Corporation*

STEPHEN ROATCH ACCOUNTANCY CORPORATION  
Certified Public Accountants

December 13, 2013





**STEPHEN ROATCH ACCOUNTANCY CORPORATION**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S 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 Trustees  
Sausalito Marin City School District  
Sausalito, 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 the Sausalito Marin City School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness, as noted in **Finding 13-1**.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies, as noted in **Findings 13-2, 13-3, and 13-4**.

Compliance and Other Matters

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

District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Stephen Roatch Accountancy Corporation*

STEPHEN ROATCH ACCOUNTANCY CORPORATION  
Certified Public Accountants

December 13, 2013

## FINDINGS AND QUESTIONED COSTS SECTION



SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

State Awards

Internal control over state programs:		
Material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u>  X  </u> Yes	<u>      </u> None reported
Type of auditor's report issued on compliance for state programs:	Qualified	

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION II - FINANCIAL STATEMENT FINDINGS

13 - 1 / 30000

**MATERIAL WEAKNESS**

FINANCIAL REPORTING - UNAUDITED ACTUALS

<u>Criteria:</u>	Each year, school districts are responsible for preparing complete and accurate financial information, which is reported to the California Department of Education in the form of the "Unaudited Actuals" Financial Report. In addition, each year the governing board certifies that the report was prepared in accordance with Education Code Section 41010, and approves the report as the official submission of financial information that will be used as the basis for the District's annual financial statements. Accordingly, districts should have an effective system of internal control over financial reporting that will ensure that the information contained in the report is free of material misstatement.
<u>Condition:</u>	During the performance of the annual audit, we noted several misstatements on the "Unaudited Actuals" that we consider to be material to the District's annual financial statements.
<u>Questioned Costs:</u>	None.
<u>Context:</u>	The adjustments made to ensure that the financial statements were fairly stated are presented on page 58 of this report.
<u>Effect:</u>	The "Unaudited Actuals" approved by the Governing Board contained misstatements that are material to the District's annual financial statements.
<u>Cause:</u>	The District eliminated an administrative position in the District Office that required other District Office personnel to absorb additional job responsibilities. In addition, the District Office moved locations in August 2013, in the middle of their year-end closing process, due to ongoing construction required for the consolidation of the two school sites.
<u>Recommendation:</u>	The District should add procedures to their comprehensive financial reporting checklist to ensure all relevant areas are covered during the year-end closing process.
<u>District Response:</u>	The District agrees and will start the year end process earlier in the school year now to ensure that errors are minimized and that there is more time to double check everything prior to finalizing the unaudited actuals.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

13 - 2 / 30000

**SIGNIFICANT DEFICIENCY**

CAFETERIA FUND ENCROACHMENT

Criteria: The Cafeteria Fund should attempt to operate as close to break-even as possible to ensure that the fund does not encroach on the General Fund in significant amounts.

Condition: The Cafeteria Fund has not operated close to a break-even basis. The program continues to incur increasing operating deficits and has relied upon annual contributions from the General Fund. A summary of the operating deficits and annual contributions are as follows:

	Budget <u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Cafeteria Fund				
Operating Deficits	\$ 42,833	\$ 74,399	\$ 60,908	\$ 51,657
General Fund				
Contributions	\$ 42,833	\$ 83,196	\$ 60,159	\$ 52,366

Questioned Cost: None.

Context: The Cafeteria Fund is incurring annual operating deficits and has become dependent on significant annual General Fund contributions. In addition, the District issued \$3,675,000 of certificates of participation that will be financed by the General Fund, which will further deplete the District's reserves.

Effect: If appropriate program cuts are not made, the current trend of deficit spending in the Cafeteria Fund will likely continue and may begin to impair the District's ability to maintain adequate reserves in the General Fund in the future.

Cause: The District has been unsuccessful in reducing cafeteria program costs down to a level that is consistent with the revenues generated by the program.

Recommendation: The District should continue to investigate program changes that will allow the Cafeteria Fund to operate closer to a break-even basis and become less dependent on annual General Fund contributions.

District Response: The District has implemented an in house cafeteria program with the hope of being able to provide an all organic/environmental food program that is cost effective and efficient.



SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

13 - 3 / 30000

**SIGNIFICANT DEFICIENCY**

INSTRUCTIONAL MINUTES CALCULATIONS

<u>Criteria:</u>	The 1983 Educational Reform Act established financial incentives for school districts that offer at least a specified minimum number of instructional minutes per school year. Accordingly, districts should develop procedures to ensure that the required number of instructional minutes are provided and properly documented.
<u>Condition:</u>	Instructional minute calculations are not routinely prepared, by school site administrators, on an annual basis to ensure compliance with instructional minute requirements. As a result, no independent review is performed by the business office to ensure that the instructional minute calculations are accurate and comply with state incentive funding requirements.
<u>Questioned Costs:</u>	None. The District complied with the instructional minute requirements for fiscal year 2012-13. In addition, the District was funded under the basic aid provision in 2012-13, and therefore did not receive longer day incentive funding.
<u>Context:</u>	Both school sites were tested for instructional minutes compliance in fiscal year 2012-13.
<u>Effect:</u>	The District's procedures for instructional minutes compliance is inadequate and may result in a loss of funding if the District is unable to detect and prevent a potential instructional minute shortfall in the future. If school sites do not meet minimum daily instructional minute requirements, the school day cannot be counted for apportionment purposes, and could potentially result in a loss of average daily attendance that could potentially affect categorical funding.
<u>Cause:</u>	The District has not enforced procedures that require school site administrators to compute annual instructional minutes calculations at the beginning of each school year. The 2012-13 instructional minutes calculations were not completed by the District until August 2013.
<u>Recommendation:</u>	The District should enforce procedures that require each site administrator to compute the annual instructional minutes at the beginning of each school year, and submit their calculation, along with the related school calendar and bell schedules, to the business office for review. Site administrators should be notified that changes may not be made to bell schedules without obtaining prior approval from the business office. If revisions are made to site bell schedules, site administrators should recalculate instructional minutes and submit the revised calculations to the business office for review.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

INSTRUCTIONAL MINUTES CALCULATIONS (CONCLUDED)

District Response:

The District will enforce procedures that require school site administration to compute annual instructional minutes at the beginning of each school year, and submit their calculation, along with the related school calendar and bell schedules, to the business office for review.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION II - FINANCIAL STATEMENT FINDINGS (CONCLUDED)

13 - 4 / 30000

**SIGNIFICANT DEFICIENCY**

TRANSACTION AUTHORIZATION

<u>Criteria:</u>	Discretionary funds that are transferred to other agencies should be supported by approved agreements signed by both parties or by specific approval from the Governing Board that is documented in the Governing Board minutes.
<u>Condition:</u>	There was no written agreement approving the discretionary supplemental funding provided to Willow Creek Academy (Charter School) in fiscal year 2012-13.
<u>Questioned Cost:</u>	None. (This is an administrative comment only to promote better internal controls and increase transparency).
<u>Context:</u>	The supplemental funding provided to the Charter School was not approved in a memorandum of understanding between the District and the Charter School. In fiscal year 2012-13, the District provided \$328,876 of supplemental funding to the Charter School. The only documented approval for this transfer to the Charter School was the Governing Board's approval of the District's 2012-13 Budget on June 28, 2012, which included \$328,876 on a line item described as "All Other Transfers Out to All Others."
<u>Effect:</u>	When transactions are not supported by appropriate written authorization, errors, improprieties, or misinterpretations are more likely to occur.
<u>Cause:</u>	The amount of supplemental funding provided to Willow Creek Academy has been an ongoing process of negotiations between the District and Charter School.
<u>Recommendation:</u>	The supplemental funding provided to the Charter School should be approved in a memorandum of understanding between the District and Charter School so the Business Manager has documented authorization to support the transfers of supplemental funding to the Charter School.
<u>District Response:</u>	The District strongly agrees and will require that all agreements be formalized in writing, in the form of a memorandum of understanding (MOU), contract, or agreement.

**SAUSALITO MARIN CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS**

**13 - 5 / 10000**

**SIGNIFICANT DEFICIENCY**

**ATTENDANCE**

Criteria: 1-3. In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education.

Conditions: 1. One special day class student was misclassified as a regular education student.

2. The average daily attendance for some special day class students was reported twice.

3. The "all day" absence code to record student attendance, whenever a student was absent for the entire day, was not consistently used by the attendance clerk.

Questioned Costs: 1-3. Average daily attendance (ADA), reported on the P-2 and Annual attendance reports was understated/(overstated) by the following amounts. There is no significant fiscal impact of this finding as the District is funded under the Basic Aid provision; however the District may experience reduced categorical funding and SELPA funding as a result of this finding, which has not been calculated.

<u>Line</u>	<u>Program</u>	<u>P-2</u>	<u>Annual</u>
A-2	Grades 1-3	(0.76)	(0.78)
A-3	Grades 4-6	(0.36)	(0.30)
A-4	Grades 7-8	(0.33)	(0.41)
A-9	Special Education - SDC	0.76	(0.09)
A-10	Special Education - Nonpublic	(1.80)	(1.58)
A-15	Extended Year - Nonpublic	<u>0.27</u>	<u>      </u>
	Totals	<u>(2.22)</u>	<u>(3.16)</u>

Context: 1-3. The errors were noted during the review of supporting documents for the P-2 and Annual attendance reports.

Effect: 1-3. The District overstated the total ADA reported to the State in fiscal year 2012-13.

Causes: 1. The attendance clerk did not review the "Monthly Attendance Summary" report which showed the SDC teacher being reported under the regular education classes for one grade level instead of under Program S for the SDC class.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

ATTENDANCE (CONCLUDED)

Causes (Concluded):

2. Attendance reports are not independently reviewed for accuracy prior to being submitted to the State.
3. The District has not established formal procedures and documentation requirements to ensure that the use of "all day" absence codes and the verification of partial day versus full day absences is properly being performed and documented by site personnel.

Recommendations:

1. The District should establish procedures to ensure that site attendance clerks review monthly attendance reports to ensure that the average daily attendance for SDC pupils is properly reported in Program S instead of the regular education program.
2. The District should establish procedures to ensure that attendance reports are independently reviewed for accuracy prior to submitting the attendance reports to the State.
3. The District should establish formal procedures and documentation requirements to ensure that the use of "all day" absence codes and the verification of partial day versus full day absences is properly being performed and documented by site personnel.

In addition, the District should revise the P-2 and Annual attendance reports to reflect the audited numbers on page 55 of this report.

District Response:

The District has provided written instructions and additional training to the attendance clerk (school site secretary). The District will continue to work with the attendance clerk and school site administration to emphasize the importance of reviewing accurate monthly attendance so that once the District Office receives and runs the reports there will be less errors.

**SAUSALITO MARIN CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**13 - 6 / 40000**

**SIGNIFICANT DEFICIENCY**

**CLASS SIZE REDUCTION**

Criteria: In accordance with Education Code Section 52124.5, school districts and charter schools should compute the average daily enrollment for each class by adding the active enrollment for each class for each instructional day starting from the first day of instruction through April 15, and dividing that total by the count of instructional days.

Condition: The District did not compute the average daily enrollment for each participating class in accordance with Education Code Section 52124.5.

Questioned Costs: Class size reduction funding claimed in fiscal year 2012-13 was overstated by \$9,639. (9 ineligible pupils x \$1,071)

Context: The District complied with all other class size reduction program compliance requirements.

Effect: The District claimed more funding than it was entitled to receive for fiscal year 2012-13, based on the actual number of eligible pupils served in qualifying class size reduction classes.

Cause: The report normally used by the District to calculate average daily enrollment was not available at the time the Form J-7CSR report was due to the State and the substitute report used by the District did not accurately calculate the average daily enrollment for each participating class.

Recommendation: The District should develop procedures to ensure that the average daily enrollment for each participating class claimed for funding is calculated in accordance with Education Code Section 52124.5. In addition, the District should file a revised Form J-7CSR for fiscal year 2012-13 with the following class sizes reported:

<u>Grade Level</u>	<u>Class Size</u>				<u>Totals</u>
	<u>13</u>	<u>14</u>	<u>16</u>	<u>18</u>	
Kindergarten				1	1
Grade One			1		1
Grade Two		1			1
Grade Three	1				1
Total Classes	1	1	1	1	4
Total Eligible Pupils	13	14	16	18	61

SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

CLASS SIZE REDUCTION (CONCLUDED)

District Response:

The District is working closely with technical support staff to ensure that all software upgrades are implemented so that alternatives reports are not needed to be used



SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

13 - 7 / 72000

**SIGNIFICANT DEFICIENCY**

SCHOOL ACCOUNTABILITY REPORT CARD

<u>Criteria:</u>	On November 8, 1988, California voters passed Proposition 98, also known as <i>The Classroom Instructional Improvement and Accountability Act</i> . This ballot initiative provides California public schools with a stable source of funding. In return, all public schools in California are required to prepare school accountability report cards on an annual basis and disseminate them to the public.
<u>Condition:</u>	The District did not publish a school accountability report card for Bayside Elementary School and Martin Luther King Jr. Academy for fiscal year 2012-13.
<u>Questioned Costs:</u>	None.
<u>Context:</u>	There were no complaints noted on the quarterly report of summarized complaint data in fiscal year 2012-13. The District completed OPSC's Facility Inspection Tool for both school sites in October 2012. The District approved a compliant resolution regarding the sufficiency of textbooks and instructional materials for fiscal year 2012-13 within the first eight weeks of the school year.
<u>Effect:</u>	The District did not comply with the requirements of Proposition 98 and therefore did not comply with any of the additional requirements added since the passage of Proposition 98.
<u>Cause:</u>	The employee responsible for the publication of the school accountability report card was on medical leave for a portion of the 2012-13 fiscal year, and later retired from the District. Due to budget cuts in administration, the District chose not to hire a replacement for that position, and those responsibilities were absorbed by other District personnel. In addition, the District Office moved locations in the summer of 2013 due to the ongoing construction required for the consolidation of the two school sites.
<u>Recommendation:</u>	The District should establish procedures to ensure that the required school accountability report cards are prepared for all school sites on an annual basis and disseminated to the public in accordance with Proposition 98. In addition, the District should contact the California Department of Education to determine if the District needs to take further action as a result of this finding.



SAUSALITO MARIN CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONCLUDED)

SCHOOL ACCOUNTABILITY REPORT CARD (CONCLUDED)

District Response:

The District will established procedures to ensure that the required school accountability report cards are prepared for all school sites on an annual basis and disseminated to the public in accordance with Proposition 98.

SAUSALITO MARIN CITY SCHOOL DISTRICT  
STATUS OF PRIOR YEAR RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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<u>Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Fully Implemented</u>
<b><u>FINANCIAL STATEMENT</u></b>		
<b>12 - 1 / 30000</b>		
<b><u>FINANCIAL REPORTING - UNAUDITED ACTUALS</u></b>		
The District should develop a comprehensive financial reporting checklist to ensure all relevant areas are covered during the year-end closing process.	Partially Implemented	Comment Repeated (Finding 13-1)
<b>12 - 2 / 30000</b>		
<b><u>MEAL REIMBURSEMENT CLAIM REPORTING</u></b>		
The District should revise the meal reimbursement claims for the months November 2011 and March 2012 for the accumulation errors noted. In addition, the District should investigate whether an automated system can be implemented at the elementary site to accumulate meal counts and reduce errors.	Implemented	
<b>12 - 3 / 30000</b>		
<b><u>CAFETERIA FUND ENCROACHMENT</u></b>		
The District should investigate program changes that will allow the Cafeteria Fund to operate closer to a break-even basis and become less dependent on General Fund contributions.	Not Implemented	Comment Repeated (Finding 13-2)
<b><u>STATE AWARDS</u></b>		
<b>12 - 4 / 10000</b>		
<b><u>ATTENDANCE REPORTING</u></b>		
The District should establish procedures to ensure that attendance reports are independently reviewed for accuracy and completeness prior to submitting the attendance reports to the state.	Not Implemented	Comment Repeated (Finding 13-5)

SAUSALITO MARIN CITY SCHOOL DISTRICT  
STATUS OF PRIOR YEAR RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Fully Implemented</u>
<b><u>STATE AWARDS (CONCLUDED)</u></b>		
<b>12 - 4 / 10000</b>		
<b><u>ATTENDANCE REPORTING (CONCLUDED)</u></b>		
The District should establish procedures to ensure site personnel properly handle student enrollment and disenrollment from the attendance system.	Implemented	
The District should revise the P-2 and Annual attendance reports to reflect the audited numbers.	Implemented	
<b>12 - 5 / 10000</b>		
<b><u>KINDERGARTEN CONTINUANCE</u></b>		
The District should instruct personnel at the elementary school site to maintain a separate file for approved kindergarten continuation forms completed each year. The District should revise the P-2 and Annual attendance reports to reflect the audited numbers.	Implemented	
<b>12 - 6 / 40000</b>		
<b><u>AFTER SCHOOL EDUCATION AND SAFETY PROGRAM - ATTENDANCE</u></b>		
The District should establish procedures to ensure that after school staff reconcile daily attendance totals to their monthly attendance total reports. In addition, the District should establish procedures to ensure that site monthly attendance report totals are accurately entered onto the District's attendance summary worksheet.	Implemented	

## Sausalito Marin City School District

**Agenda Item:** 9.02

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☒ Financial & Business Procedures  
☐ Curriculum and Instruction  
☐ Policy Development

☐ Consent Agenda

**Item Requires Board Action:**   X        **Item is for Information Only:**       

**Item:** Willow Creek Academy Audit Report for 2012-2013

**Background:**

The Willow Creek Academy Audit for fiscal year ended June 30, 2013, prepared by Vicenti Lloyd & Stutzman LLP, was received in early December and distributed to WCA's Board at its December meeting.

The audit includes examining evidence supporting the amounts and disclosures in WCA financial statements. There were no audit findings for the prior year; there were no required responses.

Clark Warden or a representative from WCA will be present to discuss the audit in general and answer any questions from the Board.

**Fiscal Impact:**

None

**Recommendation:**

The Board of Directors for Willow Creek Academy recommends acceptance of the audit for the year ending June 30, 2013.

**Prepared for:** Steve Van Zant

**Prepared by:** P. Rigney

**WILLOW CREEK ACADEMY**

**(A California Non-Profit  
Public Benefit Corporation)**

**Audited Financial Statements  
for the Year Ended  
June 30, 2013**

# WILLOW CREEK ACADEMY

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Willow Creek Academy  
Sausalito, CA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Willow Creek Academy (the Academy), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 opinion.

Board of Directors  
Willow Creek Academy

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Academy as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

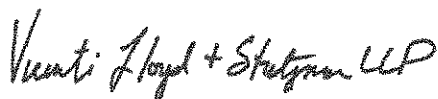
## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules on pages 10-13 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated November 17, 2013 on our consideration of the Academy'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 this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



VICENTI, LLOYD & STUTZMAN LLP  
Glendora, CA  
November 17, 2013



**WILLOW CREEK ACADEMY**  
(A California Non-Profit Public Benefit Corporation)

**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2013**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 279,728
Accounts receivable - state and local governments	380,791
Prepaid expenses	<u>1,433</u>
Total current assets	<u>661,952</u>

**LONG-TERM ASSETS:**

Buildings	54,335
Equipment	27,616
Less: Accumulated depreciation	<u>(37,254)</u>
Total long-term assets	<u>44,697</u>
Total assets	<u><u>\$ 706,649</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable	\$ 131,691
Accrued liabilities	<u>131,594</u>
Total current liabilities	<u>263,285</u>
Total liabilities	<u>263,285</u>

**NET ASSETS:**

Unrestricted	<u>443,364</u>
Total net assets	<u>443,364</u>
Total liabilities and net assets	<u><u>\$ 706,649</u></u>

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

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2013**

**REVENUES:**

Revenue in-lieu of property taxes	\$ 1,438,510
State revenue:	
State apportionment	55,620
Block grant - categorical	172,153
Lottery revenue	43,130
Other state revenue	94,911
Federal revenue:	
Other federal revenue	119,259
Other local revenue:	
Interest income	349
Other revenue	<u>668,312</u>
Total unrestricted revenues	<u>2,592,244</u>

**EXPENSES:**

Program services:	
Educational programs	2,201,422
Support services:	
General and administrative	<u>283,719</u>
Total expenses	<u>2,485,141</u>
Increase in unrestricted net assets	107,103
Beginning unrestricted net assets	<u>336,261</u>
Ending unrestricted net assets	<u><u>\$ 443,364</u></u>

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

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2013**

**CASH FLOWS from OPERATING ACTIVITIES:**

Change in Net Assets	\$ 107,103
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	7,686
(Increase) and decrease in operating assets:	
Accounts receivable - state and local governments	(68,517)
Prepaid expenses	750
Increase and (decrease) in operating liabilities:	
Accounts payable	(12,166)
Accrued liabilities	<u>28,532</u>
Net cash provided by operating activities	<u>63,388</u>
Net increase in cash and cash equivalents	63,388
Cash and cash equivalents at the beginning of the year	<u>216,340</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 279,728</u></u>

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

**WILLOW CREEK ACADEMY**  
(A California Non-Profit Public Benefit Corporation)

**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2013

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

*Nature of Activities* – Willow Creek Academy (the Academy) is a California non-profit public benefit corporation and is organized to operate a K-8 Charter Academy and is sponsored by Sausalito Marin City Academy District (the District). The charter was granted on March 2001 by the District.

Willow Creek Academy is funded principally through the State of California public education monies received through the California Department of Education and the District.

The charter may be revoked by the District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

*Net Asset Classes* – The Academy is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Net assets of the Academy consist of the following:

- Unrestricted: All resources over which the governing board has discretionary control to use in carrying on the general operations of the Academy.
- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. The Academy does not currently have any temporarily restricted net assets.
- Permanently restricted: These net assets are permanently restricted by donors and cannot be used by the Academy. The Academy does not currently have any permanently restricted net assets.

*Revenue Recognition* – Amounts received from the California Department of Education are recognized as revenue by the Academy based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

*Cash and Cash Equivalents* – The Academy defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

*Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure. Accordingly, actual results could differ from those estimates.

*Basis of Accounting* – The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and other liabilities.

*Functional Allocation of Expenses* – The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

*Land, Buildings and Equipment* – Land, buildings and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. The Academy capitalizes all expenditures for land, buildings and equipment in excess of \$5,000.

*Income Taxes* – The Academy is a non-profit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. The Academy has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Academy's continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not (>50%) of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

The Academy files informational returns in the U.S. federal jurisdiction, and the state of California. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

*Evaluation of Subsequent Events* – The Academy has evaluated subsequent events through November 17, 2013, the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

**NOTE 2 – CONCENTRATION OF CREDIT RISK:**

The Academy maintains its cash in bank deposit accounts at various institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, cash in these accounts exceeds the insured amounts. The Academy has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 3 – ACCOUNTS RECEIVABLE:**

Accounts receivable consists of funds due from state and federal governments, therefore no provisions for uncollectible accounts were recorded.

