

SEQUOIA UNION HIGH SCHOOL DISTRICT  
Redwood City, California 94062

TO: Board of Trustees

DATE: December 10, 2014

FROM: James Lianides,  
Superintendent

SUBJECT: Personnel Recommendations  
for December 10, 2014  
Board Meeting

### Employment – Certificated

Campbell	Maureen	M	Interim AVP		1/05/15 – 6/30/15	
Carey	Liam	W	Education Specialist	.2 fte	1/05/15	Probationary 1
Davis-Karnacki	Kristin	D	Instructional Coach	.4 fte	1/26/15 – 6/17/15	
Mehta	Jayanthi	W	Education Specialist	.28 fte	1/05/15	Probationary 1
Rick-Kennel	Simone	M	Interim Principal	.5 fte	1/05/15 – 6/30/15	

Notice of Termination-Certificated

NONE

### Employment – Sequoia Adult Certificated

NONE

### Notice of Terminations – Sequoia Adult Certificated

NONE

Approved Requests for Leave of Absence for the 2014-15 School Year

Baldaccini	Natalie	S	English	100% leave	1.0 fte	1/20/15 – 6/05/15
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David Reilly, Assistant Superintendent

## SEQUOIA UNION HIGH SCHOOL DISTRICT

DATE: December 10, 2014

SUBJECT: Personnel Recommendations  
for December 10, 2014  
Board Meeting

Jimenez	Yeni	W	Library Assist. II	Probationary	1.0 fte	12/08/14
Miralles	Rosa	M	Sr. School Secretary	Temp	1.0 fte	12/01/14
Llamas Flores	Flora	D	IA / Tutor – EL	Temp	0.5 fte	11/01/14
Padilla	Yamileth	C	Food Serv. Cashier	Temp	.34 fte	12/01/14

Del Rosario	Esperanza	S	Food Serv. Worker II	Retirement	.67 fte	12/30/14
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NONE

Sequoia Union High School District  
Educational Services Division**NEW BOOK PRE-PILOT EVALUATION****INSTRUCTIONS:**

- Before piloting the book, please answer each question. If a question does not apply to your proposal, briefly explain why.
- In cases where incomplete evaluations are received (or required information is not provided), the form will be returned to the originator.
- Follow SUHSD flowchart for approval process.
- Complete a background statement if Board approval is necessary (see attached sample).
- Complete an evaluation form after pilot period.

Robert Owens 5/28/14  
Originator Date

Carlmont High School  
School

92. 9/10/2014  
Dept. Chair's signature Date

Kim M. Gleaton 9/11/14  
Principal's signature Date

[Signature] 9/11/14  
VP's signature Date

Subject Area Council approval date 10/21/14

[Signature] 10/21/14  
Asst. Superintendent's signature Date

**GENERAL INFORMATION**

Book Title/Edition The Orphan Master's Son Author(s) Adam Johnson

Publisher Random House Copyright Date January 10th 2012

ISBN No. 0812982622 No. of Pages 480 pages No. of Copies Needed 100 Price 9.00

Course Title(s) English IV Department(s) English

Check all that apply:

Grade Level(s) 9 10 11 12 x Reading Level(s): 12

Type of Book Textbook x Literature Reference Test Prep Other

Use of Book x Copy for Each Student Class Set Outside Reading Summer Reading  
Teacher Use Only Other

## **PROCESS**

1. Which **schools** will be piloting the book and **how many sections** will there be at each site?

Carlmont High School's English IV team will pilot the book. It will be taught at the benchmark level. There will be three sections.

2. What is the **current book** being replaced? Why is it being replaced?

This book will be used in addition to our current selections. I intend to create a common core unit for my students.

3. How was this book selected? What **criteria** were used? Who participated in the selection?

This book was selected due to the way it deals with human rights issues in North Korea, something overlooked in fictional literature. This should be of interest to Asian American students, but also to any senior who values individual liberty and self-determination. It is also an entertaining, but highly literary (winner of a Pulitzer Prize) novel which should engage student readers.

## **CONTENT**

4. Cite how this book addresses **SUHS content standards** and/or **California subject area framework(s)** as well as school **ESLRs**. Provide specific references.

### CCSS.ELA-LITERACY.RL.11-12.1

Cite strong and thorough textual evidence to support analysis of what the text says explicitly as well as inferences drawn from the text, including determining where the text leaves matters uncertain.

### CCSS.ELA-LITERACY.RL.11-12.2

Determine two or more themes or central ideas of a text and analyze their development over the course of the text, including how they interact and build on one another to produce a complex account; provide an objective summary of the text.

### CCSS.ELA-LITERACY.RL.11-12.5

Analyze how an author's choices concerning how to structure specific parts of a text (e.g., the choice of where to begin or end a story, the choice to provide a comedic or tragic resolution) contribute to its overall structure and meaning as well as its aesthetic impact.

5. At what **reading level** is the book written? (Use computer analysis in addition to the publisher's estimate and any other methods of analysis.)

Using the Text Complexity Model in the Common Core Standards, Appendix A, I have determined that the text is approximately at a 12<sup>th</sup> grade level. Its Lexile level is not available.

6. Was the book reviewed for **social content** (i.e., ethnicity, race, gender, etc.)? If so, what were the results?

Yes. The novel is about an orphaned North Korean man's experience when, after an unforeseen turn of events gives him the opportunity to forge a new identity and life for himself. It speaks to historical and political events, but it also features an Asian male as the protagonist.

7. If the book is a work of **literature**, address the following: literary genre, brief plot summary, major themes, cultures addressed, potential controversy, etc.

-Fiction

-Pak Jun Do is the haunted son of a lost mother—a singer “stolen” to Pyongyang—and an influential father who runs Long Tomorrows, a work camp for orphans. There the boy is given his first taste of power, picking which orphans eat first and which will be lent out for manual labor. Recognized for his loyalty and keen instincts, Jun Do comes to the attention of superiors in the state, rises in the ranks, and starts on a road from which there will be no return.

-Themes include, the supremacy of national interests and propaganda over the individual, freedom, and individual identity.

-North Korean culture.

-Some controversy might arise over scenes in which the protagonist is tortured through “cranial administration of electricity.” Other difficult parts of the book deal with the privation and starvation of people sent to mining camps.

## **PHYSICAL FEATURES**

8. Was the book reviewed for its **physical features** (i.e., font size, hardcover vs. paperback, durable binding, graphics and illustrations, etc.)? If so, what were the findings?

I have chosen the paperback version for its low cost; graphics and illustrations are not a factor.

9. List **additional materials** available with the book, their price, and which materials, if any, will be purchased.

No additional materials are needed.

## **EXCEPTION TO THE APPROVAL PROCESS** (if applicable)

10. Explain any circumstances that would warrant an **exception** to the approval process (e.g., new but unchanged edition, necessity to order more than 100 books for pilot, classic title, used in neighboring district, test preparation workbook, etc.). Leave blank if there is no exception.

# EQUIPMENT SURPLUS DISPOSITION REQUEST

District Office

Department: TIS

11-14-2014

Quantity	Description	Additional Note	Original P.O. #	Serial #	SUHSD I.D. #	Suggested Disposition
1	Netbook EEPC 7"			9A0AAS400165	11716	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400190	11714	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400100	11702	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400163	11710	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400072	11718	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400903	11706	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400104	11705	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400942	11719	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400070	MISSING	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400207	11715	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400191	11712	Recycle/Dispose
1	Netbook EEPC 7"			9A0AAS400203	11713	Recycle/Dispose
1	Gateway Laptop E-475m			40320073	40356	Recycle/Dispose
1	Optiplex 745			7368LC1		Recycle/Dispose
1	Optiplex GX620			F8V44B1	38657	Recycle/Dispose
1	Optiplex GX620			G8V44B1	38656	Recycle/Dispose
1	IXLAN Computer P4			200770	37805	Recycle/Dispose
1	Zenit TV			121-32390538	35236	Recycle/Dispose
1	Zenit TV			65250321529	N/A	Recycle/Dispose

\*Donation: (If selected under suggested disposition) Indicate non-profit group requested: \_\_\_\_\_

Dept. Head *[Signature]*

Principal \_\_\_\_\_

Site Technology (if applicable) Josue V.

District Tech (if applicable) J.V. Dir. IT Robert Fishman

Director of Purchasing *[Signature]*

Purchasing Dept. & W/H use only

Board date:	<u>12/10/2014</u>
W/H action:	_____
Date:	_____
By:	_____



# EQUIPMENT SURPLUS DISPOSITION REQUEST

## District Office

Department: TIS

11-14-2014

[illegible]

\*Donation: (If selected under suggested disposition) Indicate non-profit group requested: \_\_\_\_\_

Dept. Head [Signature]

Principal \_\_\_\_\_

Site Technology (if applicable) Tosve U.

District Tech (if applicable) J. V. Dir. IT Robert Fishman

Director of Purchasing Paul S. Sells

Purchasing Dept. &amp; W/H use only

Board date: 12/10/2014

W/H action:

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

By: \_\_\_\_\_



**AGREEMENT BETWEEN THE SEQUOIA UNION HIGH SCHOOL DISTRICT**  
**AND**  
**Starvista**

**THIS AGREEMENT, entered into this the 1st day of October, 2014 by and between the SEQUOIA UNION HIGH SCHOOL DISTRICT, hereinafter called "District," and Starvista, hereinafter called "Contractor;"**

WITNESSETH:

WHEREAS, The District may contract with independent contractors for the furnishing of services such as those that Contractor proposes to provide to the District;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of School Based Mental Health Counseling, Clinical Case Management and Alternatives to Suspension Programs.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

**1. Exhibits and Attachments**

The following exhibits and attachments are included hereto and incorporated by reference herein:

Exhibit A – Services

Exhibit B – Payments and rates

**2. Services to be performed by Contractor**

In consideration of the payments set forth herein and in Exhibit "B," Contractor shall perform services for District in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

**3. Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and exhibit "A," District shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The District reserves the right to withhold payment if the District determines that the quantity or quality of the work performed is unacceptable. In no event shall the District's total fiscal obligation under this Agreement exceed **sixty-nine thousand, five hundred dollars, \$69,500.**

**4. Term and Termination**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from August 19th, 2014 through July 17th, 2015.

This Agreement may be terminated by, the District Superintendent or his/her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the District and shall be promptly delivered to the District. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

**5. Availability of funds**

The District may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of federal, state, or district funds, by providing written notice to Contractor as soon as is reasonably possible after the District learns of said unavailability of outside funding.

**6. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the District and that Contractor acquires none of the rights, privileges, powers, or advantages of District employees.

**7. Hold Harmless**

Contractor shall indemnify and save harmless District, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of District, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which District has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

**8. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontractor with a third party to provide services required by Contractor under this Agreement without the prior written consent of District. Any such assignment or subcontract without the District's prior written consent shall give District the right to automatically and immediately terminate this Agreement.