**NOTE 4 – EMPLOYEE RETIREMENT SYSTEMS:**

The Academy offers an Internal Revenue Code Section 403(b) retirement plan to each of its qualifying employees. Employer and employee contributions are used to purchase annuity contracts for each participant employee. Employer matching contributions are made at the rate equal to 50 percent of the first two percent of elective deferrals for each employee who is eligible for employer contributions. Additionally, the employer may elect to make a discretionary contribution for each qualifying employee for each plan year. The amount of employer contributions used to purchase annuity contracts for the year ended June 30, 2013 was \$54,754.

**NOTE 5 – CONTINGENCIES:**

The Academy 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 disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

## SUPPLEMENTARY INFORMATION

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**HISTORY AND ORGANIZATION**  
**June 30, 2013**

Willow Creek Academy (the Academy) is a California non-profit public benefit corporation and is organized to operate a K-8 Charter Academy and is sponsored by Sausalito Marin City Academy District (the District). The charter was granted on March 2001 by the District.

The District granted the charter through June 30, 2014.

The charter Academy number is 0351.

The Board of Directors and the Administrator for the fiscal year ended June 30, 2013 were as follows:

**Board of Directors**

<b><u>Member</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>
Orlando Lobo	President	2016
Phil Kerr	Vice President	2016
Jeffrey Knowles	Secretary	2013
Clark Warden	Treasurer	2014
Kathy Pearson	Member	2013
Kurt Weinsheimer	Member	2016
Glen Hayashi	Member	2016
Douglas Lloyd	Member	2016
Sue Krenek	Member	2013
Robert Greene	Member	2014
Johnathan Logan	Member	2015

**Administrator**

Caroline Cooper	Head of Academy
-----------------	-----------------



**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**SCHEDULE OF EXPENDITURES BY STATE CATEGORIES**  
**For the Year Ended June 30, 2013**

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Certificated salaries	\$ 1,060,581	\$ -	\$ 1,060,581
Classified salaries	446,087	59,531	505,618
Employee benefits	280,311	10,049	290,360
Books and supplies	136,971	21,194	158,165
Services and other operating expenses	269,786	192,945	462,731
Depreciation	<u>7,686</u>	<u></u>	<u>7,686</u>
Total	<u>\$ 2,201,422</u>	<u>\$ 283,719</u>	<u>\$ 2,485,141</u>

See the notes to the supplementary information.

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**SCHEDULE OF INSTRUCTIONAL MINUTES**  
**For the Year Ended June 30, 2013**

	2012-13 Minutes			Status
	Requirement	Reduced	Actual	
Kindergarten	36,000	34,971	56,550	In compliance
Grade 1	50,400	48,960	57,690	In compliance
Grade 2	50,400	48,960	57,690	In compliance
Grade 3	50,400	48,960	57,690	In compliance
Grade 4	54,000	52,457	57,690	In compliance
Grade 5	54,000	52,457	57,690	In compliance
Grade 6	54,000	52,457	57,690	In compliance
Grade 7	54,000	52,457	57,690	In compliance
Grade 8	54,000	52,457	57,690	In compliance

See the notes to the supplementary information.

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)**  
**For the Year Ended June 30, 2013**

	<u>Second Period</u>		<u>Annual Report</u>	
	<u>Classroom</u>		<u>Classroom</u>	
	<u>Based</u>	<u>Total</u>	<u>Based</u>	<u>Total</u>
Kindergarten	56.35	56.35	56.69	56.69
Grades 1 through 3	106.54	106.54	107.32	107.32
Grades 4 through 6	66.93	66.93	66.93	66.93
Grades 7 through 8	<u>48.28</u>	<u>48.28</u>	<u>48.08</u>	<u>48.08</u>
ADA Totals	<u>278.10</u>	<u>278.10</u>	<u>279.02</u>	<u>279.02</u>

See the notes to the supplementary information.

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**RECONCILIATION OF ANNUAL FINANCIAL REPORT**  
**WITH AUDITED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

There were no differences between the net assets reported on the June 30, 2013 audited financial statements and the Annual Financial Report fund balances (net assets).

See the notes to the supplementary information.

**WILLOW CREEK ACADEMY**  
(A California Non-Profit Public Benefit Corporation)

**NOTES TO SUPPLEMENTARY INFORMATION**  
For the Year Ended June 30, 2013

**NOTE 1 - PURPOSE OF SCHEDULES**

**A. Schedule of Expenditures by State Categories**

This schedule presents expenses by the object codes according to state categories for analysis purposes.

**B. Schedule of Instructional Minutes**

This schedule presents information on the amount of instructional time offered by the Academy and whether the Academy complied with the provisions of Education Code Sections 46200 through 46206.

**C. Schedule of Average Daily Attendance (ADA)**

Average daily attendance is a measurement of the number of pupils attending classes of the Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to the Academy. This schedule provides information regarding the attendance of students at various grade levels.

**D. Reconciliation of Annual Financial Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance (net assets) of the Academy as reported on the Annual Financial Report form to the audited financial statements.



**INDEPENDENT AUDITOR'S 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 Directors  
Willow Creek Academy  
Sausalito, CA

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 Willow Creek Academy (the Academy), a California non-profit public benefit corporation, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy's financial statements, and have issued our report thereon dated November 17, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of financial statements, we considered the Academy'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy'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 over financial reporting 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.

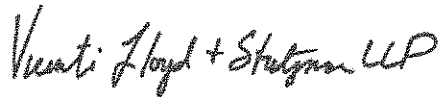
**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

**Compliance and Other Matters**

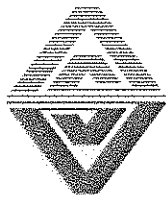
As part of obtaining reasonable assurance about whether the Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



VICENTI, LLOYD & STUTZMAN LLP  
Glendora, CA  
November 17, 2013



**INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE**

Board of Directors  
Willow Creek Academy  
Sausalito, CA

We have audited the compliance of Willow Creek Academy (the Academy) with the types of compliance requirements described in the *2012-13 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel for the year ended June 30, 2013. The Academy's State compliance requirements are identified in the table below.

**Management's Responsibility**

Compliance with the State laws and regulations as identified below is the responsibility of the Academy's management.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Academy's compliance based on our audit of the types of compliance 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 the *2012-13 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the Academy'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 State compliance. Our audit does not provide a legal determination of the Academy's compliance with those requirements.

**Compliance Requirements Tested**

In connection with the audit referred to above, we selected and tested transactions and records to determine the Academy's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting:		
Attendance reporting	6	Not applicable
Teacher Certification and Misassignments	3	Not applicable
Kindergarten continuance	3	Not applicable
Continuation education	10	Not applicable
Independent study	23	Not applicable



## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Instructional time:		
School Districts	6	Not applicable
County Offices of Education	3	Not applicable
Class size reduction program (including charter Schools):		
General requirements	7	Yes
Option 1	3	Yes
Option 2	4	Not applicable
One School serving K-3	4	Yes
Instructional materials general requirements	8	Not applicable
Ratios of administrative employees to teachers	1	Not applicable
Classroom teacher salaries	1	Not applicable
Early retirement incentive	4	Not applicable
GANN limit calculation	1	Not applicable
School Accountability Report Card	3	Not applicable
Juvenile Court Schools	8	Not applicable
After School Education and Safety Program:		
General requirements	4	Not applicable
After School	5	Not applicable
Before School	6	Not applicable
Charter Schools:		
Contemporaneous records of attendance	1	Yes
Mode of Instruction	1	Yes
Nonclassroom-based instructional/independent study	15	Not applicable
Determination of funding for nonclassroom-based instruction	3	Not applicable
Annual instructional minutes – classroom based	4	Yes

### Opinion on State Compliance

In our opinion, the Academy complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2013.

### Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2012-13 Standards and Procedures for Audits of California K-12 Local Education Agencies*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

*Vicenti Lloyd + Stutzman LLP*

VICENTI, LLOYD & STUTZMAN LLP  
Glendora, CA  
November 17, 2013

**WILLOW CREEK ACADEMY**  
(A California Non-Profit Public Benefit Corporation)

**SCHEDULE OF FINDINGS AND RESPONSES**  
**June 30, 2013**

All audit findings must be identified as one or more of the following eleven categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
41000	CalSTRS
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teachers Salaries
70000	Instructional Materials
71000	Teacher Misassignments
72000	Academy Accountability Report Card

There were no findings for the year ended June 30, 2013.

**WILLOW CREEK ACADEMY**  
**(A California Non-Profit Public Benefit Corporation)**

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**  
**June 30, 2013**

There were no findings for the year ended June 30, 2012.



November 17, 2013

To the Board of Directors of  
Willow Creek Academy

We have audited the financial statements of Willow Creek Academy (the Academy) for the year ended June 30, 2013, and have issued our reports thereon dated November 17, 2013, respectively. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 18, 2012. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Academy are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies has not changed during the year ended June 30, 2013. We noted no transactions entered into by the Academy during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop estimates in determining that they are reasonable in relation to the financial statements taken as a whole. See the attached schedule of accounting estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

2210 E. Route 66, Suite 100, Glendora, CA 91740

Tel 626.857.7300 | Fax 626.857.7302 | 137 OF 242 | Email [info@VLSLLP.COM](mailto:info@VLSLLP.COM) | Web [WWW.VLSLLP.COM](http://WWW.VLSLLP.COM)

To the Board of Directors  
Willow Creek Academy  
Page 2

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no adjustments made during the audit.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 17, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Academy's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Academy's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

**Other Matters**

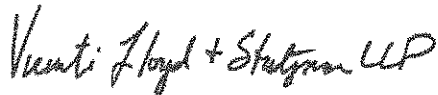
With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We are not aware of other documents that contain the audited financial statements; if such documents are to be published, we have a responsibility to determine that such financial information is materially consistent with the audited statements of the Academy.

**Closing**

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Academy.

This information is intended solely for the use of the Board of Directors, management and others within the Academy and is not intended to be and should not be used by anyone other than these specified parties.



VICENTI, LLOYD & STUTZMAN LLP  
Glendora, CA

## Willow Creek Academy

### Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of the financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Academy's June 30, 2013 financial statements:

<b>Estimate</b>	<b>Accounting Policy</b>	<b>Management's Estimation Process</b>	<b>Basis for Our Conclusions on Reasonableness of Estimate</b>
Valuation of receivables	Management does not record an allowance for doubtful accounts.	Management believes receivables are collectible since most are from governmental units. However, management reviews individual receivable balances at year end to evaluate the appropriate allowance, if any.	We reviewed management's estimate noting the method and assumptions were reasonable and in accordance with generally accepted accounting principles (GAAP) requirements.
Fixed assets and depreciation	Management depreciates fixed assets on a straight-line basis over the estimated useful lives of the assets.	Management reviews fixed asset listing and estimates useful life based on industry norms. Any impairment of fixed assets is identified on an annual basis.	We reviewed management's estimate noting the method and assumptions were reasonable and in accordance with generally accepted accounting principles (GAAP) requirements.
Allocation of functional expenses	The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services based on management's estimates.	Throughout the year management codes certain expenses based on a functional classification. For other expenses, management prepares an analysis of the expense recognized to data and calculates the allocation.	We reviewed management's estimate noting the method and assumptions were reasonable, consistent with prior years, and in accordance with applicable GAAP requirements.

## Sausalito Marin City School District

**Agenda Item:** 9.03

**Date:** January 14, 2014

<input type="checkbox"/> Correspondence	<input checked="" type="checkbox"/> Consent Agenda
<input type="checkbox"/> Reports	
<input type="checkbox"/> General Functions	
<input type="checkbox"/> Pupil Services	
<input type="checkbox"/> Personnel Services	
<input checked="" type="checkbox"/> Financial & Business Procedures	
<input type="checkbox"/> Curriculum and Instruction	
<input type="checkbox"/> Policy Development	

**Item Requires Board Action:** ☒ **Item is for Information Only:** ☐

**Item:** Audit Contract for Year End June 30, 2014

**Background:**

The Board has a three (3) year contract with Stephen Roatch Accountancy Corporation for the 2012/2013, 2013/2014 and 2014/2015 school years. The auditing firm's policy is to send out an annual engagement letter for the District to sign, even with a multi-year contract, so the Board is aware of the various responsibilities for both parties.

Stephen Roatch Accountancy Corporation will conduct the district's 2013-2014 annual financial audit to analyze all reports and make sure that the district is in compliance. The audit will focus on the following areas:

- Audit objectives: audit will be conducted in conformity and accordance with auditing standards generally accepted in U.S. and the standards for Governmental Auditing Standards, CA Code of Regulations, Title 5, Education, Section 19810 and Education Audit Appeals Panel's Standards and Procedures for Audits of CA K-12 Local Education Agencies
- Review Management's Responsibilities
- Review District's general auditing procedures, internal controls, compliance, etc.

**Fiscal Impact:**

The cost of this audit is \$16,300 including reimbursable expenses.

**Recommendation:**

This item is brought before the board for review and discussion.

**Prepared for:** Steve Van Zant

**Prepared by:** P. Rigney



**STEPHEN ROATCH ACCOUNTANCY CORPORATION**

Certified Public Accountants

Stephen Roatch - President  
Habbas Nassar - Vice President

December 23, 2013

Management and Governing Board of  
Sausalito Marin City School District  
630 Nevada Street  
Sausalito, CA 94965

**Year 2 of 3 year contract**

This letter confirms that Sausalito Marin City School District has requested our firm to perform only the audit services described in this letter, and has not requested our firm to provide any specific internal control review or fraud audit service. This letter also confirms our understanding of the terms and objectives of our audit engagement and the nature and limitations of the services we will provide.

We are pleased to confirm our understanding of the services we are to provide Sausalito Marin City School District for the fiscal year ending June 30, 2014. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Sausalito Marin City School District as of and for the fiscal year ending June 30, 2014. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Sausalito Marin City School District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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. As part of our engagement, we will apply certain limited procedures to Sausalito Marin City School District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Schedule of Revenues, Expenditures, and Changes in Fund Balances budgetary comparison for the General Fund and each Major Special Revenue Fund that has an adopted budget.

We have also been engaged to report on supplementary information other than RSI that accompanies Sausalito Marin City School District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

1. Schedule of expenditures of federal awards.
2. Combining statements and the remaining schedules included in the supplementary information section of the audit.

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Sausalito Marin City School District and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Sausalito Marin City School District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Management Responsibilities**

Management is responsible for the nonaudit services we provide and all accompanying information as well as all representations contained therein. Nonaudit services include preparation of your financial statements, note disclosures, GASB 34 conversion entries, depreciation schedule, schedule of federal awards, and proposing standard, adjusting, or correcting journal entries or other changes affecting the financial statements. Management is responsible for making all management decisions and performing all management functions relating to these nonaudit services. The scope of the nonaudit services does not constitute an audit conducted under Generally Accepted Government Auditing Standards (GAGAS.) Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements. As part of the audit, we will assist with preparation of your financial statements, note disclosures, GASB 34 conversion entries, depreciation schedule, schedule of federal awards, and may propose standard, adjusting, or correcting journal entries or other changes affecting the financial statements (nonaudit services).

### **Management Responsibilities (Continued)**

You will be required to acknowledge in the written representation letter our assistance with the preparation of these nonaudit services and that you have reviewed and approved these nonaudit services, prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for the nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants, and for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period; and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.



### **Management Responsibilities (Concluded)**

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

#### **Audit Procedures - Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures - Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform test of Sausalito Marin City School District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Engagement Administration, Fees, and Other**

Whenever possible, we will attempt to use the District's personnel to assist in the preparation of schedules, analyses of accounts, and locating any documents selected by us for testing. This effort could substantially reduce our time requirements, facilitate the timely conclusion of the audit, and help you hold down audit fees.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

In accordance with Education Code 41020, audit reports will be filed with the County Superintendent of Schools, the California Department of Education, and the State Controller's Office by December 15<sup>th</sup> following the close of the fiscal year. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

#### **Engagement Administration, Fees, and Other (Continued)**

The audit documentation for this engagement is the property of Stephen Roatch Accountancy Corporation and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Controller's Office or its designee, Department of Education, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Stephen Roatch Accountancy Corporation personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Roatch, Certified Public Accountant (CPA) is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. We agree that our all-inclusive fee will not exceed **\$16,300** for the audit of Sausalito Marin City School District for the fiscal year ending June 30, 2014. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. An additional fee will be charged for attending meetings with the District's Board, if deemed appropriate.

Either party may terminate this agreement at any time for any reason, providing 30 days written notice is given to the other party. It is understood that payment shall be made for services rendered to the point of termination.

It is agreed that the District will withhold ten (10) percent of the audit fee until the State Controller certifies that the report conforms to the reporting provisions of the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies*.

In accordance with Education Code Section 14505, it is further agreed that the District will withhold fifty (50) percent of the audit fee for any subsequent year of a multi-year contract if the prior year's audit report was not certified as conforming to reporting provisions of the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies*.

The State Controller of California has required that all Districts and auditors contracting for multi-year engagements include a stipulation that the contract is null and void if the auditor is declared ineligible to perform LEA audits.

In the event that the GASB, FASB, AICPA, GAO, OMB, or the Education Audit Appeals Panel's Office issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further. Before starting the additional work, we will prepare an estimate of the time necessary, as well as the fee for performing the additional work. Our fee for addressing the additional requirements will be our standard hourly rates for each person involved in the additional work.

Management and Governing Board of  
Sausalito Marin City School District  
December 23, 2013  
Page Seven of Eight

#### **Engagement Administration, Fees, and Other (Concluded)**

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our applicable hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. We have attached a copy of our latest external peer review report of our firm for your consideration and files. We are very pleased to participate in this review program as continued evidence of our emphasis on providing Sausalito Marin City School District, the highest quality audit.

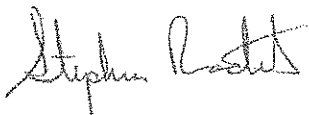
This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties.

We appreciate the opportunity to be of service to Sausalito Marin City School District. If, after full consideration, you agree that the foregoing terms shall govern this engagement, please sign this letter in the spaces provided and return the original signed letter to me, keeping a fully-executed copy for your records.

Management and Governing Board of  
Sausalito Marin City School District  
December 23, 2013  
Page Eight of Eight

Sincerely,

STEPHEN ROATCH ACCOUNTANCY CORPORATION



Stephen Roatch, Certified Public Accountant  
President

RESPONSE:

This letter correctly sets forth the understanding of Sausalito Marin City School District.

Management

Approved by: \_\_\_\_\_

Title: Superintendent

Date: 1/14/2014

Governing Board

Acknowledged by: \_\_\_\_\_

Title: Board President

Date: 1/14/2014



## Sausalito Marin City School District

**Agenda Item:** 9.04

**Date:** January 14, 2014

<input type="checkbox"/> Correspondence	<input checked="" type="checkbox"/> Consent Agenda
<input type="checkbox"/> Reports	
<input type="checkbox"/> General Functions	
<input type="checkbox"/> Pupil Services	
<input type="checkbox"/> Personnel Services	
<input checked="" type="checkbox"/> Financial & Business Procedures	
<input type="checkbox"/> Curriculum and Instruction	
<input type="checkbox"/> Policy Development	

**Item Requires Board Action:** ☒ **Item is for Information Only:** ☐

**Item:** Annual Adjustment to Bid Threshold

**Background:**

The California Department of Education under the State Superintendent of Public Instruction office (SSPI) is required to annually adjust the \$50,000 competitively bid and award contract/expenditure amount for Public Contract Code (PCC) Section 20111 (a). The annual amount is adjusted for inflation (to the nearest \$100) and to reflect the percentage change in the annual average value of the Implicit Price Deflator for the State and Local Government Purchases of Goods and Services for the United States

Attached is the California Department of Education's bulletin on the 2014 annual adjustment.

**Fiscal Impact:**

There is no direct financial impact from this adjustment.

**Recommendation:**

This item is brought before the board approval.

**Prepared for:** Steve Van Zant

**Prepared by:** P. Rigney



CALIFORNIA  
DEPARTMENT OF  
EDUCATION

**TOM TORLAKSON**

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

December 20, 2013

Dear County and District Superintendents and Chief Business Officials, and Charter School Administrators:

**ANNUAL ADJUSTMENT TO BID THRESHOLD FOR CONTRACTS  
AWARDED BY SCHOOL DISTRICTS**

*Public Contract Code (PCC)* Section 20111(a) requires school district governing boards to competitively bid and award any contracts involving an expenditure of more than \$50,000, adjusted for inflation, to the lowest responsible bidder. Contracts subject to competitive bidding include:

1. Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district.
2. Services that are not construction services.
3. Repairs, including maintenance as defined in *PCC* Section 20115, that are not public projects as defined in *PCC* Section 22002(c).

The State Superintendent of Public Instruction (SSPI) is required to annually adjust the \$50,000 amount specified in *PCC* Section 20111(a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce, for the 12-month period ending in the prior fiscal year. The inflation adjustment is rounded to the nearest one hundred dollars (\$100).

Pursuant to the above calculation, and effective January 1, 2014, the SSPI has determined that the inflation adjusted bid threshold will increase by \$700, from \$83,400 to \$84,100. Shown below are the inflation adjusted bid thresholds for the current and two prior years.

Calendar Year	Bid Threshold	Percentage Change in Implicit Price Deflator
2012	\$81,000	2.72%
2013	\$83,400	2.99%
2014	\$84,100	.858%

December 20, 2013

Page 2

Also note that public projects as defined in *PCC* Section 22002(c), such as construction or reconstruction of publicly owned facilities, have a lower bid threshold of \$15,000 that is not adjusted for inflation. For more information on bidding requirements for all projects, refer to *PCC* sections 20110 to 20118.4.

This letter (with links to the *PCC* sections cited above) is posted on the Office of Financial Accountability and Information Services Web page at <http://www.cde.ca.gov/fq/ac/co/>.

If you have questions regarding this subject, please contact the Office of Financial Accountability and Information Services by phone at 916-322-1770 or by e-mail at [sacsinfo@cde.ca.gov](mailto:sacsinfo@cde.ca.gov).

Sincerely,



Peter Foggiato, Director  
School Fiscal Services Division

PF:jb

y2013-1701

**Sausalito Marin City School District**

**Agenda Item:** 9.05

**Date:** January 14, 2014

<input type="checkbox"/> Correspondence	<input checked="" type="checkbox"/> Consent Agenda
<input type="checkbox"/> Reports	
<input type="checkbox"/> General Functions	
<input type="checkbox"/> Pupil Services	
<input type="checkbox"/> Personnel Services	
<input checked="" type="checkbox"/> Financial & Business Procedures	
<input type="checkbox"/> Curriculum and Instruction	
<input type="checkbox"/> Policy Development	

**Item Requires Board Action:** \_\_\_\_\_ **Item is for Information Only:** \_\_\_\_\_

**Item:** InterSchola Service Agreement

**Background:**

InterSchola provides auction services, planning, inventory and scheduling for items agreed upon by both parties.