**9. Insurance**

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained

and such insurance has been approved by the District, and Contractor shall use diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the District with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the District of any pending change in the limits of liability or of any cancellation or modification of the policy.

**(1) Worker's Compensation and Employer's Liability Insurance** The Contractor shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

**(2) Liability Insurance** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not less than the amount specified below.

Such insurance shall include:

- (a) Comprehensive General Liability ..... \$1,000,000
- (b) Motor Vehicle Liability Insurance ..... \$1,000,000
- (c) Professional Liability ..... \$1,000,000

District and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the District, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the District or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the Sequoia Union High School District at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

**10. Compliance with laws; Payment of Permits/Licenses**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, district, and municipal laws, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPPA) and the

Family Educational Rights and Privacy Act of 1974 ("FERPA"), and all federal regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended, and the "Individuals With Disabilities Education Act, as amended, " Such services shall also be performed in accordance with all applicable ordinances, regulations, policies and procedures of the District and its governing board.

In the event of a conflict between the terms of this Agreement and federal, state, district, or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

Contractor shall comply with all state fingerprint laws, including education Code 45125.1.

**11. Retention of Records, Right to Monitor and Audit**

- (a) CONTRACTOR shall maintain all required records for three (3) years after the DISTRICT makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the District, a Federal grantor agency, and the State of California.
- (b) Reporting and Record Keeping: CONTRACTOR shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the DISTRICT.
- (c) CONTRACTOR agrees to provide to DISTRICT, to any federal or state department having monitoring or review authority, to DISTRICT's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

**12. Merger Clause**

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in this body of the Agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this Agreement, the provisions of this body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

**13. Controlling Law**

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California.

**14. Notices**

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

**In the case of District, to:**  
**Matthew Zito, Principal**  
**Menlo-Atherton High School**  
**555 Middlefield Road**  
**Atherton, CA 94027**

**In the case of Contractor, to:**

**Sara Larios Mitchell, Ph. D. , Chief Executive Officer**  
**Starvista**  
**610 Elm St #212,**  
**San Carlos, CA 94070**

SEQUOIA UNION HIGH SCHOOL DISTRICT

By: \_\_\_\_\_  
Superintendent

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

Budget Codes:

\$12,500: Sequoia Health Care District:  
01.9010.0.0000.3140.5813.800

\$51,000: M-A's Foundation  
01.9010.0.1511.1000.5813.200, bill to ma fff

\$6,000: District ATS Funds  
01.0000.0.1510.3110.5813.200

Sara Larios Mitchell

Contractor's Name

SS Mitchell

Contractor's Signature

Date: 11/19/14

## Exhibit "A"

In consideration of the payments set forth in Exhibit "B," Starvista shall provide the following services:

1. **School Based Mental Health Counseling Services**
2. **Clinical Case Worker**
3. **Alternative To Suspension (ATS) Psycho-Educational Classes**

**Dates of Service:** August 19th, 2014 – July 17<sup>th</sup>, 2015

## **Description of Services**

### **School Based Mental Health Counseling Services**

StarVista will provide students with confidential individual, family and/or group counseling services on-campus, during the school day and during the summer Compass and Honors Institute programs.

#### **School Based Mental Health Counseling Program during the school year**

- Individual, family and/or group mental health counseling, as well as mental health crisis response services, will be available for M-A students. These services will be provided by a licensed clinician and/or an intern supervised by a licensed clinician. Clinicians will obtain parental/guardian consent for on-going treatment (unless treatment is available under minor consent).
- In addition to assessment and brief intervention services, the clinicians will collaborate with, provide referrals to and follow-up on referrals made to appropriate school services, community agencies, clinics and/or other non-profit agencies if students or their families require additional services.
- The clinicians will collaborate with school administration, support services, guidance, special education teachers, bilingual resource teacher, conflict mediation coordinator and other designated school staff, as deemed appropriate and consented by a parent, guardian, or other holder of consent.
- StarVista will provide the school with a Lead Clinician to be on-site at least 30 hours, four days a week. No less than two clinicians will be on campus Monday – Friday from 7:45 a.m. to 3:45 p.m. every day for all mental health related crisis response needs, with the exception of Tuesdays 7:45am-2:30 due to clinical supervision for interns. No less than one clinician/intern will be bi-lingual (Spanish/English) and able to provide services in both languages.
- Additional counseling support will be provided from other Starvista offices for the 9th Grade Challenge Days. This includes training and support for the adult volunteers, day of support (in and out of the activities), and follow up of referred students.
- In addition to attending necessary school site meetings, the Lead Clinician will provide monthly documentation of services with Student Support, Guidance and/or AVP's.



### **Summer Compass and Honors Institute Mental Health Support**

•Starvista clinicians will review a strength-based assessment administered to all Compass and Honors Institute Program students. From the assessment, the clinicians will assess for risk, schedule time to meet with any student who presents with concerns, assess the student and provide referrals to both student and parent/guardian for any appropriate services. Additionally, clinicians will meet, assess and refer for services any student referred by the program coordinator and/or compass and honor institute teachers. Clinicians will make parent contact and obtain parental consent to provide any follow-up and/or treatment with students (unless treatment is available under minor consent). Clinicians will provide the Compass Program and Honors Institute Coordinator with daily updates (verbal, as necessary) and with a confidential end-of-program summary of all students seen, services offered and/or referred to. A clinician will be on campus 8-10 hours each week of the program.

### **Clinical Case Worker:**

Starvista will provide a Clinical Case Worker to work with students who are at-risk for being suspended, have been suspended, or who are identified by Student Support Services Coordinator or Administration for at-risk behavior. The Case Worker will provide 1x1 counseling, small group counseling and case management. Additionally, the Case worker will collaborate with school staff, community members and follow up to off-site referrals. Students who have a second suspension offence will be offered a reduced suspension if they agree to four after-school sessions and four lunchtime sessions with the Clinical Case Worker. Additionally, the Clinical Case Worker will provide 1x1 services for students transitioning from the Ravenswood School School District and who have been identified as needing additional social-emotional support. The Clinical Case Worker will be on campus five days a week during the school year.

### **Alternative to Suspension (ATS) Psycho-Educational Classes**

StarVista will provide Menlo-Atherton with 3 hours of service a week during the school year from a licensed (or licensed eligible) clinician. This clinician will facilitate our Alternative to Suspension (ATS) after-school psycho-educational programs.

There will be a program for substance use violations and a program for aggression violations. Students who agree to participate must attend two 1 hour psycho-educational sessions and agree to future check-ins with the clinician and/or student support coordinator.

In return for completing the sessions, students will have a predetermined number of days taken off their suspension sentence. The clinician will meet with students (and possibly with their parent) for any follow-up support needed, with the intent to reduce repeat offenders. The clinician will provide the student support coordinator and the AVP office with a monthly attendance report, as well as with a brief update on the session. The clinician will also collaborate closely with the student support coordinator and/or school administration on student concerns. Starvista ATS clinicians will refer any ATS students to the School Based Counseling Program, other school-based support programs, or to outside services if determined that the student needs more support.

Additionally, students can self refer, or be referred by parents or school staff, for voluntary services without being suspended.



Exhibit "B"

In consideration of the services provided by STARVISTA in Exhibit "A," Sequoia Union High School District shall pay STARVISTA based on the following fee schedule:

First installment of \$34,750 to be available November 1st, 2014

Second installment of \$34,750 to be available February 1st, 2015

Total: \$69,500

SEQUOIA UNION HIGH SCHOOL DISTRICT  
Financial Report for Month Five-General Fund  
FISCAL YEAR 2014-2015  
November 30, 2014

AGENDA ITEM:9i  
DATE: 12-10-14

REVENUE

ACCT NO.	CLASSIFICATION	PRIOR YEAR			BUDGET	ACTUAL	PERCENT
		BUDGET	ACTUAL	PERCENT			
8000-8099	Revenue Limit Sources	98,306,075	98,480,964	100%	105,140,894	4,476,303	4%
8100-8199	Federal Revenue	1,386,290	1,379,299	99%	1,387,635	188,967	14%
8200-8299	Other Federal Revenue	1,866,899	1,613,425	86%	1,633,778	357,086	22%
8300-8599	Other State Revenue	5,004,887	3,763,962	75%	4,107,726	1,965,059	48%
8600-8999	Other Local Revenue	13,273,036	13,716,530	103%	8,880,235	5,423,355	61%
TOTAL REVENUE		119,837,187	118,954,180	99%	121,150,268	12,410,770	10%

EXPENDITURES

ACCT NO.	CLASSIFICATION	PRIOR YEAR			BUDGET    ACTUAL & ENC			BUDGET    ACTUAL & ENC			BUDGET    ACTUAL & ENC			BUDGET    ACTUAL & ENC			BUDGET    ACTUAL & ENC			BUDGET    ACTUAL & ENC			BUDGET    ACTUAL & ENC		
		BUDGET	ACTUAL	PERCENT	TOTALS		PERCENT	SEQUOIA		MENLO    ATHERTON		CARLMONT		WOODSIDE		REDWOOD		MULTI-SCHL & CHARTER SCHL		DISTRICT					
1000-1999	Certificated Salaries	52,833,708	51,998,515	98%	55,460,338	51,926,011	94%	11,052,475	10,807,633	11,760,001	11,594,437	11,303,023	11,093,752	11,190,735	10,932,642	1,782,994	1,748,914	4,116,343	3,593,078	4,254,767	2,155,555				
2000-2999	Classified Salaries	19,419,137	19,723,603	102%	19,779,139	17,477,169	88%	2,436,499	2,276,897	2,358,805	2,204,572	2,099,408	1,875,599	2,502,301	2,110,306	449,877	413,240	4,264,418	3,763,659	5,667,831	4,832,896				
3000-3999	Employee Benefits	26,135,791	25,916,951	99%	28,076,695	24,557,438	87%	4,553,472	4,319,139	4,735,596	4,454,905	4,425,244	4,094,587	4,638,600	4,269,684	793,151	765,025	3,239,073	2,986,115	5,691,559	3,667,983				
	Total Salaries & Benefits	98,388,636	97,639,069	99%	103,316,172	93,960,618	91%	18,042,446	17,403,669	18,854,402	18,253,914	17,827,675	17,063,938	18,331,636	17,312,632	3,026,022	2,927,180	11,619,834	10,342,852	15,614,157	10,656,434				
4000-4999	Books and Supplies	6,070,346	4,995,159	82%	4,473,021	2,929,485	65%	536,679	356,297	575,720	360,465	552,073	324,033	779,485	312,986	150,882	71,163	1,445,121	891,901	433,061	612,641				
5000-5999	Srvcs & Operating Expense	11,959,393	12,272,670	103%	12,292,519	6,232,862	51%	1,257,593	724,951	924,060	475,133	866,304	491,343	1,006,576	593,419	338,314	268,736	1,892,851	932,741	6,006,821	2,746,539				
6000-6599	Capital Outlay	243,553	205,126	84%	214,859	52,240	24%	19,500	0	0	0	0	0	45,359	45,359	0	0	150,000	0	0	6,881				
7000-7399	Other Outgo	1,396,094	1,393,814	100%	1,933,187	600,153	31%	34,040	0	6,272	0	6,218	0	18,516	0	4,902	0	950,571	629,724	912,668	-29,571				
7400-7499	Debit Services	0	0	0%	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
7600-7699	Other Financial Uses	4,398,423	4,458,423	101%	1,743,331	400,000	23%	0	0	0	0	0	0	0	0	0	0	0	0	1,743,331	400,000				
TOTAL EXPENDITURES		122,456,445	120,964,262	99%	123,973,089	104,175,358	84%	19,890,258	18,484,917	20,360,454	19,089,512	19,252,270	17,879,314	20,181,572	18,264,396	3,520,120	3,267,078	16,058,377	12,797,218	24,710,038	14,392,923				

ACCT NO.	CLASSIFICATION	TOTAL BUDGET		TOTAL BUDGET
		RESTRICTED	UNRESTRICTED	
1000-1999	Certificated Salaries	10,502,088	44,958,250	55,460,338
2000-2999	Classified Salaries	5,954,963	13,824,176	19,779,139
3000-3999	Employee Benefits	5,768,345	22,308,350	28,076,695
	Total Salaries & Benefits	22,225,396	81,090,776	103,316,172
4000-4999	Books and Supplies	2,463,837	2,009,184	4,473,021
5000-5999	Srvcs & Operating Exp	5,411,927	6,880,592	12,292,519
6000-6899	Capital Outlay	19,500	195,359	214,859
7000-7499	Other Outgo	973,265	959,922	1,933,187
7300-7399	Direct Supp/Indirect Cost	123,222	-123,222	0
7600-7699	Other Financial Uses	300,000	1,443,331	1,743,331
7600-7699	TOTAL EXPENDITURES	31,517,147	92,455,942	123,973,089

SEQUOIA UNION HIGH SCHOOL DISTRICT  
FINANCIAL REPORT FOR MONTH FIVE  
FISCAL YEAR 2014-15  
November 30, 2014

ACCT NO. CLASSIFICATION	FUND 01 GENERAL FUND		FUND 09 EPAA		FUND 11 ADULT ED		FUND 13 CAFETERIA FUND		FUND 14 DEFERRED MAINT		FUND 17 SPEC RESERVE OTHER		FUND 21 BUILDING FUND		FUND 25 CAPITAL FACILITIES		FUND 35 CO SCHOOL FACILITIES		FUND 40 SPECIAL RESERVE CAP	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
BEGINNING BALANCE		14,232,099		0		541,034		7,010		5,379,771		4,589,022		3,633,912		4,398,992		14,613,437		2,906,799
REVENUE																				
8000-8099 Revenue Limit Sources	105,140,894	4,476,303	2,649,530	745,099	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8100-8199 Federal Revenue	1,387,635	188,967	46,374	4,296	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8200-8299 Other Federal Revenue	1,633,778	357,086	112,300	42,002	347,803	72,502	1,550,000	44,471	0	0	0	0	0	0	0	0	0	0	0	0
8300-8599 Other State Revenue	4,107,726	1,965,059	151,608	33,732	0	6,804	133,000	7,276	0	0	0	0	0	0	0	0	0	0	0	0
8600-8999 Other Local Revenue	8,880,235	5,423,355	1,035,600	13,334	1,069,451	91,564	1,157,000	597,740	315,000	8,724	28,000	7,438	30,000	112,005,813	815,000	387,752	90,000	22,004	8,000	4,713
TOTAL REVENUE	121,150,268	12,410,770	3,995,412	838,463	1,417,254	170,870	2,840,000	649,487	315,000	8,724	28,000	7,438	30,000	112,005,813	815,000	387,752	90,000	22,004	8,000	4,713

EXPENDITURES

ACCT NO. CLASSIFICATION	FUND 01 GENERAL FUND		FUND 09 EPAA		FUND 11 ADULT ED		FUND 13 CAFETERIA FUND		FUND 14 DEFERRED MAINT		FUND 17 SPEC RESERVE OTHER		FUND 21 BUILDING FUND		FUND 25 CAPITAL FACILITIES		FUND 35 CO SCHOOL FACILITIES		FUND 40 SPECIAL RESERVE	
	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS	BUDGET	ACTUAL & ENC TOTALS
1000-1999 Certificated Salaries	55,460,338	51,926,011	1,776,401	1,713,682	591,290	151,697	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000-2999 Classified Salaries	19,779,139	17,477,169	420,225	356,771	516,517	490,613	1,355,681	1,279,175	0	0	0	0	100,929	174,898	0	6,590	0	6,725	0	0
3000-3999 Employee Benefits	28,076,695	24,557,438	743,507	578,869	347,092	255,473	604,681	506,492	0	0	0	0	58,676	62,416	0	2,877	0	4,588	0	0
Total Salaries & Benefits	103,316,172	93,960,618	2,940,133	2,649,322	1,454,899	897,783	1,960,362	1,785,668	0	0	0	0	159,605	237,314	0	9,467	0	11,312	0	0
4000-4999 Books and Supplies	4,473,021	2,929,485	167,356	108,264	54,679	26,851	829,468	930,763	0	0	0	0	687,339	401,515	0	139,156	0	114,826	0	4,241
5000-5999 Srvc's & Operating Expense	12,292,519	6,232,862	398,856	37,534	120,755	69,581	50,170	53,727	4,786,255	55,392	0	0	311,221	420,349	0	599,246	50,000	79,251	0	0
6000-6899 Capital Outlay	214,859	52,240	9,024	2,100	3,062	0	0	0	0	0	0	0	69,428	935,923	1,369,000	2,354,309	5,896,000	7,858,186	0	38,940
7000-7399 Other Outgo	1,933,187	600,153	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7600-7699 Other Financial Uses	1,743,331	400,000		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	123,973,089	104,175,358	3,515,369	2,797,221	1,633,395	994,215	2,840,000	2,770,158	4,786,255	55,392	0	0	1,227,593	1,995,102	1,369,000	3,102,178	5,946,000	8,063,576	0	43,181

SEQUOIA UNION HIGH SCHOOL DISTRICT  
Financial Report for Month Five-Categorical Program Expenditures

	2	3	4	5	6	7	8		9		10		11		12		13		14		15		16		17		18		19		20		21	
RSRC	DESCRIPTION	ONE TIME ONLY MONEY	PRIOR YEAR DEFERRED/ CARRYOVER	PRIOR YEAR RESTRICTED ENDING BAL.	CURRENT YR ENTITLEMENT **	TOTAL AVAILABLE TO BUDGET	BUDGET TOTALS	ACTUAL & ENC	BUDGET FUND 09 EPAA	ACTUAL & ENC	BUDGET SEQUOIA	ACTUAL & ENC	BUDGET MENLO ATHERTON	ACTUAL & ENC	BUDGET CARLMONT	ACTUAL & ENC	BUDGET WOODSIDE	ACTUAL & ENC	BUDGET REDWOOD	ACTUAL & ENC	BUDGET MULTI, PRIV, CHRTR,& DISTRICT													
3010	IASA-TITLE I				643,449	643,449	712,490	496,396	100,000	93,323	130,997	123,952	0	0	0	0	120,333	124,253	62,956	38,049	298,204	116,820												
3060	IASA-TITLE I MIGRANT ED				92,674	92,674	92,674	48,462	0	0	0	0	0	0	0	0	0	0	0	0	92,674	48,462												
3310	SP-ED IDEA (PL94-142)				1,320,282	1,320,282	1,434,009	538,763	46,374	29,268	141,085	112,729	166,445	109,665	174,832	69,875	456,660	156,096	0	0	448,613	61,130												
3410	DEPT OF REHAB: WORKABILITY				105,012	105,012	105,012	96,425	0	0	0	0	0	0	0	0	0	0	0	0	105,012	96,425												
3550	VOCATIONAL PGM. (CARL PERKINS)				149,267	149,267	172,676	70,595	0	0	32,538	6,210	35,385	8,382	34,257	30,170	40,837	25,178	2,625	374	27,034	282												
4035	NCLB TITLE II - FED FND TEACHER QUALITY				213,632	213,632	504,120	443,197	1,300	0	0	0	0	0	0	0	0	0	0	0	502,820	443,197												
4036	NCLB TITLE II - TEACHER QUALITY PRINC TRN		6,769		6,000	12,769	0	588	0	0	0	0	0	0	0	0	0	0	0	0	0	588												
4045	TITLE II PART D (EETT)		16,079		0	16,079	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0												
4110	IASA TITLE V Part A		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0												
4124	NCLB TITLE IV COMM LEARNING - SAFE PROG				249,565	249,565	249,500	135,160	0	0	249,500	135,160	0	0	0	0	0	0	0	0	0	0												
4201	TITLE III IMMIGRANT ED PRG		5,643		33,200	38,843	21,464	1,851	0	0	0	0	0	0	0	0	0	0	0	0	21,464	1,851												
4203	NCLB TITLE III (LEP)		0		165,502	165,502	148,159	393,573	11,000	11,288	39,214	57,536	39,759	137,686	12,526	68,773	32,769	117,635	11,983	0	908	656												

SEQUOIA UNION HIGH SCHOOL DISTRICT  
Financial Report for Month Five-Categorical Program Expenditures