**Fiscal Impact:**

None

**Recommendation:**

This item is brought before the board for approval.

**Prepared for:** Steve Van Zant

**Prepared by:** P. Rigney

## INTERSCHOLA™ SERVICE AGREEMENT

This Services Agreement ("Agreement") is made as of the last date set forth below in the signature blocks of this Agreement (the "Effective Date") by and between Interscholastic Trading Company, LLC., having its principal place of business in San Francisco, California ("InterSchola"), and Sausalito Marin City School District, a California Public Agency located in Sausalito, California ("Client").

### Recitals

- A. InterSchola offers a service to assist Client in selling surplus new and used public agency goods in an online auction environment and through other surplus goods channels in compliance with relevant state and federal law.
- B. Client desires to sell surplus public agency goods and to engage InterSchola to assist in such endeavor.

### Agreement

In consideration of the foregoing Recitals (which are incorporated herein) and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

#### 1. InterSchola Responsibilities.

InterSchola shall use commercially reasonable efforts to perform the services as more fully described in Exhibit A ("Auction Plan and Schedule") and to complete such services in a professional and workmanlike manner. InterSchola may retain independent contractors to manage the auction activities remotely and at the Client location(s) ("Field Auction Specialist(s)") and shall use commercially reasonable efforts to ensure that the Field Auction Specialists perform their tasks in a professional and workmanlike manner. InterSchola shall be in compliance with all laws, ordinances, rules and regulations relevant as a result of the services contemplated hereunder. InterSchola shall secure and maintain in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Agreement. InterSchola may update Exhibit A ("Auction Plan and Schedule") by providing Client thirty (30) days written notice.

#### 2. Client Responsibilities.

Client agrees to assign a representative who will be the primary contact for InterSchola (the "Client Representative") to work with InterSchola and its Field Auction Specialist(s). Client will provide a safe and clean environment for the Field Auction Specialist(s) in which to perform his/her inventory and related work. Further, Client acknowledges that InterSchola's ability to perform as required under the Auction Plan and Schedule will require Client to perform certain tasks as contemplated in Exhibit A, which Client agrees to perform in a commercially reasonable manner. Client shall be in compliance with all laws, ordinances, rules and regulations relevant as a result of the services contemplated hereunder. Client represents that it has the right to sell any items to be sold in connection with this Agreement. Client will indemnify and hold harmless InterSchola and its officers, Managers, employees and agents from and against all claims, damages, losses or costs (including reasonable attorney fees) arising in connection with any claim based on or arising from items sold or offered for sale in connection with this Agreement or title thereto, except to the extent such claim is based on the negligence or willful misconduct of InterSchola or its agents.

### 3. Relationship of the Parties.

Nothing contained herein shall be deemed to establish a partnership, joint venture, association, or employment relationship between Client and InterSchola or between Client and InterSchola's Field Auction Specialist(s). InterSchola agrees and acknowledges that neither it nor any of its employees or independent contractors shall be considered officers, employees or agents of Client and are not entitled to benefits of any kind from Client and InterSchola shall be responsible for payment of all federal, state and local taxes or contributions, if any, including for unemployment insurance, social security and income taxes with respect to InterSchola's employees.

### 4. Fees.

Client agrees to receive payment for items sold by InterSchola on behalf of Client less fees to InterSchola as set forth in Exhibit B ("Fee Structure"). InterSchola may update Exhibit B from time to time by providing Client thirty (30) days written notice, but in no event will such an update affect any listings for which Public Notice has already been posted. Client shall be responsible for the payment of any other fees, fines, licenses or taxes (including sales tax collected) required of or imposed against Client.

### 5. Client Acknowledgements.

Client acknowledges and agrees that: (i) InterSchola cannot predict how much, if any, revenue will be produced for Client through the activities contemplated in the Auction Plan and Schedule; (ii) the parties may not succeed in significant reduction of inventory or storage requirements for Client; (iii) active participation in the Auction Plan and Schedule by an appointed Client Representative will be required by Client and its employees or contractors (as set forth in this agreement); (iv) the Field Auction Specialists may be independent contractors retained by InterSchola, and may not be fully bonded or insured; and (v) Client agrees to assign Client Representative(s) to supervise and monitor InterSchola's employees or Field Auction Specialists while they are on Client's site and not to permit InterSchola nor any of its employees or Field Auction Specialists to have contact with any pupil during the course of performing the services contemplated herein.

### 6. Confidentiality; Limits Imposed by Law

InterSchola acknowledges that its Confidential Information may be disclosed to members of the public or at Client's public board meetings as required by law. Except to the extent required by these or other laws, a party receiving Confidential Information from the other party will not disclose or use it except as necessary to perform its obligations or enforce its rights under this Agreement, and each party will take all reasonable steps to ensure that its employees and agents comply with the foregoing. In the event of use or disclosure by the receiving party in violation of this Agreement, the disclosing party will be entitled to seek equitable relief without posting bond.

"Confidential Information" means: (i) with respect to Client, any personally identifiable information of an employee or student of Client's; (ii) with respect to InterSchola, all information which gives InterSchola a competitive business advantage or the disclosure of which would be detrimental to its interests; (iii) the terms of this Agreement; and (iv) all information that is marked as confidential. "Confidential Information" does not include information which: (i) is or becomes generally known to the public by any means other than a breach of the obligations of the receiving party; (ii) is received by the receiving party from a third party other than in breach of confidentiality obligations; (iii) is independently developed by the receiving party; or (iv) is subject to disclosure under court order or other lawful process.

### 7. Disclaimer of Warranties.



INTERSCHOLA DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, QUIET ENJOYMENT, QUALITY OF INFORMATION, FITNESS FOR A PARTICULAR PURPOSE, AND TITLE NON-INFRINGEMENT. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY INTERSCHOLA OR ITS AUTHORIZED REPRESENTATIVES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF INTERSCHOLA'S OBLIGATIONS HEREUNDER.

**8. Limitation of Liability and Damages.**

EXCEPT WITH RESPECT TO CLIENT'S INDEMNITY OBLIGATIONS IN SECTION 2, NEITHER PARTY NOR ANY OF ITS OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS SHALL BE LIABLE TO THE OTHER PARTY OR ANY OTHER INDIVIDUAL OR ENTITY FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE, DATA, OR USE ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. IN NO EVENT WILL INTERSCHOLA'S LIABILITY ARISING OUT OF OR OTHERWISE WITH RESPECT TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT, TORT OR OTHERWISE) EXCEED THE GREATER OF THE MAXIMUM AMOUNT COVERED BY ANY APPLICABLE INSURANCE CARRIED BY INTERSCHOLA OR THE AMOUNTS RECEIVED BY INTERSCHOLA UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS PRIOR TO THE DATE LIABILITY IS DETERMINED.

**9. Term and Termination.**

The term ("Term") of this Agreement shall begin on the Effective Date and shall continue thereafter for one year with automatic one year renewals. Either party may terminate this Agreement for material breach by the other party that is not cured thirty (30) days after receipt of written notice by the non-breaching party. Following the first anniversary of the Effective Date, either party may terminate this Agreement for no cause by providing thirty (30) days written notice to the other party.

**10. Publicity.**

Client grants InterSchola the right to and agrees that InterSchola may use Client's name and the existence of this Agreement in client lists, presentations or promotions with prior written approval from Client, which shall not be unreasonably withheld.

**11. Insurance.**

InterSchola shall procure and maintain for the duration of the Term insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by InterSchola.

InterSchola shall maintain limits no less than:

General Liability: \$1,000,000 per occurrence; \$2,000,000 aggregate.

## 12. General Provisions.

**12.1 Arbitration and Governing Law.** Except as provided below, any dispute, controversy or claim relating to this Agreement shall be in accordance with the then existing Commercial Arbitration Rules promulgated by the American Arbitration Association. The decision of the arbitrator shall be final and binding on the parties, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, this Section shall not preclude either party from seeking temporary, provisional, or injunctive relief from any court. This Agreement shall be governed by the laws of the State of California without reference to the principles of conflict of laws.

**12.2 Entire Agreement.** This Agreement sets forth the entire agreement between the parties with regard to the subject matter hereof. No other agreements, representations, or warranties have been made by either party to the other with respect to the subject matter of this Agreement, except as referenced herein. This Agreement may be amended only by a written agreement signed by both parties.

**12.3 Anti-Discrimination.** InterSchola will not engage in unlawful discrimination in employment of persons because of race, color, religious creed, national origin, ancestry, physical handicap, medical condition, marital status, age, sexual orientation or gender of such persons.

**12.4 Assignment.** The obligations of InterSchola pursuant to this Agreement may not be assigned, except, in the case of a merger or acquisition of all or substantially all of InterSchola's business.

**12.5 Severability.** If any of the provisions of this Agreement are found or deemed by a court to be invalid or unenforceable, they shall be severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement.

**12.6 Waiver.** Neither party shall by mere lapse of time without giving notice or taking other action hereunder be deemed to have waived any breach by the other party of any of the provisions of this Agreement. Further, the waiver by either party of a particular breach of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such breach, or of other breaches of the same or other provisions of this Agreement.

**12.7 Force Majeure.** Neither party shall be liable for any delay or failure to perform its obligations hereunder resulting from any cause beyond such party's reasonable control, including but not limited to acts of God, weather, fire, floods, strikes, work stoppages, slowdowns or other industrial disputes, accidents, riots or civil disturbances, acts of government, and acts of war or terrorism.

**12.8 Survival.** The following provisions shall survive termination or expiration of this Agreement: Section 2 (but only with respect to Client's indemnity obligation); Section 6 (Confidentiality); Section 7 (Disclaimer of Warranties); Section 8 (Limitation of Liability and Damages), and Section 12 (General Provisions).

### AGREED AND ACKNOWLEDGED:

CLIENT: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

INTERSCHOLASTIC TRADING COMPANY, LLC

Signature: \_\_\_\_\_

Print Name: MELISSA RICH

Title: CEO

Date: 1/7/14

Please fax the complete signed contract to (415) 651 9676.  
In addition, please mail two (2) complete signed copies of the complete agreement to:  
InterSchola

1004A O'Reilly Ave, 3rd Floor  
San Francisco, CA 94119



Exhibit A  
**AUCTION PLAN & SCHEDULE**

**GENERAL SERVICES**

- For purposes of this agreement, Surplus ("Surplus") is defined as material which is owned by the Client, deemed no longer needed by the Client, which has been declared as such by a responsible party, group or Board according to published protocol, and for which, the Client would like InterSchola to provide the company's services to evaluate a Sale ("Sale").
- InterSchola will conduct an Orientation with each Client (in person or by phone) ("Client Orientation") to review best practices for Surplus sales (including optimal frequency and strategies for organizing Surplus sales). Client is asked to invite all members of staff who may have access to or knowledge of Surplus items to participate in the Orientation.
- Client is asked to specify a first and second level contact for each Sale (herein referred to as Client Representative(s)) to ensure timely and efficient communications with InterSchola.
- It is InterSchola's policy that InterSchola shall not take title to or possession of any assets at any time. All items will remain at the Client location throughout the duration of the Sale.
- A "Completed Sale" is defined as an item which has been sold, payment has been received from buyer, and item has been removed from Client location (shipped or picked up by the Buyer or a representative of the Buyer) in accordance with regulatory requirements.

**AUCTION SERVICES - INVENTORY AUDIT**

- When notified of Surplus, the InterSchola Field Auction Specialist will visit the Client location to perform an Inventory Audit ("Inventory Audit"), the first step in the auction process to review assets identified as Surplus for Sale.
- During the Inventory Audit, the InterSchola Field Auction Specialist will review identified surplus asset inventory, evaluate asset quality, and determine feasibility of assets for Sale in an open market environment.
- For all items deemed feasible for Sale, the InterSchola Field Auction Specialist will mark items for inventory, create a basic inventory list, take digital photos and/or videos, and gather detailed product information on each item or LOT of (like) items.
- An Inventory Audit is typically a one-day, one location event (typically not to exceed 4 hours unless previously agreed to by both parties).
- If InterSchola is scheduled to do an Inventory Audit, but items to be inventoried are not yet adequately sorted by Client or easily accessible; if there is missing information (i.e. titles); or, if a detailed inventory list is requested from InterSchola in order for items to be declared surplus, then InterSchola may suggest and agree to perform a Surplus Assessment ("Surplus Assessment") in lieu of an Inventory Audit for purposes of helping the Client prepare the items for a full Inventory Audit. If an Inventory Audit is completed, but an auction does not culminate within (one) 1 month of the Inventory Audit date due to circumstances not caused by InterSchola, a follow up Surplus Assessment will be required to confirm that the items remain in the same condition as at the time of the Inventory Audit. (See Exhibit B - SURPLUS ASSESSMENT).
- Once the Inventory Audit has been completed by the InterSchola Field Auction Specialist, all items that have been inventoried by InterSchola are considered "InterSchola-Managed Inventory", and as such, InterSchola reserves all rights to manage the sale/removal of such assets in accordance with this Agreement until the items are sold, paid, and picked up or shipped, or until the items are officially released back to the Client for disposal through other means, herein referred to as "Released." If the Client chooses to designate a specific minimum price or time frame for Sale or Release, this information must be provided to InterSchola at the time of the Inventory Audit and will be considered a factor in InterSchola's evaluation and planning of the Sale.
- **POTENTIALLY DANGEROUS ITEMS.** With respect to asset(s) which InterSchola reasonably determines to be potentially dangerous to operate, including items which may be electrical, mechanical, motorized or otherwise operable (e.g. automobiles, power tools, sharp tools etc.), Client shall be responsible for operating the asset in the presence of InterSchola Field Auction Specialist in order for the product listing to include a valid statement regarding proven operability of the item at the time of listing.
- Should InterSchola Field Auction Specialist discover an environment that is not safe or clean to perform an Inventory Audit, InterSchola reserves the right to cancel or postpone the Inventory Audit until working conditions are improved.

**AUCTION SERVICES - AUCTION MANAGEMENT**

- For Sales which culminate within one (1) month of the Inventory Audit, InterSchola agrees to coordinate, host and manage the following Auction Service Events: one (1) on site Inspection Event and up to three (3) on site Pickup/Shipping Events for each completed Inventory Audit.
- InterSchola's Field Auction Specialist together with InterSchola's Buyer Services Team will use commercially reasonable efforts to determine best in class lotting strategies, to create detailed item descriptions (including text, pictures and/or videos), and to suggest optimum minimum start prices ("Item Descriptions") for each asset determined feasible for Sale.
- InterSchola will send a schedule of Auction Service Events and Item Descriptions to the Client Representative via email prior to auction launch. Client Representative is asked to review Item Descriptions and to confirm Client's ability to adhere to the proposed auction schedule, reasonable accuracy of listing content and acceptance of minimum start prices. Should Client Representative not respond by email to InterSchola 158-01242 of auction launch, InterSchola will necessarily assume that the

Client has approved the auction schedule, listing content and suggested minimum start price(s). Should a buyer later use an incorrect statement in the Listing as the basis for a valid refund request, and the error is not due to willful negligence of the Field Auction Specialist, then the cause of refund will be deemed the responsibility of the Client. (See Exhibit B - BUYER REFUNDS)

#### AUCTION SERVICES - AUCTION MARKETING AND CUSTOMER SERVICE

- Prior to a Sale, most public agency Clients must give public notice. InterSchola provides documentation to Client to be used for purposes of satisfying the requirement of Public Notice for a surplus auction.
  - In compliance with public agency regulatory requirements, InterSchola posts appropriate auction listings to eBay or other public bid platform(s) to satisfy public agency regulatory requirements for public auction. InterSchola pays all fees associated with listing assets on eBay and/or sales and marketing costs through other legally viable channels chosen by InterSchola.
  - InterSchola provides significant marketing to the buyer community. InterSchola's practice for notifying potential buyers about InterSchola auctions may include, but is not limited to: standard Public Notice documentation; public advertisement (newspaper, internet, radio, and other media); asset category specific search directory of items on the InterSchola website (www.interSchola.com); online promotion through 3rd party sites; key word purchases; social media promotion; email marketing campaigns; and/or direct mail or telephone campaigns to targeted audiences. InterSchola also provides each Client with a hyperlink that may be embedded into the Client website for promotion of items to a local audience.
  - InterSchola's Auction Management Staff provides full customer service support to the buyer community for all transactions managed by InterSchola including phone and email support, live viewing of items at hosted inspections, collection of payment, and, shipping or pickup delivery of item(s).
- #### AUCTION SERVICES - AUCTION CLOSE
- InterSchola collects payment from Buyer(s) (item sale price ("Sale Price") plus shipping and handling plus appropriate sales tax) ("Buyer Payment") in advance of pickup/shipping in accordance with Close of Auction and payment procedures specified in the published InterSchola Auction Listing ("Listing").
  - InterSchola Field Auction Specialist will return to the Client location(s), usually within 5-10 business days after the auction end date, to prepare shipping or host pickups of items (First Pickup/Shipping Event). Up to two (2) additional InterSchola hosted Pickup/Shipping Event(s) will be scheduled in advance with the Client Representative(s) to ensure flexibility for the Buyers.
  - InterSchola provides a Bill of Sale and Release of Liability form to every Buyer at pickup. InterSchola shall keep and maintain records of all consummated sales and related documentation. Such documentation shall be subject to Client's inspection and copies shall be provided to Client upon request.
  - All InterSchola auction items are sold "As-Is." Notwithstanding the foregoing, InterSchola does its best to ensure buyer/customer satisfaction. In the event that the buyer is not satisfied with product received from Client, InterSchola's Buyer Services team will attempt to arrange an adequate settlement with the buyer which may include a reasonable refund amount in accordance with reasonably accepted or mandated online auction business practices. (See Exhibit B - BUYER REFUNDS)
  - In the case that an item does not sell at auction or that a transaction is cancelled without payment or pickup, InterSchola will determine feasibility for relisting the item for subsequent auction or other means of Sale in accordance with public agency regulatory requirements.

#### COMPLEX SALVAGE ITEMS AND PUBLIC AGENCY SALES

- On behalf of its clients, InterSchola may agree to perform an Inventory Audit on a selection of items that requires greater time and attention than a standard Inventory Audit or may list for Sale certain items that require greater time and attention than standard items for marketing, and/or pickup removal - herein referred to as a "Complex Sale". Complex Sales may include, but are not limited to: building structures of any kind; equipment or machinery that is still installed at the time of Inventory Audit; items that have been modified from their original condition; items that require complex packing or handling for removal (e.g., crating); items that require buyer dismantling to facilitate removal; items that require multiple days for removal; or Inventory Audits at multiple locations or at locations for which access by the Field Auction Specialist or buyers is not readily available (e.g., non-warehouse locations). InterSchola will work to facilitate a successful Sale of such items as directed by the Client. (See Exhibit B - COMPLEX SALVAGE AND PUBLIC AGENCY SALES)
- On behalf of its clients, InterSchola may research channels for sale/disposal of assets which are a) deemed salvage by the Client at time of surplus declaration and/or by InterSchola at the time of inventory (i.e. furniture (including desks, chairs, tables, storage cabinets and file cabinets); outdated electronics or technology; vehicles sold for parts; other items to be sold for limited or scrap value (due to age or condition); or, b) items that do not sell at public auction, but which may be sold to a private buyer if a public Sale has been attempted in accordance with regulations regarding the Sale of surplus assets - herein referred to as a "Salvage Sale". InterSchola will work to facilitate a successful Sale of such items as directed by the Client. (See Exhibit B - COMPLEX SALVAGE AND PUBLIC AGENCY SALES)
- Note: Sales that are arranged and facilitated by an InterSchola partner or 3rd party industry standard service provider such as a certified ewaste recycling partner, a licensed salvage vehicle dealer, or scrap metal/plastics recycling partner will not be deemed a Salvage Sale for purposes of Exhibit B of this agreement. Standard rates will apply. On behalf of its Clients, InterSchola may offer Surplus items for Sale direct to another public agency or through a public agency sealed bid process, in accordance with regulatory procedures, herein referred to as a "Public Agency Sale". InterSchola will work to facilitate a successful Sale of such items as directed by the Client. (See Exhibit B - COMPLEX SALVAGE AND PUBLIC AGENCY SALES)
- Should InterSchola deem an Inventory Audit to be a Complex, Salvage, or Public Agency Sale, it will give notice thereof to Client before offering items for Sale. In this case, Client may remove the item from InterSchola Managed Inventory by



providing notice to InterSchola within three (3) business days after it receives notice of the "Complex, Salvage, or Public Agency Sale" designation. Alternatively, InterSchola may at its own discretion choose not to include such item(s) for Sale.

#### **OTHER**

- To complete the Inventory Audit and/or Sale, InterSchola may request assistance from Client Representative or other staff for moving large assets for purposes of inventorying items and/or preparation for packaging and delivery of items. Examples of such requests from InterSchola may include: a) assistance in the movement of heavy assets by Client Representative (i.e. by pallet jack or forklift), b) request for palletizing assets by Client Representative to assist with pickup of items, or c) placing salvage assets in salvage bins (e.g. pallets or gaylord boxes). If the Client is unable to provide such assistance, InterSchola may at its own discretion choose not to handle the listing of those items for which personnel or mechanical assistance will be required to successfully complete the Sale.
- All shipping and handling fees will be the responsibility of InterSchola the Buyer and all packaging materials will be provided by InterSchola unless otherwise agreed to by Client.
- In some instances, Client may be asked to facilitate a Pickup Event without an InterSchola representative present. Preparation for such pickups will have been made by the InterSchola Field Auction Specialist, and in such circumstances, the Client Representative will be adequately briefed on required activity, including handling of paperwork, to ensure that such pickups proceed according to InterSchola policy. (See Exhibit B - Additional Client Compensation Potential)
- Should a confirmed or unconfirmed buyer arrive unannounced on a day or time other than a scheduled pickup day and time, Client is to notify InterSchola immediately. Neither InterSchola nor the Client shall have any obligation to deliver an item(s) to a buyer without InterSchola having first received and conveyed final payment and pickup confirmations.

#### **CLIENT PROCEEDS REMITTANCE**

- InterSchola manages the transfer of Total Client Proceeds for Completed Sales to Client on a rolling basis within 90 days of the Sale date. Total Client Proceeds are defined as total of Client Proceeds on the Net Sale Price plus sales tax collected less InterSchola Fees.
- Remittance of Total Client Proceeds for Completed Sales will be accompanied by a "Total Client Proceeds Report" to include individual calculations of Client Proceeds for item (or LOT) and detail of InterSchola Fees (if applicable).
- InterSchola Commissions and Fees will be itemized and deducted from the Total Client Proceeds for Completed Sales as summarized on the Client Proceeds Report. If a negative balance should arise, InterSchola reserves the right to invoice the Client for remaining balance due - if the situation has not been resolved through the Sale of additional Surplus after twelve (12) months.