2		3	4	5	6	7	8		9		10		11		12		13		14		15		16		17		18		19		20		21	
RSRC	DESCRIPTION	ONE TIME ONLY MONEY	PRIOR YEAR DEFERRED/ CARRYOVER	PRIOR YEAR RESTRICTED ENDING BAL.	CURRENT YR ENTITLEMENT **	TOTAL AVAILABLE TO BUDGET	BUDGET TOTALS	ACTUAL & ENC	BUDGET FUND 09 EPAA	ACTUAL & ENC	BUDGET SEQUOIA	ACTUAL & ENC	BUDGET MENLO ATHERTON	ACTUAL & ENC	BUDGET CARLMONT	ACTUAL & ENC	BUDGET WOODSIDE	ACTUAL & ENC	BUDGET REDWOOD	ACTUAL & ENC	BUDGET MULTI, PRIV, CHRTR,& DISTRICT													
2430	COMMUNITY DAY SCHOOL					0	0	1,865	0	0	0	0	0	0	0	0	0	0	0	0	1,865													
6230	CLEAN ENERGY JOB ACT					0	42,000	42,285	0	0	0	0	0	0	0	0	0	0	0	0	42,285													
6300	LOTTERY			402,068		402,068	246,386	77,880	6,386	0	18,059	41,349	6,564	9,339	5,318	7,418	11,556	13,656	0	3,158	198,503	2,959												
6385	SEQUOIA HEALTH CAREERS ACADEMY					0	58,725	26,644	0	0	58,725	26,644	0	0	0	0	0	0	0	0	0													
6386	GREEN PARTNERSHIP ACADEMY					0	43,628	2,165	0	0	0	0	0	0	0	0	43,628	2,165	0	0	0													
6500	SPECIAL EDUCATION					0	16,620,408	12,639,603	118,526	83,597	2,275,931	2,131,028	2,045,631	2,010,408	1,975,041	1,882,063	2,363,373	2,289,784	271,472	264,672	7,570,434	3,978,052												
6520	WORKABILITY I					0	284,508	191,906	0	0	0	0	0	0	0	0	0	0	0	0	284,508	191,906												
6535	S.E. PERSONNEL STAFF DEVELOPM					0	2,922	0	0	0	0	0	0	0	0	0	0	0	0	0	2,922	0												
6690	TUPE - GRADE 6-12 (formerly 6670)		54,250			54,250	164,498	116,931	0	0	27,000	22,900	22,517	17,703	32,019	26,279	33,108	29,460	11,500	1,310	38,354	19,279												
7091	ECONOMIC IMPACT AID (LEP)			0		0	0	33	0	0	0	0	0	0	0	0	0	0	0	0	33													
7220	PARTNERSHIP ACADEMIES					0	955,068	216,984	0	0	70,110	49,937	70,110	48,259	701,110	48,615	113,738	70,172	0	0	0	0												
7230	TRANSPORTATION - HOME TO SCHOOL					0	0	15,470	0	0	0	0	0	0	0	0	0	0	0	0	15,470													
7240	TRANSPORTATION - SPECIAL ED					0	0	2,424	0	0	0	0	0	0	0	0	0	0	0	0	2,424													
7405	COMMON CORE			903,089		903,089	908,089	712,019	0	0	0	0	0	0	0	0	0	0	0	0	908,089	712,019												
STATE & LOCAL CAT																																		
9010	OTHER LOCAL		3,474,982			3,474,982	6,996,219	5,317,753	1,035,600	842,360	319,383	356,414	1,593,257	1,445,648	690,287	657,414	1,404,695	876,910	28,935	5,733	1,924,062	1,133,275												
0030	TRANSP - HOME TO SCH - REG					0	2,900,702	2,654,486	0	0	0	0	0	0	0	0	0	0	0	0	2,900,702	2,654,486												
0040	TRANSP - HOME TO SCH - S.E.		0			0	1,253,857	851,500	0	0	0	0	0	0	0	0	0	0	0	0	1,253,857	851,500												
0091	LCFF-EIA					0	633,266	602,639	0	0	100,616	114,774	102,014	79,442	32,141	41,337	84,080	126,720	30,744	9,378	283,671	230,989												
0639	ADULT ED - NEW					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
TOTAL FEDERAL			28,491	0	2,978,583	3,007,074	3,440,104	2,225,011	158,674	133,879	593,334	435,586	241,589	255,732	221,615	168,818	650,599	423,161	77,564	38,423	1,496,729	769,412												
TOTAL STATE			54,250	1,305,157	0	1,359,407	19,326,232	14,046,211	124,912	83,597	2,449,825	2,271,859	2,144,822	2,085,709	2,713,488	1,964,375	2,565,403	2,405,237	282,972	269,140	9,044,810	4,966,293												
TOTAL UNRESTRICTED			0	0	0	0	633,266	602,639	0	0	100,616	114,774	102,014	79,442	32,141	41,337	84,080	126,720	30,744	9,378	283,671	230,989												
TOTAL LOCAL			3,474,982	0	0	3,474,982	6,996,219	5,317,753	1,035,600	842,360	319,383	356,414	1,593,257	1,445,648	690,287	657,414	1,404,695	876,910	28,935	5,733	1,924,062	1,133,275												
TOTAL EXPENDITURES			3,557,724	1,305,157	2,978,583	7,841,463	34,550,380	25,697,599	1,319,186	1,059,836	3,463,158	3,178,634	4,081,682	3,866,531	3,657,531	2,831,943	4,704,777	3,832,028	420,215	322,673	16,903,831	10,605,954												

\*\* Current year entitlements will be adjust when award letters are received

Agenda Item: 9K

Date: 12/10/14

**AGREEMENT BETWEEN THE SEQUOIA UNION HIGH SCHOOL DISTRICT  
AND  
CORNERSTONE EARTH GROUP**

THIS AGREEMENT, entered into this 7th of October, 2014, by and between the SEQUOIA UNION HIGH SCHOOL DISTRICT, hereinafter called "District," and CORNERSTONE EARTH GROUP, hereinafter called "Consultant";

**W I T N E S S E T H:**

WHEREAS, the District may contract with independent contractors for the furnishing of services such as those that Consultant proposes to provide to the District;

WHEREAS, it is necessary and desirable that Consultant be retained for the purpose of providing ongoing geotechnical services at Carlmont High School in Belmont City, California for the proposed S-Wing Classroom Construction project.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

**1. Exhibits and Attachments**

The following exhibits and attachments are included hereto and incorporated by reference herein:

Exhibit A—Services

Exhibit B—Payments and rates

**2. Services to be performed by Consultant**

In consideration of the payments set forth herein and in Exhibit "B," Consultant will perform services for District in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

**3. Payments**

In consideration of the services provided by Consultant in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A," District shall make payment to Consultant based on the rates and in the manner specified in Exhibit "B." In no event shall the District's total fiscal obligation under this Agreement exceed \$35,750 unless Consultant receives prior written approval by the District.

**4. Term and Termination**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from September 2014 through June 2015.

This Agreement may be terminated by either party at any time without a requirement of good cause upon thirty (30) days' written notice to the other party. The District shall within 20 calendar days of termination pay the Consultant for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of this Agreement

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Consultant under this Agreement shall become the property of the District and shall be promptly delivered to the District. Upon termination, the Consultant may make and retain a copy of such materials. The District shall not reuse or make any modification to these materials without written authorization of Consultant. The District agrees to indemnify and hold Consultant harmless from any claim, liability or cost (including reasonable attorney's fees and defense cost) arising out of any unauthorized reuse or modification of these materials by the District or any person or entity that acquires or obtains these materials from or through the District without written authorization of the Consultant.

**5. Availability of Funds**

The District may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State, or District funds, by providing written notice to Consultant as soon as is reasonably possible after the District learns of said unavailability of outside funding. The District agrees to pay Consultant for all services rendered and all costs incurred up to the date of termination.

**6. Relationship of Parties**

Consultant agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of the District and that Consultant acquires none of the rights, privileges, powers, or advantages of District employees.

**7. Hold Harmless**



Consultant agrees, to the fullest extent permitted by law, to indemnify and hold the District harmless from damages and losses only to the extent caused by the negligent acts, errors and omissions of the Consultant in the performance of professional services under this Agreement, to the extent that the Consultant is responsible for such damages and losses on a comparative basis of fault and responsibility between the Consultant and the District. The Consultant is not obligated to indemnify the client for the Client's own negligence. Consultant has no obligation to pay for any defense related cost of the indemnitees unless and until a final determination of liability on the part of the Consultant is rendered by a court or other forum of competent jurisdiction. In the event of such a final determination of liability against Consultant, Consultant shall only be required to pay an amount of damages and defense related costs which correlate to its actual percentage of liability assigned by the trier of fact. Consultant shall in no case be required to pay an amount disproportionate to Consultant's negligence, nor shall Consultant be required to pay any amount or sum levied against the District to recognize more than actual and/or reasonable damages.

#### **8. Assignability and Subcontracting**

Consultant shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by Consultant under this Agreement without the prior written consent of District. Any such assignment or subcontract without the District's prior written consent shall give District the right to automatically and immediately terminate this Agreement.

#### **9. Insurance**

Consultant shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by the District, and Consultant shall use diligence to obtain such insurance and to obtain such approval. The Consultant shall furnish the District with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Consultant's coverage to include the contractual liability assumed by the Consultant pursuant to this Agreement. These certificates shall specify that thirty (30) days' notice must be given, in writing, to the District of any cancellation.

##### **(1) Worker's Compensation and Employer's Liability Insurance**

The Consultant shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Consultant acknowledges, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

- (2) **Liability Insurance** The Consultant shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Consultants operations under this Agreement, whether such operations be by himself/herself or by any sub-Consultant or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- |   |  |
|---|--|
| (a) Commercial General Liability .....      | \$1,000,000  |
| (b) Motor Vehicle Liability Insurance ..... | \$1,000,000  |
| (c) Professional Liability .....            | \$1,000,000 (per<br>claim and annual<br>aggregate) |

District and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the District, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the District or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the District of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

#### **10. Compliance with laws; payment of Permits/Licenses**

The Consultant will exercise usual and customary professional care in its efforts to comply with applicable laws, regulations and codes in effect as of the date of this Agreement. Consultant will perform service in a manner consistent with that level of care and skill ordinarily exercised by other members of the Consultant's profession currently practicing in the same locality under similar conditions.

#### **11. Retention of Records, Right to Monitor and Audit**

(a) The Consultant will maintain all required records for three (3) years after the District makes final payment, and shall be subject to the examination and/or audit of the District, a Federal grantor agency, and the State of California.

(b) Reporting and Record Keeping: The Consultant will comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the District in writing prior to beginning services.

(c) The Consultant agrees to provide to the District, to any Federal or State department having monitoring or review authority, to the District's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine all project related records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement .

#### **12. Merger Clause**

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in this body of the agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this agreement, the provisions of this body of the agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

#### **13. Controlling Law**

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California.

#### **14. Notices**

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

**In the case of District, to:**

Enrique Navas, Assistant Superintendent, Administrative Services  
Sequoia Union High School District  
480 James Ave.  
Redwood City, CA 94062-1098

**In the case of Consultant, to:**

Scott Fitinghoff, P.E., G.E., Principal Engineer  
Cornerstone Earth Group, Inc.  
1259 Oakmead Parkway  
Sunnyvale, CA 94085

15. This Agreement shall not create any rights or benefits to parties other than the District, Consultant and the Indemnified Parties. No third party shall have the right to rely on Consultant's opinions rendered in connection with Consultant's services without the District's and Consultant's written consent and the third party's agreement to be bound by the same terms and conditions as the District and Consultant.

16. The District agrees and acknowledges that in the normal course of Consultant's field investigation work, some damage may occur to landscaping, pavements, underground utilities and/or other conditions of the site, the correction which is not part of this Agreement unless caused by Consultant's negligence or willful misconduct.

17. The District shall provide for the Consultant's right to enter the property in order for Consultant to fulfill the Scope of Services.

18. Consultant will perform professional services with reasonable diligence and expediency consistent with sound professional practices.

19. It is intended by the parties to this Agreement that Consultant's services in connection with the Work shall not subject Consultant's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary herein, the District agrees that as the District's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against Consultant, a California Corporation, and not against any of Consultant's individual employees, principals, officers or directors.

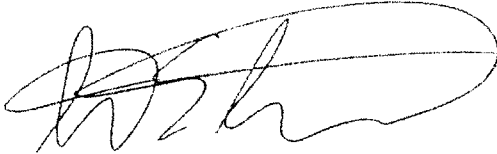
IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

SEQUOIA UNION HIGH SCHOOL DISTRICT

By: \_\_\_\_\_  
James Lianides, Superintendent

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

CORNERSTONE EARTH GROUP

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, positioned above a horizontal line.

Consultant's Signature

Date: 10/7/2014

## **EXHIBIT A**

In consideration of the payments set forth in Exhibit “B”, Consultant shall provide the services presented in pages 1 through 9 of the attached proposal dated October 7, 2014:

## **EXHIBIT B**

### **GEOTECHNICAL AND ENVIRONMENTAL SERVICES**

In consideration of the services provided by Consultant in Exhibit "A", District shall pay Consultant up to \$35,750 within 30 days of invoice's date as outlined in the Consultant's scope of work.



**AGREEMENT BETWEEN THE SEQUOIA UNION HIGH SCHOOL DISTRICT  
AND  
CORNERSTONE EARTH GROUP**

THIS AGREEMENT, entered into this 29<sup>th</sup> day of November 2014 by and between the SEQUOIA UNION HIGH SCHOOL DISTRICT, hereinafter called "District," and CORNERSTONE EARTH GROUP, hereinafter called "Consultant";

**W I T N E S S E T H:**

WHEREAS, the District may contract with independent contractors for the furnishing of services such as those that Consultant proposes to provide to the District;

WHEREAS, it is necessary and desirable that Consultant be retained for the purpose of providing ongoing environmental and geotechnical services at Menlo-Atherton High ~~High~~ School in Atherton, California for the proposed Classroom project.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

**1. Exhibits and Attachments**

The following exhibits and attachments are included hereto and incorporated by reference herein:

Exhibit A—Services

Exhibit B—Payments and rates

**2. Services to be performed by Consultant**

In consideration of the payments set forth herein and in Exhibit "B," Consultant will perform services for District in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

**3. Payments**

In consideration of the services provided by Consultant in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A," District shall make payment to Consultant based on the rates and in the manner specified in Exhibit "B." In no event shall the District's total fiscal obligation under this Agreement exceed \$43,925 unless Consultant receives prior written approval by the District.

**4. Term and Termination**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from November 2014 through September 2015.

This Agreement may be terminated by either party at any time without a requirement of good cause upon thirty (30) days' written notice to the other party. The District shall within 20 calendar days of termination pay the Consultant for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of this Agreement

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Consultant under this Agreement shall become the property of the District and shall be promptly delivered to the District. Upon termination, the Consultant may make and retain a copy of such materials. The District shall not reuse or make any modification to these materials without written authorization of Consultant. The District agrees to indemnify and hold Consultant harmless from any claim, liability or cost (including reasonable attorney's fees and defense cost) arising out of any unauthorized reuse or modification of these materials by the District or any person or entity that acquires or obtains these materials from or through the District without written authorization of the Consultant.

**5. Availability of Funds**

The District may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State, or District funds, by providing written notice to Consultant as soon as is reasonably possible after the District learns of said unavailability of outside funding. The District agrees to pay Consultant for all services rendered and all costs incurred up to the date of termination.

**6. Relationship of Parties**

Consultant agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of the District and that Consultant acquires none of the rights, privileges, powers, or advantages of District employees.

**7. Hold Harmless**

Consultant agrees, to the fullest extent permitted by law, to indemnify and hold the District harmless from damages and losses only to the extent caused by the negligent acts, errors and omissions of the Consultant in the performance of professional services under this Agreement, to the extent that the Consultant is responsible for such damages and losses on a comparative basis of fault and responsibility between the Consultant and the District. The Consultant is not obligated to indemnify the client for the Client's own negligence. Consultant has no obligation to pay for any defense related cost of the indemnitees unless and until a final determination of liability on the part of the Consultant is rendered by a court or other forum of competent jurisdiction. In the event of such a final determination of liability against Consultant, Consultant shall only be required to pay an amount of damages and defense related costs which correlate to its actual percentage of liability assigned by the trier of fact. Consultant shall in no case be required to pay an amount disproportionate to Consultant's negligence, nor shall Consultant be required to pay any amount or sum levied against the District to recognize more than actual and/or reasonable damages.

**8. Assignability and Subcontracting**

Consultant shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by Consultant under this Agreement without the prior written consent of District. Any such assignment or subcontract without the District's prior written consent shall give District the right to automatically and immediately terminate this Agreement.

**9. Insurance**

Consultant shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by the District, and Consultant shall use diligence to obtain such insurance and to obtain such approval. The Consultant shall furnish the District with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Consultant's coverage to include the contractual liability assumed by the Consultant pursuant to this Agreement. These certificates shall specify that thirty (30) days' notice must be given, in writing, to the District of any cancellation.

**(1) Worker's Compensation and Employer's Liability Insurance**

The Consultant shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Consultant acknowledges, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

- (2) **Liability Insurance** The Consultant shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Consultants operations under this Agreement, whether such operations be by himself/herself or by any sub-Consultant or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- |   |  |
|---|--|
| (a) Commercial General Liability .....      | \$1,000,000  |
| (b) Motor Vehicle Liability Insurance ..... | \$1,000,000  |
| (c) Professional Liability .....            | \$1,000,000 (per<br>claim and annual<br>aggregate) |

District and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the District, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the District or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the District of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

**10. Compliance with laws; payment of Permits/Licenses**

The Consultant will exercise usual and customary professional care in its efforts to comply with applicable laws, regulations and codes in effect as of the date of this Agreement. Consultant will perform service in a manner consistent with that level of care and skill ordinarily exercised by other members of the Consultant's profession currently practicing in the same locality under similar conditions.

**11. Retention of Records, Right to Monitor and Audit**

(a) The Consultant will maintain all required records for three (3) years after the District makes final payment, and shall be subject to the examination and/or audit of the District, a Federal grantor agency, and the State of California.

(b) Reporting and Record Keeping: The Consultant will comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the District in writing prior to beginning services.

(c) The Consultant agrees to provide to the District, to any Federal or State department having monitoring or review authority, to the District's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine all project related records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement .

## **12. Merger Clause**

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in this body of the agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this agreement, the provisions of this body of the agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

## **13. Controlling Law**

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California.

## **14. Notices**

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

**In the case of District, to:**

Enrique Navas, Assistant Superintendent, Administrative Services  
Sequoia Union High School District  
480 James Ave.  
Redwood City, CA 94062-1098

**In the case of Consultant, to:**

Scott Fitinghoff, P.E., G.E., Principal Engineer  
Cornerstone Earth Group, Inc.  
1259 Oakmead Parkway  
Sunnyvale, CA 94085

15. This Agreement shall not create any rights or benefits to parties other than the District, Consultant and the Indemnified Parties. No third party shall have the right to rely on Consultant's opinions rendered in connection with Consultant's services without the District's and Consultant's written consent and the third party's agreement to be bound by the same terms and conditions as the District and Consultant.

16. The District agrees and acknowledges that in the normal course of Consultant's field investigation work, some damage may occur to landscaping, pavements, underground utilities and/or other conditions of the site, the correction which is not part of this Agreement unless caused by Consultant's negligence or willful misconduct.

17. The District shall provide for the Consultant's right to enter the property in order for Consultant to fulfill the Scope of Services.

18. Consultant will perform professional services with reasonable diligence and expediency consistent with sound professional practices.

19. It is intended by the parties to this Agreement that Consultant's services in connection with the Work shall not subject Consultant's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary herein, the District agrees that as the District's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against Consultant, a California Corporation, and not against any of Consultant's individual employees, principals, officers or directors.

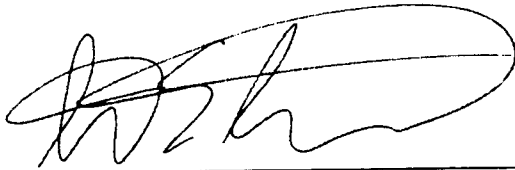
IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

SEQUOIA UNION HIGH SCHOOL DISTRICT

By: \_\_\_\_\_  
James Lianides, Superintendent

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

CORNERSTONE EARTH GROUP

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, positioned above a horizontal line.

Consultant's Signature

Date: 11/29/2014



## **EXHIBIT A**

In consideration of the payments set forth in Exhibit “B”, Consultant shall provide the services presented in pages 1 through 7 of the attached proposal dated November 29, 2014:

## **EXHIBIT B**

### **GEOTECHNICAL AND ENVIRONMENTAL SERVICES**

In consideration of the services provided by Consultant in Exhibit “A”, District shall pay Consultant up to \$43,925 within 30 days of invoice’s date as outlined in the Consultant’s scope of work.

**SUHSD Reclassification to Fluent English Proficiency**  
**for the 2014- 2015 School Year**

In order for a SUHSD English Learner student to be reclassified as Fluent English Proficient (RFEP) during the 2014 -15 school year, he/she must meet the following criteria:

1. Assessment of English Language Proficiency: *California English Language Development Test (CELDT)*
  - a. Overall proficiency level of 5 (Advanced) or 4 (Early Advanced), and
  - b. A minimum score of 4 (Early Advanced) in all sub-tests
2. Assessment of basic skills in English language arts:
  - a. **California High School Exit Exam (CAHSEE):** A score of 350 or higher on the English Language Arts (ELA) portion of the exam for students with CAHSEE scores, or
  - b. **Gates-MacGinitie Reading Test (GMRT):** Overall reading level of 7<sup>th</sup> grade or higher (only for students without CAHSEE scores)
3. Teacher evaluation:
  - a. Recommendation from an English teacher and/or Bilingual Resource Teacher
4. Parent Opinion and Consultation:
  - a. Input from parent/guardian of English Learner regarding recommendation for Reclassification to Fluent English Proficiency

**California Department of Education**  
**Academic Criterion for Reclassification**

**August 11, 2014**

For the 2014-15 school year, three of the four reclassification criteria remain unchanged:

1. Assessment of English language proficiency, using an objective assessment instrument, including but not limited to, the state test of English language development
2. Teacher evaluation, including but not limited to, a review of the student's curriculum mastery
3. Parent opinion and consultation

The fourth criterion requires a comparison of student performance on an objective assessment of basic skill in English language arts. The assessment results must have an empirically established range of performance in basic skills based on the performance of English proficient students of the same age.