## Exhibit B - InterSchola Commission/Fee Structure

### STANDARD ASSETS SOLD IN AN OPEN MARKET ENVIRONMENT

Description	Client Proceeds	InterSchola Commission
Percent of Net Sale Price	55%	45%

### HIGH TICKET ITEM(S) (NET SALE PRICE >\$5000.00)

Description	Client Proceeds
Percent of Net Sale Price	For each item with a Net Sale Price above \$5,000: Client will receive 55% of the first \$5,000 of the Net Sale Price; plus 80% of the amount of the Net Sale Price above \$5,000

### COMPLEX/ SALVAGE/ AND PUBLIC AGENCY SALES:

Description	Client Proceeds	InterSchola Commission
Percent of Net Sale Price (* **)	45%	55%

(\*)Sales that are facilitated by an InterSchola partner or 3<sup>rd</sup> party industry standard service provider such as a certified waste recycling partner, a licensed salvage vehicle dealer, or scrap metal/plastics recycling partner will not be deemed a Salvage Sale for purposes of this agreement. Standard rates will apply.

(\*\*)If a single Complex/ Salvage/ or, Public Agency Sale has a Net Sale Price >\$5,000, then reduced High Ticket Item commission rates will apply.

### INVENTORY AUDIT VOLUME DISCOUNT

Additional Credit to Client Proceeds (*)	(5%) Discount offered from InterSchola commission is based on Inventory Audit Volume of \$5,000 worth of Completed Sales from five (5) or more items
--	---

(\*)Discount applies to InterSchola Commission/ Client Proceeds calculations for Completed Sales of five (5) or more items from a single Inventory Audit. A credit of 5% of the InterSchola Commission amount will be applied to each Total Client Proceeds Report generated for Completed Sales resulting from the Inventory Audit.

### QUARTERLY VOLUME DISCOUNT

Additional Credit Client Proceeds (*)	(10%) Discount is based on Quarterly Volume threshold of \$25,000 worth of Completed Sales
---------------------------------------	---

(\*)Threshold is based on Completed Sales during a calendar quarter. Discount applies to InterSchola Commission/ Client Proceeds calculations for new Completed Sales activity in the subsequent quarter. A credit of 10% of the InterSchola Commission amount will be applied to each Total Client Proceeds Report generated for new Completed Sales activity in the applicable time period.

## OTHER

Description	Terms
Auction Set-up Fee (*)	\$250.00 (per Inventory Audit) <b>AUTOMATICALLY WAIVED</b> when the value of all items sold from a single Inventory Audit is greater than \$1,500

(\*) An auction must culminate within one (1) month of the Inventory Audit date for Auction Set up Fee to be waived.

## SURPLUS ASSESSMENT (IN LIEU OF AN INVENTORY AUDIT)

Description	Terms
Surplus Assessment (**)	\$50.00 hour (minimum one hour) for time spent on the Client's premises to perform a Surplus Assessment in lieu of an Inventory Audit

(\*) In certain instances to be recommended by InterSchola, if a Client is not yet prepared for an Inventory Audit, InterSchola may suggest and agree to perform a Surplus Assessment in lieu of an Inventory Audit for purposes of helping the Client prepare the items for a full Inventory Audit

(\*\*) If an Inventory Audit is completed, but an auction does not culminate within (one) 1 month of the Inventory Audit date due to circumstances not caused by InterSchola, a follow up Surplus Assessment will be required to confirm that the items remain in the same condition as at the time of the Inventory Audit.

## NEW

### INTERSCHOLA AUCTION MANAGEMENT: AUCTION LISTINGS, BUYER MARKETING & CUSTOMER SUPPORT – ONLY

In specific instances, it may not be feasible or cost effective for InterSchola to conduct an Inventory Audit (e.g. in the case that a Client has only a small number of low value surplus items or if the Client's location is not serviceable by an InterSchola Field Specialist). In these instances, and or by special request of the Client, InterSchola may suggest that Client gather the minimum required information (including digital pictures) from which InterSchola Auction Management staff will create listing(s), market the auctions and provide customer support.

Description	Terms
Auction Listings, Buyer Marketing & Customer Support – Only (*)	InterSchola will receive the greater of \$250.00 or 25% of Net Sale Price of the items inventoried by the Client and listed for Sale by InterSchola

(\*) Should a Client offer information to InterSchola in lieu of an InterSchola in-person Inventory Audit, information will need to be verified for accuracy and completeness through a phone interview with a Client Representative that is knowledgeable about the asset(s). Client agrees to handle inspection and shipping pickups for such items. If InterSchola does not feel it is appropriate to list items as described, InterSchola will decline such opportunity.

## INTERSCHOLA INTERNAL RE DISTRIBUTION MODEL

Description	Terms
InterSchola Internal Redistribution Model	Pricing Available Upon Request

## PUBLIC NOTICE / PUBLIC ADVERTISEMENT

- \* If Client does not use a Continuous Public Notice and Public Notice is not posted according to the auction schedule, resulting in a delay of auction launch, InterSchola may have to return to the Client location to perform a surplus assessment to confirm that the items remain in the same condition as at the time of the Inventory Audit.
- \* Client is responsible for any fees associated with posting the required public notices under the applicable provisions of the public agency regulations governing the sale, including but not limited to specific public advertising costs, if a specific form of advertising is required or determined to be necessary by the Client.

## INSPECTION / PICKUP / SHIPPING EVENTS

- \* As part of its Standard Auction Services, InterSchola agrees to remain on the Client site for a maximum of two (2) hours for each Inspection Event and or Pickup / Shipping Event. If a buyer is unable to commence pickup during the scheduled timeframe, InterSchola will either a) prepare item and paperwork for smooth handoff upon the buyer's arrival or b) work with Buyer to reschedule pickup at their own cost. If it is required by Client that InterSchola remain on site for longer than two (2) hours (including time spent at multiple locations and including Complex Salvage and Public Agency Sale items), then an additional Service Fee of \$50.00/hour will be charged to Client.
- \* If a scheduled Pickup Event is interrupted or does not occur due to issues with availability of the Client Representative, a customer service refund may be required (see Refunds below) and Client may be asked to host a subsequent Pickup Event for the buyer at their convenience where an InterSchola representative is not required to be present at no cost to InterSchola and no additional revenue to Client (See ADDITIONAL CLIENT COMPENSATION POTENTIAL below.)

## REFUNDS

- \* All refunds negotiated by InterSchola are a reduction to Sale Price yielding a Net Sale Price ("Net Sale Price"). InterSchola Commission / Client Proceeds calculations are based on Net Sale Price.
- \* If refund is caused by misinformation from client, missing or damaged items, Client will be charged a fee in the amount of the greater of 50% of the refund amount or \$100.00. The fee to Client is not to exceed \$500.00 per item.

## TERMINATED AUCTIONS

- \* Items removed from the auction process at the client's request after Inventory Audit but before auction listing will be assessed a fee of \$35.00 per item.
- \* Items removed from the auction process at the client's request after auction listing will be assessed a fee equal to 50% of: the auction start price, bid price at the time the auction is ended or selling price if the item has been sold. The fee to Client is not to exceed \$500.00 per item.

## ADDITIONAL CLIENT COMPENSATION POTENTIAL

- \* If Client is asked to manage a Pickup Event for a Buyer(s) where an InterSchola representative is not required to be present, then Client may by special request to earn \$25.00 per Pickup Event (not including pickup by a 3<sup>rd</sup> party carrier where preparation has been completed by InterSchola in advance of such pickup.)
- \* If Client is able and willing to offer specialized equipment (e.g. tow truck, crane or backhoe) to assist with a Pickup Event, then Client may by special request earn an agreed to fee to be paid by the Buyer(s) who confirms in advance the desire to engage Client for such service. Such fee for service will be discussed in advance of the listing creation and in such instances, InterSchola will manage the notice, confirmation, collection and payment of fees from Buyer.

**\*\*INTERSCHOLA COMMISSIONS AND FEES WILL BE ITEMIZED AND DEDUCTED FROM THE TOTAL CLIENT PROCEEDS FOR COMPLETED SALES AS SUMMARIZED ON THE CLIENT PROCEEDS REPORT. ADDITIONAL CLIENT COMPENSATION AMOUNTS WILL BE ADDED TO THE CLIENT PROCEEDS REPORT.**



## Sausalito Marin City School District

**Agenda Item:** 9.06

**Date:** January 14, 2014

<input type="checkbox"/> Correspondence	<input checked="" type="checkbox"/> Consent Agenda
<input type="checkbox"/> Reports	
<input type="checkbox"/> General Functions	
<input type="checkbox"/> Pupil Services	
<input type="checkbox"/> Personnel Services	
<input checked="" type="checkbox"/> Financial & Business Procedures	
<input type="checkbox"/> Curriculum and Instruction	
<input type="checkbox"/> Policy Development	

**Item Requires Board Action:** ☒ **Item is for Information Only:** ☐

**Item:** Annual Adjustment to Liability Limit of Parent or Guardian for Willful Pupil Misconduct

**Background:**

The California Department of Education under the State Superintendent of Public Instruction office (SSPI) is required to annually adjust the \$10,000 liability limits specified in EC Section 48904(a)(1) to reflect the percentage change. The annual amount is adjusted for inflation (to the nearest \$100) and to reflect the percentage change in the annual average value of the Implicit Price Deflator for the State and Local Government Purchases of Goods and Services for the United States.

Pursuant to the above calculation, and effective January 1, 2014, the SSPI has determined that the inflation adjusted liability limit will increase from \$18,100 to \$18,300.

Attached is the California Department of Education's bulletin on the Annual adjustment to Liability Limit of Parent or Guardian for Willful Pupil Misconduct.

**Fiscal Impact:**

There is no direct financial impact from this adjustment.

**Recommendation:**

This item is brought before the board for review and discussion.

**Prepared for:** Steve Van Zant

**Prepared by:** P. Rigney





CALIFORNIA  
DEPARTMENT OF  
EDUCATION

**TOM TORLAKSON**  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

December 20, 2013

Dear County and District Superintendents and Chief Business Officials, and Charter School Administrators:

**ANNUAL ADJUSTMENT TO LIABILITY LIMIT OF PARENT OR GUARDIAN  
FOR WILLFUL PUPIL MISCONDUCT**

California *Education Code* (EC) Section 48904(a)(1) provides that the parent or guardian of a minor is liable for all damages caused by the willful misconduct of the minor that results in the injury or death of any pupil, school district or private school employee, or school volunteer. The parent or guardian is also liable for damages to real or personal property belonging to the school district or private school, or personal property belonging to a school employee, resulting from the willful misconduct of the minor. The liability of the parent or guardian shall not exceed \$10,000, adjusted for inflation per EC Section 48904(a)(2).

EC Section 48904(a)(1) also specifies that the parent or guardian of a minor is liable for any reward offered by a local agency pursuant to *Government Code* Section 53069.5 for information leading to the identification and apprehension of the minor who willfully damages or destroys property, or whose willful misconduct results in injury or death to any person. This liability also shall not exceed \$10,000, adjusted for inflation per EC Section 48904(a)(2).

The State Superintendent of Public Instruction is required to annually adjust both of the above \$10,000 liability limits specified in EC Section 48904(a)(1) to reflect the percentage change in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. Effective January 1, 2013, the inflation adjustment is rounded to the nearest one hundred dollars (\$100).

Pursuant to the above calculation, and effective January 1, 2014, the SSPI has determined that the inflation adjusted liability limit will increase from \$18,100 to \$18,300. Shown below are the inflation adjusted liability limits for the current and two prior years.

December 20, 2013  
Page 2

Calendar Year	Liability Limit	Percentage Change in Implicit Price Deflator
2012	\$17,593	2.81%
2013	\$18,100	2.99%
2014	\$18,300	.858%

This letter (with links to the *Government Code* and *EC* sections cited) has been posted to the Office of Financial Accountability and Information Services Web page at <http://www.cde.ca.gov/fq/ac/co/>.

If you have any questions regarding this subject, please contact the Office of Financial Accountability and Information Services by phone at 916-322-1770 or by e-mail at [sacsinfo@cde.ca.gov](mailto:sacsinfo@cde.ca.gov).

Sincerely,



Peter Foggiato, Director  
School Fiscal Services Division

PF:jb

y2013-1702

**Sausalito Marin City School District**

**Agenda Item:** 9.07

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☒ Financial & Business Procedures  
☐ Curriculum and Instruction  
☐ Policy Development

☒ Consent Agenda

**Item Requires Board Action:** ☒

**Item is for Information Only:** ☐

**Item:** Payment of Warrants

**Background:**

The warrants paid in batches 26 through 30 are brought to the Board for inspection and approval.

**Fiscal Impact:**

Undetermined

**Recommendation:**

Approve

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

**Sausalito Marin City School District**

**Payment of Warrants**

11/14, 2014

Attached warrants include:

Batch 26 Fund 01 in the amount of \$19,859.96

Batch 26 Fund 13 in the amount of \$858.70

Batch 26 Fund 40 in the amount of \$21,659.68

Batch 27 Fund 01 in the amount of \$42,228.28

Batch 27 Fund 13 in the amount of \$3,918.49

Batch 27 Fund 40 in the amount of \$21,271.69

Batch 28 Fund 01 in the amount of \$227,581.00

Batch 29 Fund 01 in the amount of \$65,984.29

Batch 29 Fund 13 in the amount of \$540.29

Batch 29 Fund 14 in the amount of \$6,336.91

Batch 29 Fund 40 in the amount of \$200,456.45

Batch 30 Fund 01 in the amount of \$127,981.63

Batch 30 Fund 13 in the amount of \$1,378.72

Batch 30 Fund 40 in the amount of \$34,014.38

Prepared by Vida Moattar

Sausalito Marin City School District Business Office

(615) 472-1110  
 1-800-615-491-1110

Date 12/12/13

The Governing Board of the District named hereon hereby authorizes and directs payment of vendor payments in the total of \$ 42,378.34.

[illegible]

Authorized Signature

e Paula Rognier

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0026 GENERAL FUND  
FUND : 01 GENERAL FUND

WARRANT	ANT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
		REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
20040408	000609/		AMERICAN EXPRESS				
			PV-140252	01-0000-0-4300.00-0000-7110-725-000-000		Board Meeting Meals	228.00
				01-0000-0-4300.00-0000-7200-725-000-000		Staff Appreciation meter tape	142.27
				01-0000-0-4300.00-0000-7200-725-000-000		Best Buy	32.53
				01-8150-0-4300.00-0000-8100-735-000-000		Draft Stoppers	59.00
				WARRANT TOTAL			\$461.80
20040409	070358/		AT&T				
			PO-140003	1. 01-0000-0-5970.00-0000-7200-700-000-000		11/13	170.89
				WARRANT TOTAL			\$170.89
20040410	070329/		AT&T CALNET 2				
			PO-140001	1. 01-0000-0-5970.00-0000-2700-700-000-000		12/13	345.61
				WARRANT TOTAL			\$345.61
20040411	000006/		BAY CITIES REFUSE INC				
			PO-140025	1. 01-0000-0-5550.00-0000-8200-000-000-000		12/13	643.80
				WARRANT TOTAL			\$643.80
20040412	070711/		BRIGHT PATH THERAPISTS				
			PO-140106	1. 01-6500-0-5835.00-5770-1182-700-000-000		1735	1,417.50
				WARRANT TOTAL			\$1,417.50
20040413	001811/		STATE OF CALIFORNIA				
			PV-140249	01-0000-0-5821.00-0000-7200-725-000-000		11/13	96.00
				WARRANT TOTAL			\$96.00
20040414	070784/		PALOMA COLLIER				
			PO-140065	1. 01-9471-0-5800.00-1110-1010-700-000-000		12/13	1,568.17
			PV-140237	01-9471-0-4300.00-1110-1010-700-000-000		Garden Supplies	56.83
				WARRANT TOTAL			\$1,625.00
20040415	002270/		FISHMAN SUPPLY CO.				
			PO-140035	1. 01-0000-0-4300.00-0000-8211-735-000-000		932467	368.41
				WARRANT TOTAL			\$368.41

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0026 GENERAL FUND  
FUND : 01 GENERAL FUND

WARRANT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT								
REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	
20040416	000023/	GOODMAN BUILDING SUPPLY CO.												
	PO-140034	1.	01	-8150	-0	-4300	.00	-0000	-8100	-735	-000	-000	Due 12/11/13	172.68
	WARRANT TOTAL													\$172.68
20040417	000580/	MARIN COUNTY SHERIFF DEPART.												
	PV-140250		01	-0000	-0	-5821	.00	-0000	-7200	-725	-000	-000	11/13	40.00
	WARRANT TOTAL													\$40.00
20040418	000047/	MARIN MUNICIPAL WATER DST												
	PO-140010	1.	01	-0000	-0	-5535	.00	-0000	-8200	-000	-000	-000	11-12/13	3,410.55
	WARRANT TOTAL													\$3,410.55
20040419	070470/	MARIN RESOURCE RECOVERY CENTER												
	PO-140037	1.	01	-0000	-0	-5550	.00	-0000	-8200	-000	-000	-000	11/13	1,368.00
	WARRANT TOTAL													\$1,368.00
20040420	070447/	MAXIM HEALTHCARE SERVICES												
	PO-140026	1.	01	-6500	-0	-5835	.00	-5770	-1182	-700	-000	-000	2021870084	2,332.00
		1.	01	-6500	-0	-5835	.00	-5770	-1182	-700	-000	-000	2035690084	1,934.50
		1.	01	-6500	-0	-5835	.00	-5770	-1182	-700	-000	-000	2053010084	1,855.00
	WARRANT TOTAL													\$6,121.50
20040421	070655/	JAN MCDUGAL												
	PV-140239		01	-9479	-0	-4300	.00	-1110	-1010	-101	-000	-000	Assembly Awards	99.35
	WARRANT TOTAL													\$99.35
20040422	000058/	P G & E CO												
	PO-140000	1.	01	-0000	-0	-5510	.00	-0000	-8200	-000	-000	-000	Due 12/10/13	30.53
	WARRANT TOTAL													\$30.53
20040423	001206/	SHELL OIL CO.												
	PV-140251		01	-0000	-0	-4301	.00	-0000	-8110	-735	-000	-000	11/13	417.03
	WARRANT TOTAL													\$417.03
20040424	002545/	SONITROL												
	PO-140015	1.	01	-0000	-0	-5840	.00	-0000	-8300	-101	-000	-000	1241005-IN	1,170.15



APY250 H.02.09

Marin County Office of Education  
 COMMERCIAL WARRANT REGISTER  
 FOR WARRANTS DATED 12/13/2013

12/12/13 PAGE 38

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
 BATCH: 0026 GENERAL FUND  
 FUND : 01 GENERAL FUND

WARRANT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		
WARRANT TOTAL						\$1,170.15
20040425	070723/	DENISE SUTO				
	PV-140238		01-3010-0-5240.00-1110-1010-700-000-000	Reimb.		588.13
			01-9479-0-4300.00-1110-1010-101-000-000	Reimb.		302.49
			WARRANT TOTAL			\$890.62
20040426	070525/	US BANCORP EQUIP. FINANCE INC				
	PO-140052	1.	01-0000-0-5605.00-0000-2700-700-000-000	11/13		744.47
			WARRANT TOTAL			\$744.47
20040427	070759/	VERIZON WIRELESS				
	PO-140055	1.	01-0000-0-5970.00-0000-2700-700-000-000	11/13		266.07
			WARRANT TOTAL			\$266.07
*** FUND	TOTALS ***		TOTAL NUMBER OF WARRANTS: 20	TOTAL AMOUNT OF WARRANTS:		\$19,859.96*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0026 GENERAL FUND  
FUND : 13 CAFETERIA FUND

W. ANT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE LN	DEPOSIT TYPE FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
20040428	070803/	ALVARADO STREET BAKERY				
		PV-140242	13-5310-0-5840.00-0000-3700-100-000-000	4514203		26.88
			13-5310-0-5840.00-0000-3700-101-000-000	4514203		26.88
			WARRANT TOTAL			\$53.76
20040429	070811/	BARON BAKING LLC				
		PV-140240	13-5310-0-5840.00-0000-3700-100-000-000	24-0110		17.85
			13-5310-0-5840.00-0000-3700-101-000-000	24-0110		17.85
			WARRANT TOTAL			\$35.70
20040430	070794/	NANA MAE'S ORGANIC				
		PV-140244	13-5310-0-5840.00-0000-3700-100-000-000	584379		50.00
			13-5310-0-5840.00-0000-3700-101-000-000	584379		50.00
			WARRANT TOTAL			\$100.00
20040431	070816/	UNFI				
		PV-140243	13-5310-0-5840.00-0000-3700-100-000-000	17474445-003		276.37
			13-5310-0-5840.00-0000-3700-101-000-000	17474445-003		276.37
			WARRANT TOTAL			\$552.74
20040432	070799/	VERITABLE VEGETABLE INC.				
		PV-140241	13-5310-0-5840.00-0000-3700-100-000-000	870170		58.25
			13-5310-0-5840.00-0000-3700-101-000-000	870170		58.25
			WARRANT TOTAL			\$116.50
*** FUND	TOTALS ***		TOTAL NUMBER OF WARRANTS: 5	TOTAL AMOUNT OF WARRANTS:		\$858.70*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT

BATCH: 0026 GENERAL FUND

FUND : 40 SPECIAL RESERVE-CAP OUTLAY #1

W. ANT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		
20040433	070819/	CUPERTINO ELECTRIC INC.				
		PV-140245	40-0000-0-6240.00-0000-8500-700-000-135	215716-1		1,772.23
			WARRANT TOTAL			\$1,772.23
20040434	070741/	GREYSTONE WEST COMPANY				
		PV-140247	40-0000-0-6281.00-0000-8500-700-000-000	2013-007		1,719.45
			WARRANT TOTAL			\$1,719.45
20040435	070802/	MARINA LANDSCAPE INC.				
		PV-140246	40-0000-0-6240.00-0000-8500-700-000-135	313017-02		15,768.00
			WARRANT TOTAL			\$15,768.00
20040436	070729/	RGH CONSULTANTS				
		PV-140248	40-0000-0-6240.00-0000-8500-700-000-135	1012032		2,400.00
			WARRANT TOTAL			\$2,400.00
*** FUND	TOTALS ***		TOTAL NUMBER OF WARRANTS: 4	TOTAL AMOUNT OF WARRANTS:		\$21,659.68*
*** BATCH	TOTALS ***		TOTAL NUMBER OF WARRANTS: 29	TOTAL AMOUNT OF WARRANTS:		\$42,378.34*
*** DISTRICT	TOTALS ***		TOTAL NUMBER OF WARRANTS: 29	TOTAL AMOUNT OF WARRANTS:		\$42,378.34*

Printed: 12/13/2013 10:33:52

TEL (815) 472-4100  
FAX (815) 481-6625

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DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0027 GENERAL FUND  
FUND : 01 GENERAL FUND

V	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
		REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
20041302		070725/	ALICIA ALEXANDER				
			PO-140105	1. 01-9477-0-5840.00-1110-1010-100-000-000		8-11/13	2,764.45
				WARRANT TOTAL			\$2,764.45
20041303		070694/	JULIE AUSLANDER				
			PV-140255	01-9472-0-4300.00-1110-1010-100-000-000		Laminator	39.14
				WARRANT TOTAL			\$39.14
20041304		070722/	CYPRESS SCHOOL				
			PO-140063	1. 01-6500-0-5833.00-5750-1185-700-000-000		112313, 113513	7,030.00
				WARRANT TOTAL			\$7,030.00
20041305		002345/	KONE INC.				
			PO-140012	1. 01-8150-0-5600.00-0000-8110-735-000-000		221337501	118.98
				WARRANT TOTAL			\$118.98
20041306		070624/	LARKSPUR CORTE MADERA SCHOOL				
			PV-140254	01-6500-0-5840.00-5001-2110-700-000-000		19	3,578.94
				WARRANT TOTAL			\$3,578.94
20041307		000506/	LOZANO SMITH LLP				
			PO-140027	1. 01-0000-0-5829.00-0000-7100-000-000-000		12985	68.50
				WARRANT TOTAL			\$68.50
20041308		070107/	VIDA MOATTAR				
			PV-140253	01-0000-0-5230.00-0000-7300-725-000-000		11-12/13 Mileage	53.34
				WARRANT TOTAL			\$53.34
20041309		000056/	PBI				
			PO-140009	2. 01-0000-0-5960.00-0000-7200-725-000-000		7140007-DC13	507.78
				WARRANT TOTAL			\$507.78
20041310		070709/	KARLI PIERCE				
			PV-140258	01-3010-0-4300.00-1110-1010-700-000-000		ELD Conf. Attendance	395.00
				WARRANT TOTAL			\$395.00
20041311		070553/	READING PARTNERS				
			PO-140036	1. 01-9472-0-5849.00-1110-1010-100-000-000		309	12,500.00

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0027 GENERAL FUND  
FUND : 01 GENERAL FUND

NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		
WARRANT TOTAL						\$12,500.00
20041312	002475/	SCHOOL WISE PRESS				
	PO-140111	1.	01-0000-0-5840.00-0000-7180-725-000-000	55518		1,136.25
			WARRANT TOTAL			\$1,136.25
20041313	070406/	SILYCO				
	PO-140021	1.	01-0000-0-5849.00-0000-2420-700-000-000	NOV2013		3,600.00
			WARRANT TOTAL			\$3,600.00
20041314	001953/	SPECTRUM CENTER				
	PO-140062	1.	01-6500-0-5833.00-5750-1185-700-000-000	105811		6,306.30
			WARRANT TOTAL			\$6,306.30
20041315	001221/	DIV. OF STATE ARCHITECT				
	PV-140260		01-8150-0-4300.00-0000-8100-735-000-000	7711		714.00
			WARRANT TOTAL			\$714.00
20041316	070792/	TEENS TURNING GREEN				
	PV-140256		01-9479-0-4300.00-1110-1010-101-000-000	MLK Cafeteria Reimb.		2,014.97
			WARRANT TOTAL			\$2,014.97
20041317	070795/	MARK TONG				
	PV-140271		01-0000-0-4300.00-0000-7200-725-000-000	Keyboard, Monitor for DO		423.36
			WARRANT TOTAL			\$423.36
20041318	070580/	TRAHAN MECHANICAL				
	PO-140121	1.	01-8150-0-5600.00-0000-8110-735-000-000	15603		297.50
			WARRANT TOTAL			\$297.50
20041319	070758/	MELISA WILLIAMS				
	PO-140124	1.	01-9471-0-5800.00-1110-1010-700-000-000	Nov. 2013		90.00
		1.	01-9471-0-5800.00-1110-1010-700-000-000	Dec. 2013		547.50
		1.	01-9471-0-5800.00-1110-1010-700-000-000	Food purchase		42.27
			WARRANT TOTAL			\$679.77
*** FUND	TOTALS ***	TOTAL NUMBER OF WARRANTS: 18		TOTAL AMOUNT OF WARRANTS:		\$42,228.28*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0027 GENERAL FUND  
FUND : 13 CAFETERIA FUND

I	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
		REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
20041320		070803/	ALVARADO STREET BAKERY				
			PV-140262	13-5310-0-5840.00-0000-3700-100-000-000		4522103	41.76
				13-5310-0-5840.00-0000-3700-101-000-000		4522103	41.77
				WARRANT TOTAL			\$83.53
20041321		070811/	BARON BAKING LLC				
			PV-140268	13-5310-0-5840.00-0000-3700-100-000-000		24-0111, 24-0112	35.70
				13-5310-0-5840.00-0000-3700-101-000-000		24-0111, 24-0112	35.70
				WARRANT TOTAL			\$71.40
20041322		000105/	CLOVER-STORNETTA FARMS				
			PV-140263	13-5310-0-5840.00-0000-3700-100-000-000		7542083, 7548246	81.68
				13-5310-0-5840.00-0000-3700-101-000-000		7542083, 7548246	81.67
				WARRANT TOTAL			\$163.35
20041323		070817/	FOWLER BROTHERS				
			PV-140267	13-5310-0-5840.00-0000-3700-100-000-000		151821	70.24
				13-5310-0-5840.00-0000-3700-101-000-000		151821	70.23
				WARRANT TOTAL			\$140.47
20041324		070813/	HDP ENTERPRISES INC.				
			PV-140265	13-5310-0-5840.00-0000-3700-100-000-000		833449	107.08
				13-5310-0-5840.00-0000-3700-101-000-000		833449	107.07
				WARRANT TOTAL			\$214.15
20041325		070815/	MARIN CHEESE COMPANY				
			PV-140264	13-5310-0-5840.00-0000-3700-100-000-000		438700	92.56
				13-5310-0-5840.00-0000-3700-101-000-000		438700	92.55
				WARRANT TOTAL			\$185.11
20041326		070794/	NANA MAE'S ORGANIC				
			PV-140269	13-5310-0-5840.00-0000-3700-100-000-000		545187, 343153	100.00
				13-5310-0-5840.00-0000-3700-101-000-000		545187, 343153	100.00



APY250 H.02.09

Marin County Office of Education  
 COMMERCIAL WARRANT REGISTER  
 FOR WARRANTS DATED 12/20/2013

12/19/13 PAGE 69

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT

BATCH: 0027 GENERAL FUND

FUND : 13 CAFETERIA FUND

V	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT							
REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	AMOUNT
-----														
WARRANT TOTAL														\$200.00
20041327	070792/	TEENS TURNING GREEN												
	PO-140126	1.	13-5310-0-5849.00-0000-3700-700-000-000	S. Beaird 9-10/13									1,560.00	
	PV-140256		13-5310-0-5840.00-0000-3700-101-000-000	MLK Cafeteria Reimb.									595.98	
WARRANT TOTAL														\$2,155.98
20041328	070799/	VERITABLE VEGETABLE INC.												
	PV-140266		13-5310-0-5840.00-0000-3700-100-000-000	872788, 873357, 874218									352.25	
			13-5310-0-5840.00-0000-3700-101-000-000	872788, 873357, 874218									352.25	
WARRANT TOTAL														\$704.50
*** FUND	TOTALS ***	TOTAL NUMBER OF WARRANTS: 9										TOTAL AMOUNT OF WARRANTS:	\$3,918.49*	

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Marin County Office of Education

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DISTRICT: 47 SAUSALITO SCHOOL DISTRICT

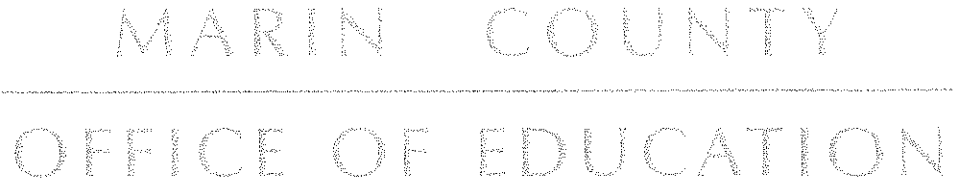
COMMERCIAL WARRANT REGISTER

FOR WARRANTS DATED 12/20/2013

BATCH: 0027 GENERAL FUND

FUND : 40 SPECIAL RESERVE-CAP OUTLAY #1

NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT								
REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	AMOUNT
20041329	070822/	POLY GREEN FOAM LLC												
		PO-140114	1.	40-0000-0-6240.00-0000-8500-700-000-135									16966	13,023.20
													WARRANT TOTAL	\$13,023.20
20041330	070701/	QUATTROCCHI KWOK												
		PV-140261		40-0000-0-6210.00-0000-8500-700-000-000									13568-9, 13492	8,248.49
													WARRANT TOTAL	\$8,248.49
*** FUND	TOTALS ***												TOTAL NUMBER OF WARRANTS: 2	TOTAL AMOUNT OF WARRANTS: \$21,271.69*
*** BATCH	TOTALS ***												TOTAL NUMBER OF WARRANTS: 29	TOTAL AMOUNT OF WARRANTS: \$67,418.46*



(415) 472-4116  
FAX (415) 491-6625

Date 12/19/13

The Governing Board of the District named hereon hereby authorizes and directs payment of vendor payments in the total of \$ 227,581.00.

Authorized Signature

Paula Riquenz

APY250 H.02.09

Marin County Office of Education  
 COMMERCIAL WARRANT REGISTER  
 FOR WARRANTS DATED 12/20/2013

12/19/13 PAGE 71

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT

BATCH: 0028 GENERAL FUND

FUND : 01 GENERAL FUND

I	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
		REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
20041331		002172/	WILLOW CREEK ACADEMY				
			PV-140272	01-0000-0-7299.00-0000-9200-103-000-000		December 13 in lieu & Supp.	112,500.00
				01-0000-0-8096.00-0000-9200-103-000-000		December 13 in lieu & Supp.	115,081.00
				WARRANT TOTAL			\$227,581.00
***	FUND	TOTALS	***	TOTAL NUMBER OF WARRANTS:	1	TOTAL AMOUNT OF WARRANTS:	\$227,581.00*
***	BATCH	TOTALS	***	TOTAL NUMBER OF WARRANTS:	1	TOTAL AMOUNT OF WARRANTS:	\$227,581.00*
***	DISTRICT	TOTALS	***	TOTAL NUMBER OF WARRANTS:	30	TOTAL AMOUNT OF WARRANTS:	\$294,999.46*

Printed: 12/20/2013 07:54:43



1001 LAC CALIMAS DRIVE, SUITE 200  
DUBLIN, CA 94568-4896  
PaulaR@marin.k12.ca.us

PAUL R. RYAN  
MARIN COUNTY  
SUPERINTENDENT OF SCHOOLS

01/01/2014  
01/01/2014

## VENDOR PAYMENT CERTIFICATION

Date 1/3/14

District Name SAUSALITO MARIN CITY

District No. 47

The Governing Board of the District named hereon hereby authorizes and directs payment of vendor payments in the total of \$ 273,317.94.

<u>FUND NUMBER</u>	<u>BATCH NUMBER</u>	<u>AMOUNT</u>
<u>01</u>	<u>29</u>	<u>65,984.29</u>
<u>13</u>	<u>29</u>	<u>540.29</u>
<u>14</u>	<u>29</u>	<u>6,336.91</u>
<u>40</u>	<u>29</u>	<u>200,456.45</u>

Authorized Signature

Paula Ryan

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0029 GENERAL FUND  
FUND : 01 GENERAL FUND

INVT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		
20041708	000609/	AMERICAN EXPRESS				
	PV-140276		01-0000-0-4300.00-0000-7110-725-000-000	Holiday Platters		18.38
			01-0000-0-4300.00-0000-7110-725-000-000	Board Meeting Meals		205.00
			01-0000-0-4300.00-0000-7200-725-000-000	Holiday Platters		18.38
			01-9472-0-4300.00-0000-2495-100-000-000	ESL Books		118.23
			WARRANT TOTAL			\$359.99
20041709	002550/	ASSOCIATED VALUATION SERVICES				
	PO-140005	1.	01-0000-0-5849.00-0000-7200-700-000-000	4356		250.12
			WARRANT TOTAL			\$250.12
20041710	000192/	AT&T				
	PO-140002	1.	01-0000-0-5970.00-0000-2700-000-000-000	234 343 6954 760 3		1,034.06
			WARRANT TOTAL			\$1,034.06
20041711	070329/	AT&T CALNET 2				
	PO-140001	1.	01-0000-0-5970.00-0000-2700-700-000-000	12/13		526.89
			WARRANT TOTAL			\$526.89
20041712	070513/	BOYS AND GIRLS CLUB				
	PO-140028	1.	01-6010-0-5840.00-1110-1010-101-000-000	SMCSD 01-2014		13,905.00
			WARRANT TOTAL			\$13,905.00
20041713	000608/	BURKELL PLUMBING				
	PV-140281		01-8150-0-5600.00-0000-8110-735-000-000	31857, 31923		732.40
			WARRANT TOTAL			\$732.40
20041714	070132/	CAPITAL ONE COMMERCIAL				
	PV-140277		01-0000-0-4300.00-0000-7110-725-000-000	Holiday Platters		123.18
			01-0000-0-4300.00-0000-7200-725-000-000	Holiday Platters		123.19
			WARRANT TOTAL			\$246.37
20041715	070308/	CDW-G				
	PO-140118	1.	01-7090-0-4300.00-1110-1010-000-000-111	HV06230		119.69
	PO-140119	1.	01-9479-0-4300.00-1110-1010-000-000-111	HS80192		624.58

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0029 GENERAL FUND  
FUND : 01 GENERAL FUND

I	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
		REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
WARRANT TOTAL							\$744.27
20041716		070824/	CLAIR TAPPAN LODGE				
			PV-140274	01-9479-0-5819.00-1110-1010-101-000-000		Reservation 201400047	4,230.00
WARRANT TOTAL							\$4,230.00
20041717		002749/	CROWN TROPHY				
			PV-140291	01-3010-0-4300.00-1110-1010-700-000-000	18974		484.02
WARRANT TOTAL							\$484.02
20041718		002547/	DISCOVERY OFFICE SYSTEMS				
			PO-140051	1. 01-0000-0-5605.00-0000-7200-725-000-000	12/13		110.57
				2. 01-0000-0-5605.00-1110-1010-100-000-000	12/13		459.82
				3. 01-0000-0-5605.00-1110-1010-101-000-000	12/13		100.47
WARRANT TOTAL							\$670.86
20041719		070667/	JULIANNE EDMONDSON				
			PV-140293	01-7090-0-4300.00-1110-1010-000-000-111		Making Math Real Course	628.20
WARRANT TOTAL							\$628.20
20041720		000700/	ELECTRIX				
			PV-140278	01-8150-0-5600.00-0000-8110-735-000-000	17879		369.45
WARRANT TOTAL							\$369.45
20041721		001807/	EMPLOYMENT DEVELOPMENT DEPT.				
			PV-140301	01-0000-0-9515.00-0000-0000-000-000-000	94241171 Q4-2013		349.02
WARRANT TOTAL							\$349.02
20041722		070263/	FEDEX				
			PV-140288	01-0000-0-5960.00-0000-2700-700-000-000	2-501-87795, 2-505-11745		83.87
WARRANT TOTAL							\$83.87
20041723		070825/	FEDEX FREIGHT				
			PV-140289	01-8150-0-4300.00-0000-8100-735-000-000	3066226446		61.40
WARRANT TOTAL							\$61.40
20041724		002270/	FISHMAN SUPPLY CO.				
			PO-140035	1. 01-0000-0-4300.00-0000-8211-735-000-000	929726.1		88.64



DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0029 GENERAL FUND  
FUND : 01 GENERAL FUND

I	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
		REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
				1. 01-0000-0-4300.00-0000-8211-735-000-000		S935317	1.33
				WARRANT TOTAL			\$89.97
20041725	000023/		GOODMAN BUILDING SUPPLY CO.				
			PO-140034	1. 01-8150-0-4300.00-0000-8100-735-000-000		Due 1/11/14	60.69
				WARRANT TOTAL			\$60.69
20041726	000701/		HYDREX PEST CONTROL				
			PO-140061	1. 01-0000-0-5525.00-0000-8200-000-000-000		12/13	235.00
				WARRANT TOTAL			\$235.00
20041727	000039/		KAISER FOUNDATION				
			PV-140282	01-0000-0-9520.00-0000-0000-000-000-000		16734-0001	4,596.04
				01-0000-0-9520.00-0000-0000-000-000-000		16734-0002	961.65
				01-0000-0-9520.00-0000-0000-000-000-000		578-0002	15,118.64
				WARRANT TOTAL			\$20,676.33
20041728	000580/		MARIN COUNTY SHERIFF DEPART.				
			PV-140284	01-0000-0-5821.00-0000-7200-725-000-000		10/13 invoice 13381	60.00
				WARRANT TOTAL			\$60.00
20041729	070447/		MAXIM HEALTHCARE SERVICES				
			PO-140026	1. 01-6500-0-5835.00-5770-1182-700-000-000		2085140084	2,438.00
				1. 01-6500-0-5835.00-5770-1182-700-000-000		2101400084	2,438.00
				WARRANT TOTAL			\$4,876.00
20041730	070655/		JAN MCDUGAL				
			PV-140295	01-1100-0-4300.00-1110-1010-000-000-111		Collaborative Learning Project	134.75
				WARRANT TOTAL			\$134.75
20041731	001927/		MILL VALLEY SERVICES				
			PO-140120	1. 01-6500-0-4300.00-5770-1110-700-000-000		81015	376.77
				WARRANT TOTAL			\$376.77
20041732	000015/		MSIA DENTAL				
			PV-140279	01-0000-0-9520.00-0000-0000-000-000-000		1/14	4,002.93

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0029 GENERAL FUND  
FUND : 01 GENERAL FUND

INT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT									
REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	AMOUNT	
WARRANT TOTAL														\$4,002.93	
20041733	000117/	MSIA VISION													
		PV-140280				01-0000-0-9520.00-0000-0000-000-000-000							1/14	374.88	
						01-0000-0-9521.00-0000-0000-000-000-000							1/14	23.58	
WARRANT TOTAL														\$398.46	
20041734	000058/	P G & E CO													
		PO-140000	1.			01-0000-0-5510.00-0000-8200-000-000-000							Due 1/8/14	8,082.58	
WARRANT TOTAL														\$8,082.58	
20041735	070222/	PROTECTION ONE													
		PO-140004	1.			01-0000-0-5840.00-0000-8300-100-000-000							1/14	72.38	
			2.			01-0000-0-5840.00-0000-8300-101-000-000							1/14	631.54	
			3.			01-0000-0-5840.00-0000-8300-103-000-000							1/14	103.29	
WARRANT TOTAL														\$807.21	
20041736	001206/	SHELL OIL CO.													
		PV-140285				01-0000-0-4301.00-0000-8110-735-000-000							12/13	203.48	
WARRANT TOTAL														\$203.48	
20041737	070200/	STANDARD INSURANCE COMPANY CB													
		PV-140290				01-0000-0-9520.00-0000-0000-000-000-000							5000	232.58	
						01-0000-0-9520.00-0000-0000-000-000-000							5001	460.55	
WARRANT TOTAL														\$693.13	
20041738	070580/	TRAHAN MECHANICAL													
		PV-140292				01-8150-0-5600.00-0000-8110-735-000-000							15607	345.00	
WARRANT TOTAL														\$345.00	
20041739	070759/	VERIZON WIRELESS													
		PO-140055	1.			01-0000-0-5970.00-0000-2700-700-000-000							12/13	266.07	
WARRANT TOTAL														\$266.07	
*** FUND	TOTALS ***	TOTAL NUMBER OF WARRANTS: 32												TOTAL AMOUNT OF WARRANTS:	\$65,984.29*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0029 GENERAL FUND  
FUND : 13 CAFETERIA FUND

I	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
		REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
20041740	070811/		BARON BAKING LLC				
			PV-140297	13-5310-0-5840.00-0000-3700-100-000-000	24-0113		17.85
				13-5310-0-5840.00-0000-3700-101-000-000	24-0113		17.85
				WARRANT TOTAL			\$35.70
20041741	000105/		CLOVER-STORNETTA FARMS				
			PV-140299	13-5310-0-5840.00-0000-3700-100-000-000	7548717		54.45
				13-5310-0-5840.00-0000-3700-101-000-000	7548717		54.45
				WARRANT TOTAL			\$108.90
20041742	070817/		FOWLER BROTHERS				
			PV-140300	13-5310-0-5840.00-0000-3700-100-000-000	151975		87.85
				13-5310-0-5840.00-0000-3700-101-000-000	151975		87.84
				WARRANT TOTAL			\$175.69
20041743	070794/		NANA MAE'S ORGANIC				
			PV-140296	13-5310-0-5840.00-0000-3700-100-000-000	343175		50.00
				13-5310-0-5840.00-0000-3700-101-000-000	343175		50.00
				WARRANT TOTAL			\$100.00
20041744	070799/		VERITABLE VEGETABLE INC.				
			PV-140298	13-5310-0-5840.00-0000-3700-100-000-000	875244		60.00
				13-5310-0-5840.00-0000-3700-101-000-000	875244		60.00
				WARRANT TOTAL			\$120.00
*** FUND	TOTALS ***			TOTAL NUMBER OF WARRANTS: 5	TOTAL AMOUNT OF WARRANTS:		\$540.29*

APY250 H.02.09

Marin County Office of Education  
 COMMERCIAL WARRANT REGISTER  
 FOR WARRANTS DATED 01/07/2014

01/06/14 PAGE 25

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT

BATCH: 0029 GENERAL FUND

FUND : 14 DEFERRED MAINTENANCE FUND

I	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
		REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
20041745		070798/	JOHN LAMBIRTH TRUCKING INC.				
			PV-140275	14-0000-0-6200.00-0000-8500-735-000-000		16913	3,322.00
				WARRANT TOTAL			\$3,322.00
20041746		070777/	MICHAEL PAUL COMPANY INC.				
			PV-140273	14-0000-0-6200.00-0000-8500-735-000-000		1691	2,216.16
				WARRANT TOTAL			\$2,216.16
20041747		070789/	SCHOOL FACILITY CONSULTANTS				
			PV-140287	14-0000-0-5800.00-0000-8110-735-000-000		6936	798.75
				WARRANT TOTAL			\$798.75
*** FUND		TOTALS ***		TOTAL NUMBER OF WARRANTS: 3		TOTAL AMOUNT OF WARRANTS:	\$6,336.91*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT

BATCH: 0029 GENERAL FUND

FUND : 40 SPECIAL RESERVE-CAP OUTLAY #1

NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT								
REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	AMOUNT
20041748	070820/	GRASS TEX												
		PO-140113	1.	40-0000-0-6240.00-0000-8500-700-000-135									117342	20,808.70
													WARRANT TOTAL	\$20,808.70
20041749	070802/	MARINA LANDSCAPE INC.												
		PV-140294		40-0000-0-6240.00-0000-8500-700-000-135									313017-03	101,268.00
													WARRANT TOTAL	\$101,268.00
20041750	070777/	MICHAEL PAUL COMPANY INC.												
		PV-140283		40-0000-0-6240.00-0000-8500-700-000-135									Application 5	78,379.75
													WARRANT TOTAL	\$78,379.75
*** FUND	TOTALS ***												TOTAL NUMBER OF WARRANTS:	3
													TOTAL AMOUNT OF WARRANTS:	\$200,456.45*
*** BATCH	TOTALS ***												TOTAL NUMBER OF WARRANTS:	43
													TOTAL AMOUNT OF WARRANTS:	\$273,317.94*
*** DISTRICT	TOTALS ***												TOTAL NUMBER OF WARRANTS:	43
													TOTAL AMOUNT OF WARRANTS:	\$273,317.94*

Printed: 01/07/2014 09:57:27

(415) 472-4130  
(415) 491-0025

Date 1/8/14

District No. 47

The Governing Board of the District named hereon hereby authorizes and directs payment of vendor payments in the total of \$ 163,374.73.