## **Reclasificación de SUHSD a Dominio Total del Inglés** **para el Año Escolar 2014-2015**

Para que un estudiante de SUHSD sea reclasificado a con Dominio Total del Inglés (RFEP, por sus siglas en inglés) durante el año escolar 2014 -15, él/ella debe cumplir con los siguientes criterios:

1. Evaluación del Dominio del Idioma Inglés: ***Prueba para Medir el Desarrollo del Idioma Inglés en California (CELDT, por sus siglas en inglés)***
  - a. *Nivel general de competencia de 5 (Avanzado) o 4 (Pre-avanzado) y*
  - b. *Un puntaje mínimo de 4 (Pre-avanzado) en todas las sub-pruebas*
2. Evaluación de habilidades básicas en lengua y literatura en inglés:
  - a. ***Examen de Egreso de la Preparatoria de California (CAHSEE, por sus siglas en inglés): Puntaje de 350 o más alto en la sección de lengua y literatura (ELA) examen- para estudiantes con resultados en el CAHSEE, o la***
  - b. ***Prueba de Lectura Gates-MacGinitie (GMRT, por sus siglas en inglés): Nivel general de lectura al 7<sup>mo</sup> grado o más alto- Solo para estudiantes sin resultados en el CAHSEE***
3. Evaluación del maestro:
  - a. *Recomendación del maestro de inglés y/o maestro de recursos bilingües*
4. Opinión y consulta de los padres:
  - a. *Aporte de los padres/tutores legales de estudiantes aprendices del inglés sobre la recomendación para reclasificación a dominio total de inglés*

**Departamento de Educación de California**  
**Criterio Académico para Reclasificación**  
**11 de agosto del 2014**

Para el año escolar 2014-15, tres de los cuatro criterios de reclasificación se mantienen sin cambios:

1. Evaluación del dominio del idioma inglés, utilizando un instrumento de evaluación objetivo, incluyendo pero no limitado a, a la prueba estatal del desarrollo del idioma inglés
2. La evaluación del maestro, incluyendo pero no limitado a, una revisión del dominio del plan de estudios del estudiante
3. Opinión y contribución de los padres

El cuarto criterio requiere una comparación del rendimiento del estudiante en una evaluación objetiva de habilidades básicas en lenguaje y literatura en inglés. Los resultados de la evaluación deben tener un rango de rendimiento empíricamente establecido en habilidades básicas de competencia en inglés de estudiantes de la misma edad.

**SUHSD  
Strategic Planning Committee  
December 1, 2014**

**Analysis of Survey Data**

**Parent Responses**

Question: Student Success

- Core Academics
- College Readiness (A-G)
- Technology
- Citizenship, social skills, respect for differences (equal importance with emphasis on citizenship)

Question: Prioritize Time & Resources

- Academics with expansion
- 'Soft Skills'

Question: Objectives of Importance for Students

- Safety
- Professional Development
- All others very or extremely important

Question: Small Magnet Schools

Question: Strengths/Challenges  
Strengths

- Teachers
- Students
- Parents
- Communication
- Schools

Challenges

- Growth/Enrollment

**'Big Ideas' for Consideration**

Commitment to support every student to achieve their full potential.

(Recognize the achievement gap within SUHSD)

High expectation on development of basic academic skills and college preparation alongside interpersonal skills (affective domain, etc.)

Equipped as a global citizen and participant/leader in a democratic society

Support and recognition of exceptional teaching staff as the center of educational experience.

## **Spanish Speaking Parent Responses**

## **'Big Ideas' for Consideration**

Question: Student Success

- Core Academics
- College Readiness (A-G)

Core Academics

Safe Environment

Question: Prioritize Time & Resources

- Intervention & Support
- Increased graduation rates
- Academic excellence, curricular expansion

Social Emotional Support

Improve Connection to Parents

Question: Objectives of Importance for Students

- Safe environment
- Social and emotional support
- Improve communication with parents (to parents)

Question: Small Magnet Schools

- Education
- Health Sciences & Medical Technologies
- Social Justice & Law
- Business & Finance

Question Strengths/Challenges  
Strengths

- Tutoring
- Communication
- Parent Supports

Challenges

- More counseling/college
- Smaller class sizes
- More communication to parents re student supports
- More security/campus aides
- Increased graduation rates

## **Staff Responses**

Question: Student Success

- All areas are important

Question: Prioritize time & resources

- Core skills
- Support for underserved and special needs
- Graduation readiness/A-G
- Social skills

Question: Objective of importance for Students

Note: 'flat' overall

- Safe Environment
- Social Emotional Support

Question: Small Magnet Schools

- Digital Arts
- Health Sciences

Question: Strengths/Challenges  
Strengths

- Staff is strong
- Diversity: ethnicity, socio-economic

Challenges

- Meeting diverse needs of students
- Achievement gap

## **"Big Ideas" for Consideration**

Core academic

A-G

College Readiness

Learning Environment

Joyful Experiences

Safety

Student & Parent Support

Community

Innovation

Program Design

Curricular Design

## **Student Responses**

Question: Student Success

- Respect for diversity
- College
- Core Academics

Question: Prioritize time & responses

- Increase graduation rates
- Social connectedness
- Academics

Question: Objectives of importance for students

- Continues safe environment
- Expand social/emotional

Question: Small Magnet Schools

- Digital Media
- Visual & Performing Arts
- Health Science & Medical Technology
- Business & Finance

Question: Strengths/Challenges

Strengths

- Academics
- Diversity
- Communication

Challenges

- Note: no specific trends

## **"Big Ideas" for Consideration**

ACCESS for all SUHSD Students

- Respect for diversity and differences
- College & Career Support
- Core Academics
- Safe Environment with social emotional support



**SEQUOIA UNION HIGH  
SCHOOL DISTRICT  
COUNTY OF SAN MATEO  
REDWOOD CITY, CALIFORNIA**

**AUDIT REPORT**

**JUNE 30, 2014**



**CHAVAN & ASSOCIATES, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS  
1475 SARATOGA AVE., SUITE 180  
SAN JOSE, CA 95129

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SAN MATEO COUNTY**

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**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SAN MATEO COUNTY**

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FINANCIAL  
SECTION



## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Sequoia Union High School District  
Redwood City, 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 Sequoia Union High School District (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Sequoia Union High School District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Sequoia Union High School District's 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Standards and Procedures for Audits of California K-12 Local Educational Agencies*, 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 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 District'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 District'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 Sequoia Union High School District, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows 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 and budgetary comparison information on pages 4 through 12 and 42 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 Sequoia Union High School District's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other information listed in the supplementary section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules listed in the supplementary section of the table of contents is the responsibility of management and was derived from and relates 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 combining and individual nonmajor fund financial statements and other schedules listed in the supplementary section of the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014 on our consideration of Sequoia Union High 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 Sequoia Union High School District's internal control over financial reporting and compliance.

C & A LLP

November 20, 2014  
San Jose, California

## *Management's Discussion and Analysis*



**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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The Management's Discussion and Analysis ("MDA") of Sequoia Union High School District's (The District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of the MDA is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

### **Financial Highlights**

Key financial highlights for 2013-14 are as follows:

- Total net position decreased by \$10,683,809, or 10.2%, from June 30, 2013 to June 30, 2014.
- General revenues accounted for \$133,162,445, which is 89% of all revenues. Program specific revenues in the form of operating grants and contributions, and charges for services accounted for \$17,261,403, or 11%, of total revenues of \$150,423,848.
- The District had \$161,107,657 in expenses, which was directly supported by program specific revenues of \$17,261,403.
- Total fund balances of governmental funds (i.e. General Fund, Building Fund, and Bond Fund) decreased by \$12,110,051, or 14%, from June 30, 2013 to June 30, 2014.
- Among major funds, the General Fund had \$119,026,497 in revenues and \$116,505,840 in expenditures. The General Fund's fund balance decreased by \$1,937,766, including transfers out of \$4,458,423 and the combining of the Special Reserve fund balance of \$4,589,022.

### **Using the Annual Report**

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the government-wide financial statements and provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, the General Fund is by far the most significant fund. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**Overview of the Financial Statements**

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

- 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, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining 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 section provides further explanations and provides additional support for the financial statements.

**Government-Wide Financial Statements - Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2013 - 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The District does not have any business like activities.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**Fund Financial Statements**

The analysis of the District's major funds begins on page 15. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds are the General Fund, Building Fund, County School Facilities Fund, and Bond Interest and Redemption Fund.

**Governmental Funds**

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

**Fiduciary funds**

The district is the trustee, or fiduciary, for student body funds and a foundation trust fund. All of the district's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the district's fund and government-wide financial statements because the district cannot use these assets to finance its operations.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**The District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net position as of June 2014 as compared to June 2013:

<b>Table 1 - Summary of Net Position</b>				
	2014	2013	Increase (Decrease)	Percent
<b>Assets</b>				
Current and Other Assets	\$ 95,737,366	\$ 112,576,175	\$ (16,838,809)	-14.96%
Capital Assets	378,379,165	378,313,788	65,377	0.02%
Total Assets	\$ 474,116,531	\$ 490,889,963	\$ (16,773,432)	-3.42%
<b>Deferred Outflows of Resources</b>				
	\$ 10,238,359	\$ 2,627,866	\$ 7,610,493	289.61%
<b>Liabilities</b>				
Other Liabilities	\$ 31,041,941	\$ 34,307,579	\$ (3,265,638)	-9.52%
Long-Term Liabilities	359,162,747	354,376,239	4,786,508	1.35%
Total Liabilities	\$ 390,204,688	\$ 388,683,818	\$ 1,520,870	0.39%
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 47,127,204	\$ 49,180,545	\$ (2,053,341)	-4.18%
Restricted	25,039,784	22,480,692	2,559,092	11.38%
Unrestricted	21,983,214	33,172,774	(11,189,560)	-33.73%
Total Net Position	\$ 94,150,202	\$ 104,834,011	\$ (10,683,809)	-10.19%

Total assets of governmental activities decreased by \$16,773,432 and net capital assets increased by \$65,377 because of current year construction, net of depreciation. Unrestricted net position of the District, which do not have constraints from grantors, legal requirements, or legislation, decreased by \$11,189,560. Restricted net position increased by \$2,559,092 because proceeds from new bond issuances create outstanding long-term debt that offsets ending restricted net position. Finally, long-term liabilities increased by \$4,786,508 because older general obligation bonds were refunded during the year.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Table 2 shows the changes in net position from fiscal year 2012-13 to 2013-14.