Authorized Signature

Paula Rigney

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0030 GENERAL FUND  
FUND : 01 GENERAL FUND

WARRANT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE LN	DEPOSIT TYPE FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
20042387	070329/	AT&T CALNET 2				
		PO-140001	1. 01-0000-0-5970.00-0000-2700-700-000-000		12/13	331.83
			WARRANT TOTAL			\$331.83
20042388	070711/	BRIGHT PATH THERAPISTS				
		PO-140106	1. 01-6500-0-5835.00-5770-1182-700-000-000		1836	787.50
			WARRANT TOTAL			\$787.50
20042389	070308/	CDW-G				
		PO-140118	1. 01-7090-0-4300.00-1110-1010-000-000-111		HS06513	552.64
			1. 01-7090-0-4300.00-1110-1010-000-000-111		HS66733	1,394.27
		PO-140119	1. 01-9479-0-4300.00-1110-1010-000-000-111		HS66735	319.13
		PO-140128	1. 01-8150-0-5600.00-0000-8110-735-000-000		HX61880	4,155.90
			WARRANT TOTAL			\$6,421.94
20042390	000045/	MARIN COUNTY OFFICE OF EDUC				
		PV-140304	01-9472-0-5210.00-1110-1010-100-000-000		140557	460.00
			WARRANT TOTAL			\$460.00
20042391	070614/	MEDICAL BILLING SYSTEMS INC.				
		PO-140050	1. 01-0026-0-5840.00-0000-3110-700-000-000		1201	200.00
			WARRANT TOTAL			\$200.00
20042392	070776/	MIKE BROWN ELECTRIC				
		PV-140309	01-8150-0-5600.00-0000-8110-735-000-000		PCO 06	3,863.00
			WARRANT TOTAL			\$3,863.00
20042393	070522/	TENISHA TATE				
		PV-140305	01-9472-0-4300.00-1110-1010-100-000-000		Family Night Food	83.21
			WARRANT TOTAL			\$83.21
20042394	070826/	EMILIE THOMAS				
		PV-140303	01-0000-0-9556.00-0000-0000-000-000-000		OASDI refund	8.68
			WARRANT TOTAL			\$8.68
20042395	070525/	US BANCORP EQUIP. FINANCE INC				
		PO-140052	1. 01-0000-0-5605.00-0000-2700-700-000-000		12/13	744.47



APY250 H.02.09

Marin County Office of Education  
COMMERCIAL WARRANT REGISTER  
FOR WARRANTS DATED 01/10/2014

01/09/14 PAGE 57

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
BATCH: 0030 GENERAL FUND  
FUND : 01 GENERAL FUND

WARRANT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT								
REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	AMOUNT
-----														
WARRANT TOTAL														\$744.47
20042396	002172/	WILLOW CREEK ACADEMY												
	PV-140302		01	0000	0	8096	00	0000	9200	103	000	000	January 14 in lieu	115,081.00
WARRANT TOTAL														\$115,081.00
*** FUND	TOTALS ***	TOTAL NUMBER OF WARRANTS: 10										TOTAL AMOUNT OF WARRANTS:	\$127,981.63*	

APY250 H.02.09

Marin County Office of Education  
 COMMERCIAL WARRANT REGISTER  
 FOR WARRANTS DATED 01/10/2014

01/09/14 PAGE 58

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT  
 BATCH: 0030 GENERAL FUND  
 FUND : 13 CAFETERIA FUND

WARRANT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
	REQ#	REFERENCE LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP		DESCRIPTION	
20042397	070800/	CLM GROUP				
		PO-140097	1. 13-5310-0-4307.00-0000-3700-700-000-000		25408	1,194.79
			WARRANT TOTAL			\$1,194.79
20042398	070827/	MARIN SUN FARMS				
		PV-140310	13-5310-0-5840.00-0000-3700-100-000-000		73485	91.97
			13-5310-0-5840.00-0000-3700-101-000-000		73485	91.96
			WARRANT TOTAL			\$183.93
*** FUND	TOTALS ***		TOTAL NUMBER OF WARRANTS: 2		TOTAL AMOUNT OF WARRANTS:	\$1,378.72*

APY250 H.02.09

Marin County Office of Education  
 COMMERCIAL WARRANT REGISTER  
 FOR WARRANTS DATED 01/10/2014

01/09/14 PAGE 59

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT

BATCH: 0030 GENERAL FUND

FUND : 40 SPECIAL RESERVE-CAP OUTLAY #1

WARRANT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		
20042399	070776/	MIKE BROWN ELECTRIC				
		PV-140307	40-0000-0-6240.00-0000-8500-700-000-135		Applications 3-4	21,602.38
		PV-140308	40-0000-0-6240.00-0000-8500-700-000-135		PCO 010R1	12,412.00
		WARRANT TOTAL				\$34,014.38
*** FUND	TOTALS ***		TOTAL NUMBER OF WARRANTS: 1		TOTAL AMOUNT OF WARRANTS:	\$34,014.38*
*** BATCH TOTALS ***			TOTAL NUMBER OF WARRANTS: 13		TOTAL AMOUNT OF WARRANTS:	\$163,374.73*
*** DISTRICT TOTALS ***			TOTAL NUMBER OF WARRANTS: 13		TOTAL AMOUNT OF WARRANTS:	\$163,374.73*

Printed: 01/09/2014 12:47:00

## Sausalito Marin City School District

**Agenda Item:** 10.01

**Date:** January 14, 2014

<input type="checkbox"/> Correspondence	<input checked="" type="checkbox"/> Consent Agenda
<input type="checkbox"/> Reports	
<input type="checkbox"/> General Functions	
<input type="checkbox"/> Pupil Services	
<input type="checkbox"/> Personnel Services	
<input type="checkbox"/> Financial & Business Procedures	
<input checked="" type="checkbox"/> Curriculum and Instruction	
<input type="checkbox"/> Policy Development	

**Item Requires Board Action:** ☒ **Item is for Information Only:** ☐

**Item:** Instructional Minutes and Bell Schedules for the 2013-2014 School Year

**Background:**

According to Board Policy, the Board of Trustees shall assign the length of the school day subject to the provisions of the law. Education Codes 46111-46117 prescribe the minimum instructional minutes as follows:

Kindergarten:	180 minutes/day; 36,000/year (EC 46115) (240 max., EC 46111)
Grades 1-3	230 minutes/day; 50,400/year (EC 46112) (240 max., EC 46111)
Grades 4-8	240 minutes/day; 54,000/year (EC 46113) (240 max., EC 46111)

The attached charts indicate instructional minute calculations and proposed bell schedules for the 2013-14 school year.

As stated above, the proposed minutes for Bayside/MLK meet and exceed the legal requirements.

**Fiscal Impact:**

There is no direct financial impact from this adjustment.

**Recommendation:**

This item is brought before the board for approval and discussion.

**Prepared for:** Steve Van Zant

**Prepared by:** P. Rigney

Sausalito Marin City School District

INSTRUCTIONAL MINUTES BELL SCHEDULE

School Year 2013-2014

School: Bayside Elementary/MLK

	Kdng	Grades 1st	Grades 2nd	Grades 3rd	Grades 4th
<b>Regular Days</b>					
Start	8:15 AM	8:15 AM	8:15 AM	8:15 AM	8:15 AM
End	2:00 PM	3:00 PM	3:00 PM	3:00 PM	3:00 PM
Number of Hours	5:45	6:45	6:45	6:45	6:45
Number of Minutes	345	405	405	405	405
Less: Recess	-10	-10	-10	-10	-10
Less: Lunch	-40	-40	-40	-40	-40
Actual Daily Instructional Minutes	295	355	355	355	355
Number of Regular Days	137	137	137	137	137
Actual Minutes - Regular Days	40,415	48,635	48,635	48,635	48,635

<b>Minimum Days</b>					
Start	8:15 AM	8:15 AM	8:15 AM	8:15 AM	8:15 AM
End	12:30 PM	12:30 PM	12:30 PM	12:30 PM	12:30 PM
Number of Hours	4:15	4:15	4:15	4:15	4:15
Number of Minutes	255	255	255	255	255
Less: Recess	-10	-10	-10	-10	-10
Less: Lunch	-40	-40	-40	-40	-40
Actual Daily Instructional Minutes	205	205	205	205	205
Number of Minimum Days	6	6	6	6	6
Actual Minutes - Minimum Days	1,230	1,230	1,230	1,230	1,230

<b>Wednesday Schedule</b>					
Start	8:15 AM	8:15 AM	8:15 AM	8:15 AM	8:15 AM
End	2:00 PM	2:00 PM	2:00 PM	2:00 PM	2:00 PM
Number of Hours	5:45	5:45	5:45	5:45	5:45
Number of Minutes	345	345	345	345	345
Less: Recess	-10	-10	-10	-10	-10
Less: Lunch	-40	-40	-40	-40	-40
Actual Daily Instructional Minutes	295	295	295	295	295
Number Wed. Days	37	37	37	37	37
Actual Minutes - Wed. Days	10,915	10,915	10,915	10,915	10,915

<b>Total No. of Instructional Days</b>	180	180	180	180	180
--	-----	-----	-----	-----	-----

<b>Annual Instructional Minutes</b>					
Total Annual Instructional Minutes	52,560	60,780	60,780	60,780	60,780
Required Number of Minutes	36,000	42,400	50,400	50,400	54,000

Sausalito Marin City School District

INSTRUCTIONAL MINUTES BELL SCHEDULE

School Year 2012-2013

School: Bayside Elementary/MLK

	Grade 5th	Grade 6th	Grade 7th
<b>Regular Days</b>			
Start	8:15 AM	8:15 AM	8:15 AM
End	3:00 PM	3:00 PM	3:00 PM
Number of Hours	6:45	6:45	6:45
Number of Minutes	405	405	405
Less: Recess	-10	-10	-10
Less: Lunch	-40	-40	-40
Actual Daily Instructional Minutes	355	355	355
Number of Regular Days	137	137	137
Actual Minutes - Regular Days	48,635	48,635	48,635

<b>Minimum Days</b>			
Start	8:15 AM	8:15 AM	8:15 AM
End	12:30 PM	12:30 PM	12:30 PM
Number of Hours	4:15	4:15	4:15
Number of Minutes	255	255	255
Less: Recess	-10	-10	-10
Less: Lunch	-40	-40	-20
Actual Daily Instructional Minutes	205	205	225
Number of Minimum Days	6	6	6
Actual Minutes - Minimum Days	1,230	1,230	1,350

<b>Wednesday Schedule</b>			
Start	8:15 AM	8:15 AM	8:15 AM
End	2:00 PM	2:00 PM	2:00 PM
Number of Hours	5:45	5:45	5:45
Number of Minutes	345	345	345
Less: Recess	-10	-10	-10
Less: Lunch	-40	-40	-40
Actual Daily Instructional Minutes	295	295	295
Number of Wed. Days	37	37	37
Actual Minutes - Wed. Days	10,915	10,915	10,915

<b>Total No. of Instructional Days</b>	180	180	180
--	-----	-----	-----

<b>Annual Instructional Minutes</b>			
Total Annual Instructional Minutes	60,780	60,780	60,900
Required Number of Minutes	54,000	54,000	54,000
	6,780	6,780	6,900

# Instructional Time Certification

YEAR 2013-2014 SITE SCHEDULE

SCHOOL SITE Bayside MLK

Please read the attached \*Program Advisory memo and complete one form for each instructional level at your site:

**K-AM or K-PM	36,000 annual minutes
**Primary, 1-3	50,000 annual minutes
*Intermediate, 4-6	54,000 annual minutes
Junior High, 7-8	54,000 annual minutes
High School, 9-12	64,800 annual minutes

**\*\*Please attach bell schedule**

K	Regular Day	Instructional Minutes
Begins	8:15	125
Instructional Period 1	Ends 10:20	
Begins	Ends	0
Instructional Period 2	Ends	0
Begins	Ends	0
Recess		
Begins	10:20	0
Instructional Period 3	Ends 10:30	
Begins	10:30	80
Instructional Period 4	Ends 11:50	
Begins	Ends	0
Lunch		
Begins	11:50	0
Instructional Period 5	Ends 12:30	
Begins	12:30	90
Begins	Ends	0
Total Daily Minutes		295

Number of Regular Days: 137

137x295

40415

Total Annual Minutes 40,415

Principal Signature

Date

1-9-14

ADDITIONAL COMMENTS:



# Instructional Time Certification

YEAR 2013-2014

SITE SCHEDULE

SCHOOL SITE

Bayside MLK

Please read the attached \*Program Advisory memo and complete one form for each instructional level at your stie:

**K-AM or K-PM	36,000 annual minutes
**Primary, 1-3	50,000 annual minutes
**Intermediate, 4-6	54,000 annual minutes
Junior High, 7-8	54,000 annual minutes
High School, 9-12	64,800 annual minutes

**\*\*Please attach bell schedule**

K	Wednesday	Instructional Minutes
Begins	8:15	
Instructional Period 1	Ends 10:20	125
Begins	Ends	0
Instructional Period 2	Ends	0
Begins	Ends	0
Recess	Begins 10:20	0
Instructional Period 3	Ends 10:30	0
Begins	Ends 11:20	50
Instructional Period 4	Ends	0
Begins	Ends	0
Lunch	Begins 11:20	0
Instructional Period 5	Ends 12:00	0
Begins	Ends 2:00	120
Recess	Begins	0
Instructional Period 7	Ends	0
Begins	Ends	0
Total Daily Minutes		295

Number of Wednesdays:

37

37x295

10915

Total Annual Minutes

10,915

Principal Signature

Date

ADDITIONAL COMMENTS:

# Instructional Time Certification

YEAR 2013-2014

SITE SCHEDULE

SCHOOL SITE

Bayside MLK

Please read the attached \*Program Advisory memo and complete one form for each instructional level at your site:

**K-AM or K-PM	36,000 annual minutes
**Primary, 1-3	50,000 annual minutes
**Intermediate, 4-6	54,000 annual minutes
Junior High, 7-8	54,000 annual minutes
High School, 9-12	64,800 annual minutes

**\*\*Please attach bell schedule**

1-5 Grade Regular Day		Instructional Minutes
Begins	8:15	
Instructional Period 1	Ends 10:20	125
Begins	Ends	0
Instructional Period 2	Ends	0
Begins	Ends	0
Recess		
Begins	10:20	Ends 10:30
Instructional Period 3	Begins 10:30	Ends 11:50
Instructional Period 4	Begins	Ends
Lunch		
Begins	11:50	Ends 12:30
Instructional Period 5	Begins 12:30	Ends 3:00
Instructional Period 7	Begins	Ends
Begins	1:35	Ends 3:00
Total Daily Minutes		355
Number of Regular Days: 137		137x355
		48635

Total Annual Minutes

48,635

Principal Signature

Date

1-9-14

ADDITIONAL COMMENTS:

# Instructional Time Certification

YEAR 2013-2014

SITE SCHEDULE

SCHOOL SITE

Bayside MLK

Please read the attached \*Program Advisory memo and complete one form for each instructional level at your site:

**K-AM or K-PM	36,000 annual minutes
**Primary, 1-3	50,000 annual minutes
**Intermediate, 4-6	54,000 annual minutes
Junior High, 7-8	54,000 annual minutes
High School, 9-12	64,800 annual minutes

**\*\*Please attach bell schedule**

1st-5th	Wednesday	Instructional Minutes
Begins	8:15	
Instructional Period 1	Ends 9:56	101
Begins	Ends	0
Instructional Period 2	Ends	0
Begins	Ends	0
Recess	Begins 9:56	0
Instructional Period 3	Ends 10:06	0
Begins 10:06	Ends 11:20	74
Instructional Period 4	Ends	0
Begins	Ends	0
Lunch	Begins 11:20	0
Instructional Period 5	Ends 12:00	0
Begins 12:00	Ends 2:00	120
Recess	Begins	0
Begins	Ends	0
Instructional Period 7	Begins	0
Begins		
Total Daily Minutes		295

Number of Wednesdays

37

Annual minutes

37 X 295

10915

Total Annual Minutes

10,915

Principal Signature

Date

ADDITIONAL COMMENTS:

# Instructional Time Certification

YEAR 2013-2014

SITE SCHEDULE

SCHOOL SITE

Bayside MLK

Please read the attached \*Program Advisory memo and complete one form for each instructional level at your site:

**K-AM or K-PM	36,000 annual minutes
**Primary, 1-3	50,000 annual minutes
**Intermediate, 4-6	54,000 annual minutes
Junior High, 7-8	54,000 annual minutes
High School, 9-12	64,800 annual minutes

**\*\*Please attach bell schedule**

LEVEL	K- 5th grade Minimum Day	Instructional Minutes
	Instructional Period 1	
	Begins 8:15 Ends 10:20	125
	Recess	
	Begins 10:20 Ends 10:30	0
	Instructional Period 2	
	Begins 10:30 Ends 11:50	80
	Lunch	
	Begins 11:50 Ends 12:30	0
	Total Daily Minutes	205
Number of Minimum Days	6	
Annual minutes 6x205	Total	1,230

Principal Signature

Date

ADDITIONAL COMMENTS:

# Instructional Time Certification

YEAR 2013-2014 SITE SCHEDULE

SCHOOL SITE Bayside MLK

Please read the attached \*Program Advisory memo and complete one form for each instructional level at your site:

**K-AM or K-PM	36,000 annual minutes
*Primary, 1-3	50,000 annual minutes
*Intermediate, 4-6	54,000 annual minutes
Junior High, 7-8	54,000 annual minutes
High School, 9-12	64,800 annual minutes

**\*\*Please attach bell schedule**

6-8 Grade Regular Day		Instructional Minutes
Begins 8:15	Ends 11:05	170
Instructional Period 1		
Begins	Ends	0
Instructional Period 2		
Begins	Ends	0
Recess		
Begins 11:05	Ends 11:15	0
Instructional Period 3		
Begins 11:15	Ends 12:43	88
Instructional Period 4		
Begins	Ends	0
Lunch		
Begins 12:43	Ends 1:23	0
Instructional Period 5		
Begins 1:23	Ends 3:00	97
Instructional Period 7		
Begins	Ends	0
Total Daily Minutes		355
Number of Regular Days:	137	
	137x355	48635

Total Annual Minutes 48,635

Principal Signature

Date

ADDITIONAL COMMENTS:

# Instructional Time Certification

YEAR 2013-2014

SITE SCHEDULE

SCHOOL SITE

Bayside MLK

Please read the attached \*Program Advisory memo and complete one form for each instructional level at your stie:

**K-AM or K-PM	36,000 annual minutes
**Primary, 1-3	50,000 annual minutes
**Intermediate, 4-6	54,000 annual minutes
Junior High, 7-8	54,000 annual minutes
High School, 9-12	64,800 annual minutes

**\*\*Please attach bell schedule**

6-8 Grade		Wednesday		Instructional Minutes	
Begins	8:15	Ends	10:35		140
Instructional Period 1					
Begins		Ends			0
Instructional Period 2					
Begins		Ends			0
Recess					
Begins	10:35	Ends	10:45		0
Instructional Period 3					
Begins	10:45	Ends	12:00		75
Instructional Period 4					
Begins		Ends			0
Lunch					
Begins	12:00	Ends	12:40		0
Instructional Period 5					
Begins	12:40	Ends	2:00		80
Recess					
Begins		Ends			0
Instructional Period 7					
Begins					0
Total Daily Minutes					295
Number of Wednesdays		37			
Annual minutes		37 X 295		10915	

Total Annual Minutes

10,915

Principal Signature

Date

ADDITIONAL COMMENTS:

# Instructional Time Certification

YEAR 2013-2014

SITE SCHEDULE

SCHOOL SITE

Bayside MLK

Please read the attached \*Program Advisory memo and complete one form for each instructional level at your site:

**K-AM or K-PM	36,000 annual minutes
*Primary, 1-3	50,000 annual minutes
*Intermediate, 4-6	54,000 annual minutes
Junior High, 7-8	54,000 annual minutes
High School, 9-12	64,800 annual minutes

\*\*Please attach bell schedule

LEVEL	6th - 8th Grade Minimum Day		Instructional Minutes
	Instructional Period 1		
	Begins 8:15	Ends 10:05	110
	Recess		
	Begins 10:05	Ends 10:15	0
	Instructional Period 2		
	Begins 10:15	Ends 11:50	95
	Lunch		
	Begins 11:50	Ends 12:30	0
	Total Daily Minutes		205
Number of Minimum Days	6		
Annual minutes	6x205	Total	1,230

Principal Signature

Date

ADDITIONAL COMMENTS:

**Sausalito Marin City School District**

**Agenda Item:** 11.01

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☒ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☒

**Item is for Information Only:** ☐

**Item:** Board Policy (BP) & Administrative Regulation (AR) 1230– School Connected organizations

**Background:**

Last month, this item was brought to the Board as a first read. This month the board is asked to approve the policy.

**Fiscal Impact:**

Undetermined

**Recommendation:**

Approve

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant



## Community Relations

### **School-Connected Organizations**

Note: The term "school-connected organization" may include booster clubs, parent-teacher associations aligned with the California State PTA, or other parent-teacher organizations. These organizations generally raise money for classroom activities or activities at specific schools. For policy language about a district's relationship with a foundation, see BP 1260 - Educational Foundation.

The Governing Board recognizes that parents/guardians and community members may wish to organize parent organizations and/or booster clubs for the purpose of supporting district and extracurricular programs, such as athletic teams, debate teams, or musical groups. The Board appreciates the contributions made by such organizations and encourages their interest and participation in supporting district activities and helping to achieve the district's vision for student learning.

Note: Generally, booster and parent clubs are separate legal entities from the district and thus are not under the control or the responsibility of district personnel. However, Education Code 51521 requires that any fund-raising activity by a school-connected organization, designed to raise money to benefit a school or its students, receive approval from the Governing Board. Thus, it is recommended that districts create an internal control procedure to help ensure district compliance with law.

The Board recognizes that school-connected organizations are separate legal entities, independent of the district. However, in order to help the Board fulfill its legal and fiduciary responsibility to manage district operations, any school-connected organization that desires to raise money to benefit any district student shall submit a request for authorization to the Board, in accordance with Board policy and administrative regulation. In addition, the Superintendent or designee shall establish appropriate internal controls for the relationship between school-connected organizations and the district.

Note: Pursuant to Education Code 51520, food sales by outside organizations may not compete with the district's school nutrition program and must comply with the nutritional standards specified in Education Code 49431 and 49431.2. See BP/AR 3554 - Other Food Sales.

The Board encourages school-connected organizations to consider the impact of fund-raising activities on the overall school and district program. School-connected organizations may consult with the principal to determine school needs and priorities. Activities by school-connected organizations shall not conflict with law, Board policies, administrative regulations, or any rules of the sponsoring school.

## Community Relations

**School-Connected Organizations**

Persons proposing to establish a school-connected organization shall submit a request to the Governing Board for authorization to operate at the school. The request for authorization shall contain:

1. The name and purpose of the organization
2. The date of application
3. Bylaws, rules, and procedures under which the organization will operate, including procedures for maintaining the organization's finances, membership qualifications, if any, and an agreement that the group will not engage in unlawful discrimination
4. The names, addresses, and phone numbers of all officers
5. A list of specific objectives
6. An agreement to grant the district the right to audit the group's financial records at any time, either by district personnel or a certified public accountant
7. The name of the bank where the organization's account will be located and the names of those authorized to withdraw funds
8. The signature of the principal of the supporting school
9. Planned use for any money remaining at the end of the year if the organization is not continued or authorized to continue in the future

Note: Education Code 38134 requires school-connected organizations to insure against any liability resulting from the organization's negligence during an organization-sponsored event on school facilities. See BP/AR 1330 - Use of School Facilities.

10. An agreement to provide evidence of liability insurance as required by law
- Requests for subsequent authorization shall be presented to the Superintendent or designee annually, along with a financial statement showing all income and expenditures from fund-raisers. If the Superintendent or designee proposes to deny the request for reauthorization, he/she shall present his recommendation to the Board for approval.
- Upon consent of the Superintendent or designee, school-connected organizations may use the school's name, school team's name, or any logo attributable to the school or district. School-connected organizations are prohibited from hiring or directly paying district employees. Organizations may make donations to the district to cover the costs of additional employees, but only if such positions are approved in advance by the Board. At their discretion, employees may volunteer to perform activities for school-connected organizations during non-working hours.

(9/90 12/90) 7/07

**Sausalito Marin City School District**

**Agenda Item:** 11.02

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☒ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☒ **Item is for Information Only:** ☐

**Item:** Board Policy (BP) and Administrative Regulation (AR) 1240-- Volunteers

**Background:**

Last month, this item was brought to the Board as a first read. This month the Board is asked to approve the policy.

**Fiscal Impact:**

Undetermined

**Recommendation:**

Approve

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

## Community Relations

### **Volunteer Assistance**

The Governing Board recognizes that volunteer assistance in schools can enrich the educational program, increase supervision of students, and contribute to school safety while strengthening the schools' relationships with the community. The Board encourages parents/guardians and other members of the community to share their time, knowledge, and abilities with students.

The Superintendent or designee shall develop and implement a plan for recruiting, screening, and placing volunteers, including strategies for reaching underrepresented groups of parents/guardians and community members. He/she may also recruit community members to serve as mentors to students and/or make appropriate referrals to community organizations.

As appropriate, the Superintendent or designee shall provide volunteers with information about school goals, programs, and practices and an orientation or other training related to their specific responsibilities. Employees who supervise volunteers shall ensure that volunteers are assigned meaningful responsibilities that utilize their skills and expertise and maximize their contribution to the educational program.

Volunteer maintenance work shall be limited to those projects that do not replace the normal maintenance duties of classified staff. The Board nevertheless encourages volunteers to work on short-term projects to the extent that they enhance the classroom or school, do not significantly increase maintenance workloads, and comply with employee negotiated agreements.

Volunteer aides shall not be used to assist certificated staff in performing teaching or administrative responsibilities in place of regularly authorized classified employees who have been laid off. (Education Code 35021)

Volunteers shall act in accordance with district policies, regulations, and school rules. The Superintendent or designee shall be responsible for investigating and resolving complaints regarding volunteers.

The Board encourages principals to develop a means for recognizing the contributions of each school's volunteers.

The Superintendent or designee shall periodically report to the Board regarding the district's volunteer assistance program.

### **Qualifications**

The Superintendent or designee shall establish procedures for determining whether volunteers possess the qualifications, if any, required by law and administrative regulation for the types of duties they will perform.

Note: Effective July 9, 2010, AB 346 (Ch. 52, Statutes of 2010) amended Education Code 49024 to require any volunteer who works with students in a district-sponsored student activity program to obtain an Activity Supervisor Clearance Certificate (ASCC) from the Commission on Teacher Credentialing, unless the district requires the volunteer to clear a Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) criminal background check prior to beginning the volunteer duties. This legislation was introduced in response to legislation passed in 2009 (AB 1025, Ch. 379, Statutes of 2009) which had required noncertificated personnel or volunteers who "supervise, direct, or coach the activity" to obtain an ASCC.

Prior to assuming a volunteer position to work with students in a district-sponsored student activity program, a volunteer shall obtain both a Department of Justice and Federal Bureau of Investigation criminal background check through the district. (Education Code 49024)

A volunteer who possesses a current Activity Supervisor Clearance Certificate from the Commission on Teacher Credentialing, issued prior to July 9, 2010, shall have satisfied district requirements for the criminal background check. (Education Code 49024)

## Community Relations

### **Volunteer Assistance**

#### Duties of Volunteers

Volunteers may assist certificated personnel in the performance of their duties, in the supervision of students, and in instructional tasks which, in the judgment of the certificated personnel to which the volunteer is assigned, may be performed by a person not licensed as a classroom teacher. These duties shall not include assignment of grades to students. (Education Code 45343, 45344, 45349)

Volunteers may supervise students during lunch, breakfast, or other nutritional periods or may serve as nonteaching aides under the immediate supervision and direction of certificated personnel to perform noninstructional work which assists certificated personnel in the performance of teaching and administrative responsibilities. (Education Code 35021, 44814, 44815)

Volunteers may work on short-term facilities projects pursuant to Board policy and the section below entitled "Volunteer Facilities Projects."

#### Qualifications

Volunteers providing supervision or instruction of students pursuant to Education Code 45349 shall give evidence of basic skills proficiency. (Education Code 45344.5, 45349)

Note: Effective July 9, 2010, AB 346 (Ch. 52, Statutes of 2010) amended Education Code 49024 to require any volunteer who works with students in a student activity program, as defined below, to obtain an Activity Supervisor Clearance Certificate from the Commission on Teacher Credentialing, unless the district requires the candidate to clear a Department of Justice and Federal Bureau of Investigation criminal background check prior to beginning the volunteer duties. See the accompanying Board policy for options that may be selected or adapted by the district.

Any volunteer working with students in a district-sponsored student activity program shall obtain an Activity Supervisor Clearance Certificate or criminal background check in accordance with Board policy. The Superintendent or designee shall determine which volunteer positions in the district are subject to this requirement.

"Student activity programs" include, but are not limited to, scholastic programs, interscholastic programs, and extracurricular activities sponsored by the district or a school booster club, such as cheer team, drill team, dance team, and marching band. This requirement shall not apply to volunteer supervisors for breakfast, lunch, or other nutritional periods or to volunteer nonteaching aides under the immediate supervision and direction of certificated personnel pursuant to Education Code 35021, including parents/guardians volunteering in a classroom or



on a field trip or community members providing noninstructional services. (Education Code 49024)

Note: Pursuant to Education Code 35021 and 45349, a district is prohibited from assigning a registered sex offender as a volunteer who assists certificated personnel in the performance of their duties; supervises students during lunch, breakfast, or other nutritional period; or serves as a nonteaching aide to perform noninstructional tasks. In addition, Penal Code 290.95 requires any person registered as a sex offender to disclose his/her status as a registrant when he/she applies for or accepts a position as a volunteer where the work would require him/her to work directly and in an unaccompanied setting with minor children on more than an incidental and occasional basis, to have supervision or disciplinary power over minor children, or to touch minor children on more than an incidental basis. Penal Code 290.95 also requires disclosure when the person would be working directly and in an unaccompanied setting providing goods or services to minors. See BP/AR 3515.5 - Sex Offender Notification.

The Superintendent or designee shall not assign any person required to register as a sex offender pursuant to Penal Code 290 as a volunteer who assists certificated personnel in the performance of their duties; supervises students during lunch, breakfast, or other nutritional period; or serves as a nonteaching aide to perform noninstructional tasks. In addition, a person who is required to register as a sex offender because of a conviction for a crime where the victim was a minor under age 16 shall not serve as a volunteer in any capacity in which he/she would be working directly and in an unaccompanied setting with minors on more than an incidental and occasional basis or have supervision or disciplinary power over minors. (Education Code 35021, 45349; Penal Code 290.95)

Note: Districts may verify whether a person is a registered sex offender by checking the Department of Justice's Megan's Law web site, asking law enforcement to conduct a check pursuant to Education Code 35021.1, and/or requiring volunteers to certify as to their status. The following paragraph should be modified to reflect district practice.

The Superintendent or designee may require all volunteers to disclose their status as a registered sex offender and/or provide the district with sufficient information in order to allow verification of this status on the Department of Justice's Megan's Law web site.

Note: Education Code 45347 and 45349 require that volunteers providing supervision or instruction meet the obligations required of classified staff. Pursuant to Education Code 49406, tuberculosis testing is one of these obligations; see AR 4112.4/4212.4/4312.4 - Health Examinations. In areas where there is a high incidence of tuberculosis, the district may revise the following paragraph to require more frequent tests or to require that all volunteers be tested.

No volunteer shall be assigned to supervise or instruct students unless he/she has submitted evidence of an examination within the past 60 days to determine that he/she is free of active tuberculosis. Volunteers who test negative shall thereafter be required to take a tuberculosis test every four years in accordance with Education Code 49406. (Education Code 45106, 45347, 45349, 49406)

The Superintendent or designee may exempt from tuberculosis testing requirements those volunteers who serve less than a school year and whose functions do not require frequent or prolonged contact with students. (Education Code 49406)

### Volunteer Facilities Projects

Note: The following optional section should be revised to reflect district practice.

Note: Pursuant to Labor Code 1720.4, volunteers are exempt from laws requiring workers employed in public works projects (e.g., construction and repair work) to be paid at least the general prevailing rate of per diem wages.

All volunteer facilities projects shall have approximate start and completion dates and shall be approved by the principal in advance. Projects also shall be approved in advance by the Superintendent or designee if they involve the following types of work:

1. Alterations, additions, or repairs to buildings and grounds
2. Construction involving wall or roof penetration, drilling, or nailing
3. Structural modifications
4. Electrical, electronic, plumbing, or heating and cooling work
5. Painting
6. Installation of carpet, playground equipment, benches, sprinkler systems, marquees or signs
7. Paving
8. Tree planting, pruning, or removal

The Superintendent or designee shall ensure that volunteers possess the appropriate license and/or have sufficient expertise appropriate to the project. He/she shall also ensure that such projects comply with building and safety codes and other applicable laws and collective bargaining agreements. The district shall provide on-site assistance and supervision for such projects as necessary. Projects shall be inspected upon completion to ensure that the work was done satisfactorily.



**Sausalito Marin City School District**

**Agenda Item:** 11.03

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☒ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☒ **Item is for Information Only:** ☐

**Item:** Board Policy (BP) 1260– Foundations

**Background:**

Last month, this item was brought to the Board as a first read. This month the Board is asked to approve the policy.

**Fiscal Impact:**

Undetermined

**Recommendation:**

Approve

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

## Community Relations

### **Educational Foundations**

The Governing Board recognizes the importance of community support of district programs, including voluntary financial contributions, to assist the district in achieving its goals for student learning.

Note: Educational foundations may be created to benefit the entire district, a specific school, or to support or sustain a variety of purposes, such as the arts, music, and/or computer programs; to provide graduating students with scholarships and/or loans; and to develop programs which meet new educational needs. It is strongly recommended that the Board and foundation work cooperatively to identify specific needs and to develop guidelines as to how resources will be used. For language regarding the acceptance of gifts and grants, see BP 3290 - Gifts, Grants and Bequests.

The Board desires to work cooperatively with the educational foundation in determining the purposes for which funds may be used to meet the changing needs of the district and its students. The Board recognizes that an educational foundation is a separate legal entity, independent of the district. However, the foundation is encouraged to provide regular reports to the Board on the status of its work and to communicate ways that the district can help support the foundation's activities.

With the consent of the Superintendent or designee, the educational foundation, as appropriate, may use the district's name, a school's name, a school team's name, or any logo attributable to a school or the district.

The Board supports foundation allocations that serve all district schools equitably.

**Sausalito Marin City School District**

**Agenda Item:** 11.04

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☒ Policy Development

☐ Consent Agenda

**Item Requires Board Action:**   X  

**Item is for Information Only:**       

**Item:** Board Policy (BP) and Administrative Regulation (AR) 3312.2 – Educational Travel Program Contracts

**Background:**

Last month, this item was brought to the Board as a first read. This month the Board is asked to approve the policy.

**Fiscal Impact:**

Undetermined

**Recommendation:**

Approve

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

Business and Noninstructional Operations

**Educational Travel Program Contracts**

The Governing Board believes that field trips and other travel opportunities for students are a valuable tool in supporting classroom instruction and promoting students' awareness of places and events. In contracting with organizations to provide educational travel services, the Board desires to ensure a quality educational experience and the health, safety and welfare of each student traveler.

The Superintendent or designee shall contract only with educational travel organizations which adhere to state law and exhibit safe and reputable business practices.

The Superintendent or designee shall establish procedures for selecting the highest quality vendor, taking into account student safety, quality of the program and fiscal integrity.

## Business and Noninstructional Operations

### **Educational Travel Program Contracts**

#### Definitions

Educational travel organization or organization means a person, partnership, corporation, or other entity which offers educational travel programs for students residing in California.

(Business and Professions Code 17552)

Student traveler or student means a person who is enrolled in elementary or secondary school, grades kindergarten through grade 12, at the time an educational travel program is arranged with an educational travel organization. (Business and Professions Code 17552)

Educational travel program means travel services that are arranged through or offered to an elementary or secondary school in the state, and where the services are represented to include an educational program as a component. (Business and Professions Code 17552)

Owner means a person or organization which owns or controls 10 percent or more of the equity of, or otherwise has claim to 10 percent or more of the net income of, the educational travel organization. (Business and Professions Code 17554)

Principal means an owner, an officer of a corporation, a general partner of a partnership, or a sole proprietor of a sole proprietorship. (Business and Professions Code 17554)

#### Contract Requirements

The Superintendent or designee shall ensure that each written contract with an educational travel organization includes all of the following: (Business and Professions Code 17554)

1. The travel organization's name, trade or business name, business address, business telephone number and a 24-hour emergency contact number
2. An itemized statement which shall include but not be limited to:
  - a. Services to be provided as part of the program
  - b. Agreed cost for the services
  - c. A statement as to whether or not the educational travel organization maintains insurance that supplies coverage in the event of injury to any student traveler, including the type and amount of coverage, the policy number and issuer, and the name and telephone number of the person or organization which is able to verify coverage

d. Any additional costs to students

e. The qualifications, if any, for experience and training that are required to be met by the educational travel organization's staff who shall accompany students on the educational travel program

3. A written description of the educational program being contracted for, including a copy of all materials to be provided to students

4. The number of times the educational travel program or a substantially similar educational travel program proposed by the contract has been conducted by the organization and the number of students who completed the program

5. The length of time the organization has either been arranging or conducting educational travel programs and, at the option of the organization, other travel services with substantially similar components

6. The name of each owner and principal of the organization

7. A statement as to whether any owner or principal of the organization has had entered against him or her any judgment, including a stipulated judgment, order, made a plea of nolo contendere or been convicted of any criminal violation in connection with the sale of any travel services for a period of 10 years predating the contract

District staff shall inform all vendors representing educational travel organizations that they may not arrange a travel program before the district has first entered into a written contract with the organization.

**Sausalito Marin City School District**

**Agenda Item:** 11.05

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☒ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☒

**Item is for Information Only:** ☐

**Item:** Board Policy (BP) & Administrative Regulation (AR) 3100– Budget

**Background:**

Last month, this item was brought to the Board as a first read. This month the Board is asked to approve the policy.

**Fiscal Impact:**

Undetermined

**Recommendation:**

Approve

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

## Business and Noninstructional Operations

**Budget**

The Governing Board recognizes its critical responsibility for adopting a sound budget for each fiscal year which is aligned with the district's vision, goals, priorities, and comprehensive plans. The district budget shall guide administrative decisions and actions throughout the year and shall serve as a tool for monitoring the fiscal health of the district.

The district budget shall show a complete plan and itemized statement of all proposed expenditures and all estimated revenues for the following fiscal year, together with a comparison of revenues and expenditures for the current fiscal year. The budget shall also include the appropriations limit and the total annual appropriations subject to limitation as determined pursuant to Government Code 7900-7914. (Education Code 42122)

Note: Pursuant to Education Code 42127, as amended by AB 97 (Ch. 47, Statutes of 2013), prior to adopting the district budget for the 2014-15 fiscal year, the Governing Board must adopt a local control and accountability plan (LCAP). Each fiscal year thereafter, the Board must not adopt the district budget until it has an approved LCAP or update to the LCAP that is effective for the budget year. Education Code 52062, added by AB 97, requires that the LCAP or annual update be adopted at the same public meeting during which the Board adopts the budget. See BP/AR 0460 - Local Control and Accountability Plan.

The Board shall adopt the budget only after a local control and accountability plan (LCAP) developed pursuant to Education Code 52060-52077 or an annual update to the LCAP is in place for the budget year. Expenditures necessary to implement the LCAP or the annual update during the subsequent fiscal year shall be included in the budget. (Education Code 42127)  
Budget Development and Adoption Process

Note: Education Code 42127 gives districts a choice of budget adoption methods. Under the single budget adoption process (Education Code 42127(i)), the Board must adopt and submit, by July 1, a "final" budget which subsequently may be amended within 45 days after the state budget is adopted and when necessary in response to disapproval of the budget by the County Superintendent of Schools. Under the dual budget adoption process (Education Code 42127(e) and (g)), the budget that the Board adopts by July 1 serves as a "tentative" budget. By September 8, the Board must submit a revised final budget which responds to the County Superintendent's recommendations and reflects changes in projected income or expenditures after July 1.

Note: Education Code 42127 requires districts using the single budget adoption process to notify the County Superintendent of that decision by October 31 of the preceding calendar year. However, according to the California Department of Education's (CDE) budget calendar, this notification should be provided to the County Superintendent along with the unaudited actual data report (see AR 3460 - Financial Reports and Accountability) which may be required sooner than October 31.



#### OPTION 1: (Single Budget Adoption Process)

The Superintendent or designee shall establish an annual budget development process and calendar in accordance with the single budget adoption process described in Education Code 42127(i). He/she shall annually notify the County Superintendent of Schools of the district's decision to use the single budget adoption process in the subsequent year. (Education Code 42127)

#### OPTION 2: (Dual Budget Adoption Process)

The Superintendent or designee shall establish an annual budget development process and calendar in accordance with the dual budget adoption process described in Education Code 42127(e) and (g).

Note: The remainder of this section applies to districts that selected either Option 1 or 2 above.

In order to provide guidance in the development of the budget, the Board shall annually establish budget priorities based on identified district needs and goals and on realistic projections of available funds.

The Superintendent or designee shall oversee the preparation of a proposed district budget for approval by the Board and shall involve appropriate staff in the development of budget projections.

Note: Education Code 42103 and 42127 require a public hearing prior to adoption of the budget and, in the case of the dual budget adoption process, a second public hearing prior to revising the budget; see the accompanying administrative regulation.

The Board encourages public input in the budget development process and shall hold a public hearing on the proposed budget in accordance with Education Code 42103 and 42127.

Note: Education Code 42126 requires the district's final budget to be submitted to the County Superintendent in a format prescribed by the Superintendent of Public Instruction. The CDE requires districts to use the Standardized Account Code Structure; see the accompanying administrative regulation. At its discretion, the district may use a different format for communicating the budget to the Board, staff, and public but, according to the CDE, the budget that the Board formally adopts must be in the format that will be submitted to the County Superintendent.

The budget that is formally adopted by the Board shall be in the format prescribed by the Superintendent of Public Instruction. The Superintendent or designee may supplement this format with additional information as necessary to effectively communicate the budget to the Board, staff, and public.

Budget Advisory Committee

The Superintendent or designee may appoint a budget advisory committee composed of staff,

Board representatives, and/or members of the community.

The committee shall develop recommendations during the budget development process and its duties shall be assigned each year based on district needs. All recommendations of the committee shall be advisory only and shall not be binding on the Board or the Superintendent or designee.

#### Budget Criteria and Standards

Note: Education Code 33129 requires the district to develop its budget and manage its expenditures in keeping with criteria and standards adopted by the State Board of Education (SBE) pursuant to Education Code 33127. These criteria and standards are delineated in Education Code 33128 and 5 CCR 15440-15451.

Note: Pursuant to Education Code 33128.3, by the 2013-14 fiscal year, districts are required to restore their reserve for economic uncertainty to the level specified in 5 CCR 15450. The CDE's New Requirements for Reporting Fund Balance in Governmental Funds suggests that districts may find it prudent to maintain reserves above the minimum required level; see the section "Fund Balance" below.

Note: AB 97 (Ch. 47, Statutes of 2013) amended Education Code 33127 to require the SBE to revise the state standards and criteria, on or before January 1, 2014, to reflect the requirements of the LCAP pursuant to Education Code 52060-52077. The updated standards and criteria will be applicable to district budgets starting in the 2014-15 school year.

The Superintendent or designee shall develop a district budget in accordance with criteria and standards adopted by the State Board of Education (SBE). (Education Code 33127, 33128, 33128.3, 33129; 5 CCR 15440-15451)

Note: Education Code 42238.02 and 42238.03, as added by AB 97 (Ch. 47, Statutes of 2013), provide supplemental and concentration grants within the local control funding formula for some districts based on the number and concentration of unduplicated counts of students who are eligible for free or reduced-price meals, English learners, and foster youth. Pursuant to Education Code 42238.07, as added by AB 97, the SBE is required to adopt regulations on or before January 31, 2014, governing the expenditure of supplemental and concentration grant funds and requiring districts to increase or improve services for targeted student groups in proportion to the increase in funds through these grants.