<b>Table 2 - Change in Net Position</b>				
	2014	2013	Increase (Decrease)	Percent
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 1,466,932	\$ 2,091,218	\$ (624,286)	-30%
Operating Grants and Contributions	15,414,917	13,089,914	2,325,003	18%
Capital Grants and Contributions	379,554	13,779,836	(13,400,282)	-97%
General Revenues:				
Property Taxes	128,128,282	120,677,483	7,450,799	6%
Other	5,034,163	7,610,859	(2,576,696)	-34%
<b>Total Revenues</b>	<b>150,423,848</b>	<b>157,249,310</b>	<b>(6,825,462)</b>	<b>-4%</b>
<b>Program Expenses</b>				
Instruction	68,151,739	62,368,594	5,783,145	9%
Instruction-Related Services	14,763,789	13,524,200	1,239,589	9%
Pupil Services	16,470,788	15,167,386	1,303,402	9%
General Administration	8,169,943	7,898,162	271,781	3%
Plant Services	16,321,522	13,866,165	2,455,357	18%
Ancillary Services	1,023,017	911,961	111,056	12%
Community Services	395,888	320,290	75,598	24%
Other Outgo	1,393,817	1,279,311	114,506	9%
Interest and Fiscal Charges	19,303,724	15,319,074	3,984,650	26%
Depreciation	15,113,430	14,409,366	704,064	5%
<b>Total Expenses</b>	<b>161,107,657</b>	<b>145,064,509</b>	<b>16,043,148</b>	<b>11%</b>
<b>Change in Net Position</b>	<b>\$ (10,683,809)</b>	<b>\$ 12,184,801</b>	<b>\$ (22,868,610)</b>	<b>-188%</b>

Property taxes comprised 85% of District revenues for fiscal year 2013-14. Direct Instruction Costs comprised 42% of District expenses for fiscal year 2013-14.

Total revenues decreased by 4% and total expenses increased by 11% for fiscal year 2013-14.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services as compared to the prior fiscal year. That is, it identifies the cost of these services supported by general revenues for the government-wide statements (not the General Fund).

<b>Table 3 - Net Cost of Services</b>					
Function	2014	2013	Increase (Decrease)	Percent	
Instruction	\$ 63,492,236	\$ 42,534,119	\$ 20,958,117	49%	
Instruction-Related Services	13,406,530	12,033,554	1,372,976	11%	
Pupil Services	13,197,591	11,700,363	1,497,228	13%	
General Administration	8,019,428	7,714,802	304,626	4%	
Plant Services	15,656,782	13,533,477	2,123,305	16%	
Ancillary Services	1,022,001	911,636	110,365	12%	
Community Services	319,390	281,968	37,422	13%	
Other Outgo	(5,684,858)	(2,334,818)	(3,350,040)	143%	
Interest and Fiscal Charges	19,303,724	15,319,074	3,984,650	26%	
Depreciation	15,113,430	14,409,366	704,064	5%	
<b>Total Net Cost of Services</b>	<b>\$ 143,846,254</b>	<b>\$ 116,103,541</b>	<b>\$ 27,742,713</b>	<b>24%</b>	

Direct Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupil Services and Instruction-related Services include the activities involved with assisting staff with the content and process of teaching to pupils.

General Administration includes the costs for the Board of Trustees, administration, fiscal and business services and other expenses associated with administrative and financial supervision of the District.

Plant Services includes the operation and maintenance of plant activities, which involve keeping the school grounds, buildings, and equipment in an effective working condition.

Facilities Acquisition and Construction includes activities concerned with capital projects, such as acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites.

Ancillary Services includes the operation of non-instructional services including the preparation, delivery, and servicing of lunches, snacks and other incidental meals.

Interest and Fiscal Charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

The dependence upon tax revenues is apparent, 93% of instruction activities are supported through taxes and other general revenues; for all activities, general revenue support is 89%. The community, as a whole, is the primary support for the District.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**The District's Funds**

The District's governmental funds report a combined fund balance of \$71,416,425, which is a decrease of \$12,110,051 from last year's total. Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

<b>Table 4 - Change in Fund Balances</b>				
<b>Funds</b>	<b>2014</b>	<b>2013</b>	<b>Increase (Decrease)</b>	<b>Percent</b>
General Fund	\$ 18,821,122	\$ 20,758,888	\$ (1,937,766)	-9%
Adult Education Fund	541,034	761,075	(220,041)	-29%
Cafeteria Fund	7,010	491,339	(484,329)	-99%
Deferred Maintenance Fund	5,379,770	3,530,879	1,848,891	52%
Building Fund	3,633,912	8,840,810	(5,206,898)	-59%
Capital Facilities Fund	4,398,993	2,823,467	1,575,526	56%
County Schools Facilities Fund	14,613,436	24,281,281	(9,667,845)	-40%
Special Reserve Fund for Capital Projects	2,906,799	2,141,821	764,978	36%
Bond Interest & Redemption Fund	21,114,349	19,896,916	1,217,433	6%
<b>Total Governmental Fund Balances</b>	<b>\$ 71,416,425</b>	<b>\$ 83,526,476</b>	<b>\$ (12,110,051)</b>	<b>-14%</b>

**General Fund Budgeting Highlights**

The District's budget is prepared according to California law and in the modified accrual basis of accounting.

During the course of the 2013-14 fiscal year, the District revised its General Fund budget twice, at 1<sup>st</sup> Interim and 2<sup>nd</sup> interim, which resulted in an increase in expenditures of \$6,945,084. The overall increase in expenditures is largely due to additional expenditures generated from restricted ending balance/deferred income from prior year and increased expenditures in Special Education programs.

For the General Fund, the 2<sup>nd</sup> Interim (or final) budget basis revenue and other financing sources estimate was \$119,908,805. The original budgeted estimate was \$110,919,294.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**Capital Assets**

At the end of the fiscal year 2013-14, the District had \$545,403,823 invested in land, buildings, furniture and equipment, and vehicles.

Table 5 shows June 30, 2014 balances as compared to June 30, 2013.

<b>Table 5 - Summary of Capital Assets Net of Depreciation</b>					
Capital Asset	2014		2013		Percentage Change
	Cost	Accumulated Depreciation	Net Capital Asset	Net Capital Asset	
Land	\$ 23,341,254	\$ -	\$ 23,341,254	\$ 23,334,754	0.0%
Buildings and Improvements	481,073,441	162,139,885	318,933,556	318,512,104	0.1%
Property and Equipment	6,882,141	4,884,773	1,997,368	1,044,151	91.3%
Construction-in-Progress	34,106,987	-	34,106,987	35,422,779	-3.7%
<b>Totals</b>	<b>\$545,403,823</b>	<b>\$ 167,024,658</b>	<b>\$ 378,379,165</b>	<b>\$ 378,313,788</b>	<b>0.0%</b>

Overall capital assets increased because of \$15,178,807 in additions net current depreciation of \$15,113,430.

**Long Term Debt**

Table 6 summarizes the percent changes in Long-term Debt over the past two years.

<b>Table 6 - Long-term Debt</b>			
Type of Debt	2014	2013	Percentage Change
General obligation bonds	\$ 329,150,000	\$ 336,340,000	-2%
Unamortized bond discounts - net	-	(4,826,241)	-100%
Unamortized bond premiums - net	15,973,232	11,606,498	38%
Net OPEB obligation	13,314,957	10,580,225	26%
Compensated absences	724,558	675,757	7%
<b>Total Debt</b>	<b>\$ 359,162,747</b>	<b>\$ 354,376,239</b>	<b>1%</b>



**SEQUOIA UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**Factors Bearing on the District's Future**

The District is one of a small group of districts (approximately 100) throughout the state where local property tax dollars exceed the legal obligation of the state, as status defined as "basic aid" and referred to as "locally funded". While the recession has slowed down the turn-over rate and driven down prices of residential property in San Mateo County, property values are still high relative to other counties. The price of real estate is on the upswing, the district received a 7.3% increase in local taxes in 2013-14, and the assessor's office estimates a 6% increase in 2014-15 and a slightly less increase in the future.

As a basic aid district, the District was somewhat insulated from the uncertainty surrounding the state budget allocation process, excepting those programs that are mandated and only partially funded. The California state budget has completely changed the way schools are funded. The revenue limit process has been replaced with a Local Funding Control Formula (LCFF). The LCFF establishes a base grant amount with supplemental\concentration grants to provide supplemental services to low income and English learner students. The State's LCFF formula was disseminated late in the 2013-14 school year.

**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 Enrique Navas, Assistant Superintendent, Administrative Services, Sequoia Union High School District, 480 James Ave., Redwood City, CA 94062.

## ***Basic Financial Statements***

**SEQUOIA UNION HIGH SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	Governmental Activities
<b>Assets</b>	
Current Assets:	
Cash and investments	\$ 87,459,885
Accounts receivable	8,108,500
Inventory	168,981
Total Current Assets	<u>95,737,366</u>
Noncurrent Assets:	
Non-depreciable capital assets	57,448,241
Capital assets, net of depreciation	<u>320,930,924</u>
Total Noncurrent Assets	<u>378,379,165</u>
Total Assets	<u><u>\$ 474,116,531</u></u>
 <b>Deferred Outflows of Resources</b>	
Deferred loss on early retirement of long-term debt	\$ 10,238,359
Total Deferred Outflows of Resources	<u><u>\$ 10,238,359</u></u>
 <b>Liabilities</b>	
Current Liabilities:	
Accounts payable	\$ 9,928,487
Unearned revenue	4,392,454
Accrued interest	6,721,000
Current loans	10,000,000
Total Current Liabilities	<u>31,041,941</u>
Long-term Liabilities:	
Due within one year	10,383,911
Due beyond one year	<u>348,778,836</u>
Total long-term Liabilities	<u>359,162,747</u>
Total Liabilities	<u><u>\$ 390,204,688</u></u>
 <b>Net Position</b>	
Net investment in capital assets	\$ 47,128,204
Restricted for:	
Debt service	21,114,349
Cafeteria programs	10
Adult education	540,984
Educational programs	<u>3,384,441</u>
Total restricted net position	<u>25,039,784</u>
Unrestricted	<u>21,982,214</u>
Total Net Position	<u><u>\$ 94,150,202</u></u>

The notes to the financial statements are an integral part of this statement

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

		Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
	Expenses	Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
Governmental activities					
Instruction	\$ 68,151,739	\$ 131,961	\$ 4,147,988	\$ 379,554	\$ (63,492,236)
Instruction-related services:					
Supervision of instruction	6,683,021	8,810	1,289,181	-	(5,385,030)
Instruction library, media and technology	1,455,366	530	10,707	-	(1,444,129)
School site administration	6,625,402	1,794	46,237	-	(6,577,371)
Pupil services:					
Home-to-school transportation	4,485,046	394,460	13,241	-	(4,077,345)
Food services	3,024,274	586,319	1,495,025	-	(942,930)
All other pupil services	8,961,468	12,089	772,063	-	(8,177,316)
General administration:					
Data processing	1,855,007	-	-	-	(1,855,007)
All other general administration	6,314,936	-	150,515	-	(6,164,421)
Plant services	16,321,522	32,476	632,264	-	(15,656,782)
Ancillary services	1,023,017	48	968	-	(1,022,001)
Community services	395,888	3,607	72,891	-	(319,390)
Transfers to other agencies	1,393,817	294,838	6,783,837	-	5,684,858
Interest on long-term debt	19,303,724	-	-	-	(19,303,724)
Depreciation - unallocated	15,113,430	-	-	-	(15,113,430)
Total governmental activities	<u>\$ 161,107,657</u>	<u>\$ 1,466,932</u>	<u>\$ 15,414,917</u>	<u>\$ 379,554</u>	<u>(143,846,254)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					101,182,492
Taxes levied for debt service					21,488,675
Taxes levied for other specific purposes					5,457,115
Interest and investment earnings					1,073,793
Interagency revenues					744,439
Miscellaneous					<u>3,215,931</u>
Total general revenues and special item					<u>133,162,445</u>
Change in net position					(10,683,809)
Net position beginning					<u>104,834,011</u>
Net position ending					<u>\$ 94,150,202</u>