The budget shall provide that funding received through state supplemental and concentration grants pursuant to Education Code 42238.02 and 42238.03 shall be used in accordance with regulations adopted by the SBE for schoolwide or districtwide purposes to increase or improve services for students who are English learners, eligible for free or reduced-price meals, and/or foster youth at least in proportion to the increase to the district's revenue generated from such funds. (Education Code 42238.07)

The Board may establish other budget assumptions or parameters which may take into consideration the stability of funding sources, legal requirements and constraints on the use of

funds, anticipated increases and/or decreases in the cost of services and supplies, categorical program requirements, and any other factors necessary to ensure that the budget is a realistic plan for district revenues and expenditures.

#### Fund Balance

The district shall classify fund balances in compliance with Governmental Accounting Standards Board (GASB) Statement 54, as follows:

1. Nonspendable fund balance includes amounts that are not expected to be converted to cash, such as resources that are not in a spendable form (e.g., inventories and prepaids) or that are legally or contractually required to be maintained intact.
2. Restricted fund balance includes amounts constrained to specific purposes by their providers or by law.
3. Committed fund balance includes amounts constrained to specific purposes by the Board.

For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period of June 30, although the actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements.

4. Assigned fund balance includes amounts which the Board or its designee intends to use for a specific purpose.

The Board delegates authority to assign funds to the assigned fund balance to the Superintendent or designee and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements.

5. Unassigned fund balance includes amounts that are available for any purpose.

When multiple types of funds are available for an expenditure, the district shall first utilize funds from the restricted fund balance as appropriate, then from the committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

To protect the district against unforeseen circumstances such as revenue shortfalls and unanticipated expenditures, the Board intends to maintain a minimum unassigned fund balance which includes a reserve for economic uncertainties equal to at least two months of general fund operating expenditures, or 17 percent of general fund expenditures and other financing uses.

If the unassigned fund balance falls below this level due to an emergency situation, unexpected expenditures, or revenue shortfalls, the Board shall develop a plan to recover the fund balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

## Long-Term Financial Obligations

The district's current-year budget and multi-year projections shall include adequate provisions for addressing the district's long-term financial obligations, including, but not limited to, long-term obligations resulting from collective bargaining agreements, financing of facilities projects, unfunded or future liability for retiree benefits, and accrued workers' compensation claims.

The Board shall approve a plan for meeting the district's long-term obligations to fund nonpension, other postemployment benefits (OPEBs). This plan shall include a specific funding strategy and the method that will be used to finance the district's annual fiscal obligations for such benefits in a manner that continually reduces the deficit to the district to the extent possible. The Board reserves the authority to review and amend the funding strategy as necessary to ensure that it continues to serve the best interests of the district and maintains flexibility to adjust for changing budgetary considerations.

When the Superintendent or designee presents a report to the Board on the estimated accrued but unfunded cost of OPEBs, the Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve a sufficient amount of money in its budget to fund the present value of the benefits of existing retirees and/or the future cost of employees who are eligible for benefits in the current fiscal year

Note: The following optional paragraph is for use by districts that are self-insured for workers' compensation claims, either individually or as part of a joint powers agency. See AR 3460 - Financial Reports and Accountability for provisions related to reporting the estimated accrued but unfunded cost of workers' compensation claims based on an actuarial report.

When the Superintendent or designee presents a report to the Board on the estimated accrued but unfunded cost of workers' compensation claims, the Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve in the budget sufficient amounts to fund the present value of accrued but unfunded workers' compensation claims or if it is otherwise decreasing the amount in its workers' compensation reserve fund. The Board shall annually certify to the County Superintendent the amount, if any, that it has decided to reserve in the budget for these costs. The Board shall submit to the County Superintendent any budget revisions that may be necessary to account for this budget reserve. (Education Code 42141)

## Budget Amendments

Whenever revenues and expenditures change significantly throughout the year, the Superintendent or designee shall recommend budget amendments to ensure accurate projections of the district's net ending balance. When final figures for the prior-year budget are available, this information shall be used as soon as possible to update the current-year budget's beginning balance and projected revenues and expenditures.

In addition, budget amendments shall be submitted for Board approval as necessary when the state budget is adopted, collective bargaining agreements are accepted, district income declines,

increased revenues or unanticipated savings are made available to the district, program proposals are significantly different from those approved during budget adoption, interfund transfers are needed to meet actual program expenditures, and/or other significant changes occur that impact budget projections.

Business and Noninstructional Operations

**Budget**

Budget Advisory Committee

Membership of the district's budget advisory committee may include representatives of each of the following groups:

1. Governing Board members, provided that less than a majority of the Board serves on the committee
2. District and school site administrators
3. Representatives of bargaining units
4. Certificated and/or classified staff
5. Parents/guardians
6. Representatives of the business community and/or other community members
7. Students

The committee's duties may include, but not necessarily be limited to:

1. Making recommendations regarding budget priorities
2. Recommending cost reduction strategies, such as identifying services that may be reduced, made more efficient, or discontinued
3. Reviewing the clarity and effectiveness of budget documents and communications
4. Presenting progress reports on the committee's work and a final report of recommendations to the Superintendent or designee and to the Board

The specific duties of the committee shall be clearly defined and presented to each member in writing, along with any background information necessary for the successful completion of the committee's charges, the timelines for reporting the committee's progress, and timelines for completion of each task.

Initial Budget Adoption



On or before July 1 of each year, the Board shall adopt a budget which adheres to the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SPI). (Education Code 42126, 42127)

Note: Pursuant to Education Code 52062, as added by AB 97 (Ch. 47, Statutes of 2013), the public hearing on the budget described below must be at the same meeting as the public hearing on the local control and accountability plan (LCAP); see BP 0460 - Local Control and Accountability Plan.

Before adopting the district budget for the subsequent fiscal year, the Board shall hold a public hearing. The agenda for this hearing shall be posted at least 72 hours before the hearing and shall indicate the location where the budget may be inspected. The proposed budget shall be available for public inspection at least three working days before this hearing. This hearing shall be held at the same meeting as the public hearing to solicit public input on the local control and accountability plan (LCAP) or the annual update to the LCAP. (Education Code 42103, 42127, 52062)

The Superintendent or designee shall notify the County Superintendent of Schools of the location, dates, and times at which the proposed budget may be inspected, as well as the location, date, and time of the public hearing, in sufficient time for the County Superintendent to publish such information in a newspaper of general circulation at least 10 days but not more than 45 days before the hearing as required by Education Code 42103.

During the hearing, any district resident may speak to the proposed budget or to any item in the budget. The hearing may conclude when all residents who have requested to be heard have had the opportunity to speak. (Education Code 42103)

Note: Pursuant to Education Code 42127, as amended by AB 97 (Ch. 47, Statutes of 2013), prior to adopting the district budget for the 2014-15 fiscal year, the Governing Board must adopt the LCAP. Each fiscal year thereafter, the Board must not adopt the district budget until it has an approved LCAP or update to the LCAP that is in effect for the budget year. Education Code 52062, added by AB 97, requires that the LCAP or annual update be adopted at the same public meeting during which the Board adopts the budget. See BP/AR 0460 - Local Control and Accountability Plan.

After the public hearing, at a public meeting held on a different date, the Board shall adopt the district budget following adoption of the LCAP at the same meeting. The budget shall not be adopted if an approved LCAP or annual update to the LCAP is not in effect for the budget year. (Education Code 52062)

Note: Education Code 42127 requires the district to file the adopted budget with the County Superintendent as described below. If the district fails to submit a budget, the County

Superintendent will, at district expense, develop a budget by September 15 and transmit that budget to the Board.

The Superintendent or designee shall file the adopted budget with the County Superintendent no later than five days after adoption or by July 1, whichever occurs first. The budget and supporting data shall be maintained and made available for public review. (Education Code 42127)

#### Revised Budget

Note: On or before August 15, the County Superintendent will approve, conditionally approve, or disapprove the district's adopted budget and report to the Board and the SPI regarding the fiscal solvency of a district with a disapproved budget, as required by Education Code 1240 and 42127. If disapproved or conditionally approved, the County Superintendent must provide the Board with recommendations regarding revision of the budget and the reasons for those recommendations. The County Superintendent also may assign a fiscal advisor or may appoint a committee to review his/her recommendations.

Note: The district should select the appropriate option below reflecting the budget adoption process selected by the Board; see the accompanying Board policy. Districts using the single budget adoption process pursuant to Education Code 42127(i) (Option 1) must respond to a disapproved budget on or before September 8. Districts using the dual budget adoption process pursuant to Education Code 42127(e) and (g) (Option 2) must hold a second public hearing prior to adopting a revised budget on or before September 8. For districts using the dual budget adoption process, the requirement to adopt a revised budget applies regardless of whether the initial budget was approved or disapproved by the County Superintendent.

#### OPTION 1: (Single Budget Adoption Process)

No later than 45 days after the Governor signs the annual Budget Act, the Superintendent or designee shall make available for public review any revisions in budgeted revenues and expenditures which are consequently necessary. (Education Code 42127)

If the County Superintendent disapproves the district's budget, the Board shall review and respond to his/her recommendations at a public meeting on or before September 8. The response shall include any revisions to the adopted budget and any other proposed actions to be taken as a result of those recommendations. (Education Code 42127)

#### OPTION 2: (Dual Budget Adoption Process)

On or before September 8, the Board shall adopt and file a revised budget with the County Superintendent which reflects: (Education Code 42127)



1. Changes in projected income or expenditures subsequent to July 1
2. Any response to the County Superintendent's recommendations on the initial budget

Before revising the budget, the Board shall hold a second public hearing regarding the proposed revisions in accordance with Education Code 42103. In addition, if the initial budget was disapproved by the County Superintendent, the public hearing shall include a review by the Board and the County Superintendent of the disapproval and the County Superintendent's recommendations. (Education Code 42127)

The revised budget and supporting data shall be maintained and made available for public review. (Education Code 42127)

#### Budget Review Committee for Disapproved Budgets

If the district's revised budget is disapproved by the County Superintendent for any reason other than his/her disapproval of the district's LCAP or annual update to the LCAP, the budget shall be reviewed by a budget review committee, unless the Board and County Superintendent agree to waive the requirement and the California Department of Education accepts the waiver. (Education Code 42127)

Note: Pursuant to Education Code 42127.2, if the Board fails to select the budget review committee from a list of candidates provided by the SPI within five working days of receiving the list, as provided in item #1 below, the SPI will select and convene the committee within 10 working days from the date the Board received the candidate list.

This committee shall consist of either: (Education Code 42127.1, 42127.2)

1. Three persons selected by the Board from a list of candidates provided by the SPI, who shall be selected within five working days after receiving the list of candidates
2. A regional review committee convened by the County Superintendent with the approval of the Board

If the budget review committee recommends disapproval of the district budget, the Board may submit a response no later than five working days after receipt of the committee's report. The response may include any revisions to the adopted final budget and any other proposed actions to be taken as a result of the committee's recommendations. (Education Code 42127.3)

If the SPI disapproves the district budget after reviewing the committee's report and the district's response, the Board shall consult with the County Superintendent as he/she develops and adopts, by November 30, a fiscal plan and budget that will allow the district to meet its financial obligations. For the current fiscal year, the district shall operate in accordance with the budget adopted by the County Superintendent. (Education Code 42127.3)

Until the district receives approval of its budget, it shall continue to operate either on the basis of the prior year's budget or on the basis of the current year's unapproved budget as adopted and revised by the Board, whichever budget contains a lower total spending authority. (Education Code 42127.4)

**Sausalito Marin City School District**

**Agenda Item:** 11.06

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☒ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☐

**Item is for Information Only:** ☒

**Item:** Board Bylaw (BB) 9000 – Role of the Board

**Background:**

As part of an on-going effort to review our policies, we will begin with Board Bylaws. Therefore, presented for review:

First read for Board Bylaw (BB) 9000 concerning the role of the board.

**Fiscal Impact:**

Undetermined

**Recommendation:**

First Read

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

## **Role Of The Board**

The Governing Board has been elected by the community to provide leadership and citizen oversight of the district. The Board shall ensure that the district is responsive to the values, beliefs, and priorities of the community.

The Board shall work with the Superintendent to fulfill its major responsibilities, which include:

1. Setting the direction for the district through a process that involves the community, parents/guardians, students, and staff and is focused on student learning and achievement
2. Establishing an effective and efficient organizational structure for the district by:
  - a. Employing the Superintendent and setting policy for hiring of other personnel
  - b. Overseeing the development and adoption of policies
  - c. Establishing academic expectations and adopting the curriculum and instructional materials
  - d. Establishing budget priorities and adopting the budget
  - e. Providing safe, adequate facilities that support the district's instructional program
  - f. Setting parameters for negotiations with employee organizations and ratifying collective bargaining agreements
3. Providing support to the Superintendent and staff as they carry out the Board's direction by:
  - a. Establishing and adhering to standards of responsible governance
  - b. Making decisions and providing resources that support district priorities and goals
  - c. Upholding Board policies
  - d. Being knowledgeable about district programs and efforts in order to serve as effective spokespersons
4. Ensuring accountability to the public for the performance of the district's schools by:
  - a. Evaluating the Superintendent and setting policy for the evaluation of other personnel
  - b. Monitoring and evaluating the effectiveness of policies
  - c. Serving as a judicial (hearing) and appeals body in accordance with law, Board policies, and negotiated agreements
  - d. Monitoring student achievement and program effectiveness and requiring program changes as necessary
  - e. Monitoring and adjusting district finances
  - f. Monitoring the collective bargaining process
5. Providing community leadership and advocacy on behalf of students, the district's educational program, and public education in order to build support within the local community and at the state and national levels

The Board is authorized to establish and finance any program or activity that is not in conflict with, inconsistent with, or preempted by law. (Education Code 35160)

**Sausalito Marin City School District**

**Agenda Item:** 11.07

**Date:** January 14, 2014

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☒ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☐

**Item is for Information Only:** ☒

**Item:** Board Bylaw (BB) 9005 – Governance Standards

**Background:**

As part of an on-going effort to review our policies, we will begin with Board Bylaws. Therefore, presented for review:

First read for Board Bylaw (BB) 9005 concerning Governance Standards.

**Fiscal Impact:**

Undetermined

**Recommendation:**

First Read

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

### **Governance Standards**

The Governing Board believes that its primary responsibility is to act in the best interests of every student in the district. The Board also has major commitments to parents/guardians, all members of the community, employees, the state of California, laws pertaining to public education, and established policies of the district. To maximize Board effectiveness and public confidence in district governance, Board members are expected to govern responsibly and hold themselves to the highest standards of ethical conduct.

The Board expects its members to work with each other and the Superintendent to ensure that a high-quality education is provided to each student. Each individual Board member shall:

1. Keep learning and achievement for all students as the primary focus
2. Value, support and advocate for public education
3. Recognize and respect differences of perspective and style on the Board and among staff, students, parents and the community
4. Act with dignity, and understand the implications of demeanor and behavior
5. Keep confidential matters confidential
6. Participate in professional development and commit the time and energy necessary to be an informed and effective leader
7. Understand the distinctions between Board and staff roles, and refrain from performing management functions that are the responsibility of the Superintendent and staff
8. Understand that authority rests with the Board as a whole and not with individuals

Board members also shall assume collective responsibility for building unity and creating a positive organizational culture. To operate effectively, the Board shall have a unity of purpose and:

1. Keep the district focused on learning and achievement for all students
2. Communicate a common vision
3. Operate openly, with trust and integrity
4. Govern in a dignified and professional manner, treating everyone with civility and respect
5. Govern within Board-adopted policies and procedures
6. Take collective responsibility for the Board's performance
7. Periodically evaluate its own effectiveness
8. Ensure opportunities for the diverse range of views in the community to inform Board deliberations

**Sausalito Marin City School District**

**Agenda Item:** 11.08

**Date:** January 14, 2013

<input type="checkbox"/> Correspondence	<input type="checkbox"/> Consent Agenda
<input type="checkbox"/> Reports	
<input type="checkbox"/> General Functions	
<input type="checkbox"/> Pupil Services	
<input type="checkbox"/> Personnel Services	
<input type="checkbox"/> Financial & Business Procedures	
<input type="checkbox"/> Curriculum and Instruction	
<input checked="" type="checkbox"/> Policy Development	

**Item Requires Board Action:** ☐ **Item is for Information Only:** ☒

**Item:** Board Bylaw (BB) 9010 – Public Statements

**Background:**

As part of an on-going effort to review our policies, we will begin with Board Bylaws. Therefore, presented for review:

First read for Board Bylaw (BB) 9010 concerning Public Statements.

**Fiscal Impact:**

Undetermined

**Recommendation:**

First Read

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

### **Public Statements**

The Governing Board recognizes the responsibility of Board members in their role as community leaders to participate in public discourse on matters of civic or community interest, including those involving the district, and their right to freely express their personal views. However, to ensure communication of a consistent, unified message regarding district issues, Board members are expected to respect the authority of the Board to choose its representatives to communicate its positions and to abide by established protocols.

All public statements authorized to be made on behalf of the Board shall be made by the Board president or, if appropriate, by the Superintendent or other designated representative.

When speaking for the district, the Board encourages its spokespersons to exercise restraint and tact and to communicate the message in a manner that promotes public confidence in the Board's leadership.

Board spokespersons shall not disclose confidential information or information received in closed session except when authorized by a majority of the Board. (Government Code 54963)

When speaking to community groups, members of the public, or the media, individual Board members should recognize that their statements may be perceived as reflecting the views and positions of the Board. Board members have a responsibility to identify personal viewpoints as such and not as the viewpoint of the Board.

In addition, the Board encourages members who participate on social networking sites, blogs, or other discussion or informational sites to conduct themselves in a respectful, courteous, and professional manner and to model good behavior for district students and the community. Such electronic communications are subject to the same standards and protocols established for other forms of communication, and the disclosure requirements of the California Public Records Act may likewise apply to them.



**Sausalito Marin City School District**

**Agenda Item:** 11.09

**Date:** January 14, 2013

☐ Correspondence  
☐ Reports  
☐ General Functions  
☐ Pupil Services  
☐ Personnel Services  
☐ Financial & Business Procedures  
☐ Curriculum and Instruction  
☒ Policy Development

☐ Consent Agenda

**Item Requires Board Action:** ☐

**Item is for Information Only:** ☒

**Item:** Board Bylaw (BB) 9130 – Board Committees

**Background:**

As part of an on-going effort to review our policies, we will begin with Board Bylaws. In addition, this topic was a source of inquiry by the board at the December 2013 meeting. The Superintendent requests that the board fully contemplate the ramifications of establishing standing committees before taking action to formally establish any such committees. Therefore, presented for review:

First read for Board Bylaw (BB) 9130 concerning Board Committees.

**Fiscal Impact:**

Undetermined

**Recommendation:**

First Read

**Prepared for:** S. Van Zant

**Prepared by:** S. Van Zant

## BB 9130 Board Bylaws

### Board Committees

The Governing Board may establish a committee whenever it determines that such a committee would benefit the district by providing diverse viewpoints, specialized knowledge or expertise, or increased efficiency. Such committees may be subcommittees of the Board or committees that include members of the community, staff, or other stakeholder groups.

Upon establishing a committee, the Board shall clearly define the committee's purpose, any timeline for completion of assigned responsibilities, any stakeholder groups or individuals to be represented on the committee, length of time that committee members are expected to serve, and expectations for reporting to the Board and/or the Superintendent or designee. Unless specifically authorized by the Board to act on its behalf, the committee shall act in an advisory capacity.

Except for subcommittees of the Board, committee members shall, as appropriate, be recommended by the Superintendent or designee and appointed by the Board president, subject to Board approval.

The Superintendent or designee shall provide committee members with information and assistance necessary for the fulfillment of the committee's charges, and may serve as a non-voting advisor to the committee at the discretion of the Board.

Whenever so charged, committees may actively seek input and participation by parents/guardians, staff, community, and students and may consult with local public boards and agencies.

Any committee not required by law may be dissolved when its duties or term has been completed or whenever the Board deems necessary.

### Committee Meetings

*Note: Unless otherwise exempted by law, Government Code 54952 provides that open meeting laws (the Brown Act) apply to any commission, committee, board, or other legislative body created by formal action of the Board, regardless of whether that body is permanent or temporary, decision making or advisory; also see BP/AR 1220 - Citizen Advisory Committees. These requirements include posting a meeting notice or agenda at least 72 hours before a regular meeting or 24 hours before a special meeting pursuant to Government Code 54954.2 and 54956; see BB 9320 - Meetings and Notices.*

*Note: In Frazer v. Dixon Unified School District, the court held that the adoption of a Board policy that required the appointment of a curriculum committee to advise the Superintendent, and in turn the Board, was a committee created by "formal Board action" within the meaning of Government Code 54952. Therefore, the committee's meetings were subject to the Brown Act.*

Unless otherwise exempted by law, Board-created committees shall provide public notice of their meetings and conduct meetings in accordance with Government Code 54950-54963 (the Brown Act).

However, Board subcommittees composed solely of less than a quorum of the members of the Board are not subject to open meeting laws unless they are standing committees. Standing committees of the Board, irrespective of membership, are those that have a continuing subject matter jurisdiction or a meeting schedule established by action of the Board. (Government Code 54952)

*Note: In 79 Ops.Cal.Atty.Gen. 69 (1996), the Attorney General has clarified that open meeting laws apply if the standing committee has the responsibility of providing advice at the Board's request on budgets, audits, contracts, and personnel matters.*

Standing committees with a continuing subject matter jurisdiction include, but are not limited to, those responsible for providing advice on budgets, audits, Board policy, contracts, and personnel matters at the Board's request.

*Note: Pursuant to Government Code 54952.2, the Brown Act is not violated if Board members who are not members of a standing committee attend the committee meeting only as "observers." In 81 Ops.Cal.Atty.Gen. 156 (1998), the Attorney General clarified that those Board members attending the meeting as "observers" may not ask questions or make statements at the meeting and that they must sit in the areas designated for members of the public.*

When a majority of the members of the Board attend an open and noticed meeting of a standing committee, the Board members who are not members of the standing committee shall attend only as observers. (Government Code 54952.2)

Whenever any advisory or standing committee, including a committee not otherwise subject to the Brown Act, posts a meeting agenda at least 72 hours in advance of the meeting, that meeting shall be considered as a regular meeting of the Board for purposes of the Brown Act and therefore must be held within district boundaries unless otherwise authorized by law. (Government Code 54954)

*Note: In 80 Ops.Cal.Atty.Gen. 308 (1997), the Attorney General determined that sessions of a district liaison council that was formed by the board to interview candidates for district superintendent and to make a recommendation to the board were not required to be open to the public. The Attorney General concluded that, because a legislative body is authorized under Government Code 54957 to hold closed sessions during a regular or special meeting to consider the appointment or employment of a public employee (see BB 9321 - Closed Session Purposes and Agendas), that authority also extends to committees that are delegated by the legislative body to perform related duties. The following paragraph reflects this opinion.*

Committees may meet in a closed session during a regular or special meeting only for those purposes specifically authorized by law for closed sessions held by the Board.