The notes to the financial statements are an integral part of this statement

**SEQUOIA UNION HIGH SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	General Fund	Building Fund	County School Facilities Fund	Bond Interest Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 32,664,081	\$ 3,656,754	\$ 16,829,479	\$ 21,087,340	\$ 13,222,231	\$ 87,459,885
Accounts receivable	7,466,231	6,202	28,166	27,009	580,892	8,108,500
Due from other funds	411,824	570	157	-	73,971	486,522
Inventory	168,981	-	-	-	-	168,981
<b>Total Assets</b>	<b>\$ 40,711,117</b>	<b>\$ 3,663,526</b>	<b>\$ 16,857,802</b>	<b>\$ 21,114,349</b>	<b>\$ 13,877,094</b>	<b>\$ 96,223,888</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 7,487,401	\$ 12,011	2,242,970	\$ -	\$ 186,105	\$ 9,928,487
Due to other funds	90,174	17,603	1,396	-	377,349	486,522
Unearned revenue	4,312,420	-	-	-	80,034	4,392,454
Current loans	10,000,000	-	-	-	-	10,000,000
<b>Total Liabilities</b>	<b>21,889,995</b>	<b>29,614</b>	<b>2,244,366</b>	<b>-</b>	<b>643,488</b>	<b>24,807,463</b>
<b>Fund balances:</b>						
<b>Nonspendable:</b>						
Revolving fund	7,500	-	-	-	7,050	14,550
Stores inventories	168,981	-	-	-	-	168,981
<b>Restricted for:</b>						
Educational programs	3,384,441	-	-	-	-	3,384,441
Debt service	-	-	-	21,114,349	-	21,114,349
Adult education	-	-	-	-	540,984	540,984
Cafeteria programs	-	-	-	-	10	10
Capital projects	-	3,633,912	-	-	-	3,633,912
<b>Assigned for:</b>						
Facility projects	-	-	14,613,436	-	4,398,993	19,012,429
Capital projects	-	-	-	-	2,906,799	2,906,799
Site repairs	-	-	-	-	5,379,770	5,379,770
Educational programs	6,418,384	-	-	-	-	6,418,384
<b>Unassigned:</b>						
Economic uncertainties	8,841,816	-	-	-	-	8,841,816
<b>Total Fund Balances</b>	<b>18,821,122</b>	<b>3,633,912</b>	<b>14,613,436</b>	<b>21,114,349</b>	<b>13,233,606</b>	<b>71,416,425</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 40,711,117</b>	<b>\$ 3,663,526</b>	<b>\$ 16,857,802</b>	<b>\$ 21,114,349</b>	<b>\$ 13,877,094</b>	<b>\$ 96,223,888</b>

The notes to the financial statements are an integral part of this statement

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2014**

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Total fund balances - governmental funds		\$ 71,416,425
Amounts reported for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$545,403,823 and the accumulated depreciation is \$167,024,658.		378,379,165
To recognize accrued interest at year end which is not reported in the governmental funds		(6,721,000)
The difference between the reacquisition price and net carrying value of long-term debt when a bond is refunded is recorded as a deferred loss on the early retirement of long-term debt and a deferred inflow in the government-wide statement of net position and amortized over the remaining life of the refunded debt or refunding debt, whichever is shorter. This transaction is not a current financial resource and is not included in the governmental fund statements.		10,238,359
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:		
General obligation bonds	\$ 329,150,000	
Unamortized bond premiums	15,973,232	
Net OPEB obligation	13,314,957	
Compensated absences (vacation)	<u>724,558</u>	<u>(359,162,747)</u>
Total net position - governmental activities		<u>\$ 94,150,202</u>

The notes to the financial statements are an integral part of this statement

**SEQUOIA UNION HIGH SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	General Fund	Building Fund	County School Facilities Fund	Bond Interest Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
LCFF sources	\$ 98,480,964	\$ -	\$ -	\$ -	\$ -	\$ 98,480,964
Federal	2,992,724	-	-	1,994	1,608,806	4,603,524
Other state	3,763,962	-	379,554	96,106	141,060	4,380,682
Other local	13,788,847	1,418,161	141,671	24,380,955	3,229,044	42,958,678
Total revenues	119,026,497	1,418,161	521,225	24,479,055	4,978,910	150,423,848
Expenditures:						
Instruction	64,612,119	-	-	-	582,754	65,194,873
Instruction-related services:						
Supervision of instruction	6,496,898	-	-	-	186,123	6,683,021
Instruction library, media and technology	1,455,366	-	-	-	-	1,455,366
School site administration	6,036,059	-	-	-	589,343	6,625,402
Pupil services:						
Home-to-school transportation	4,485,046	-	-	-	-	4,485,046
Food services	-	-	-	-	3,024,274	3,024,274
All other pupil services	8,873,494	-	-	-	87,974	8,961,468
General administration:						
Data processing	1,855,007	-	-	-	-	1,855,007
All other general administration	6,307,011	-	-	-	7,925	6,314,936
Plant services	13,385,618	1,486,043	272,626	-	1,177,235	16,321,522
Facility acquisition and construction	-	4,168,720	10,886,740	-	296,680	15,352,140
Ancillary services	1,023,017	-	-	-	-	1,023,017
Community services	395,888	-	-	-	-	395,888
Transfers to other agencies	1,393,817	-	-	-	-	1,393,817
Debt service:						
Principal	-	-	-	7,705,000	-	7,705,000
Interest and fees	186,500	710,594	-	15,556,622	-	16,453,716
Total expenditures	116,505,840	6,365,357	11,159,366	23,261,622	5,952,308	163,244,493
Excess (deficiency) of revenues over (under) expenditures	2,520,657	(4,947,196)	(10,638,141)	1,217,433	(973,398)	(12,820,645)
Other financing sources (uses):						
Proceeds from bond issuance	-	113,820,902	-	-	-	113,820,902
Defeasance of bonds	-	(113,110,308)	-	-	-	(113,110,308)
Transfers in	-	-	970,296	2,568,763	4,458,423	7,997,482
Transfers out	(4,458,423)	(970,296)	-	(2,568,763)	-	(7,997,482)
Total other financing sources (uses)	(4,458,423)	(259,702)	970,296	-	4,458,423	710,594
Net change in fund balances	(1,937,766)	(5,206,898)	(9,667,845)	1,217,433	3,485,025	(12,110,051)
Fund balances beginning	20,758,888	8,840,810	24,281,281	19,896,916	9,748,581	83,526,476
Fund balances ending	\$ 18,821,122	\$ 3,633,912	\$ 14,613,436	\$ 21,114,349	\$ 13,233,606	\$ 71,416,425

The notes to the financial statements are an integral part of this statement

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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Total net change in fund balances - governmental funds \$ (12,110,051)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay of \$15,178,807 is more than depreciation expense of \$15,113,430 in the period. 65,377

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Proceeds from bond issuance	\$ (105,810,000)	
Defeasance of general obligation bonds	105,295,000	
Loss on early retirement of long-term debt	7,815,308	
Proceeds from bond premiums	(8,010,902)	
Repayment of bond principal	<u>7,705,000</u>	6,994,406

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt. The difference between premiums or discounts recognized in the current period and amortized over future periods is: (1,182,073)

In governmental funds, debt issuance costs are recognized as expenditures in the period they are incurred. In the government-wide statements, issuance costs are amortized over the life of the debt. The difference between debt issuance costs recognized in the current period and issuance costs amortized for the period is: (2,520,431)

In governmental funds, deferred loss on early retirement of long-term debt is recognized as other financing uses. In the government-wide statements, the deferred losses on early retirement of long-term debt is amortized over the life of the debt. The difference between other financing uses and amortization is: (204,815)

In the statement of activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year vacation earned exceeded the amounts used by \$24,275. (48,801)

In the statement of activities, the net other postemployment benefits obligation is measured by deducting the amount contributed to the plan from the annual required contribution as actuarially determined. In governmental funds, this obligation is not recorded because it is not paid with current financial resources and only current contributions are expended. The total amount reported as an expense in the statement of activities was \$4,706,584 net expenditures of \$2,206,432 reported in the fund statements: (2,734,732)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 1,057,311

Changes in net position of governmental activities \$ (10,683,809)

The notes to the financial statements are an integral part of this statement



**SEQUOIA UNION HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014**

	Expendable Trust Fund	Student Body Agency Fund	Total
<b>Assets</b>			
Cash in county treasury	\$ 177,074	\$ -	\$ 177,074
Cash on hand and in banks	-	1,519,248	1,519,248
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 177,074</u>	<u>\$ 1,519,248</u>	<u>\$ 1,696,322</u>
<b>Liabilities</b>			
Due to student groups	\$ -	\$ 1,519,248	\$ 1,519,248
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ -</u>	<u>\$ 1,519,248</u>	<u>\$ 1,519,248</u>
<b>Net Position</b>			
Restricted	\$ 177,074	\$ -	\$ 177,074
	<u>          </u>	<u>          </u>	<u>          </u>
Total Net Position	<u>\$ 177,074</u>	<u>\$ -</u>	<u>\$ 177,074</u>

The notes to the financial statements are an integral part of this statement

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Expendable Trust Fund</u>
Additions	
Other local	\$ 13,747
Deductions	
Financial assistance to students	<u>11,949</u>
Changes in net position	1,798
Net position beginning	<u>175,276</u>
Net position ending	<u><u>\$ 177,074</u></u>

The notes to the financial statements are an integral part of this statement

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**A. Accounting Principles**

The Sequoia Union High School District (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).

**B. Reporting Entity**

The district is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees. The district's combined financial statements include the accounts of all its operations. The district evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2014, the District does not have any component units and is not a component unit of any other reporting entity.

**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. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

The government-wide 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 the reconciliation with brief explanations to better identify the relationship between the government wide statements and the statements for the governmental funds.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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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 that 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 nonmajor 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. On a 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 60 days after year-end.

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

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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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 Outflows/Deferred Inflows:**

Deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. For example, prepaid items and deferred charges.

Deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. For example, unearned revenue and advance collections.

**Unearned Revenue:**

Unearned 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 the 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, deferred outflows, liabilities, deferred inflows, 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's accounts are organized into major, nonmajor, and fiduciary funds as follows:

**Major Governmental Funds:**

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Building Fund* is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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The *County School Facilities Fund* was established to receive apportionments from the State Schools Facilities Fund authorized by the State Allocation Board for new school facility construction, modernization projects and facility hardship grants.

The *Bond Interest and Redemption Fund* is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of the funding of general obligation bonds issued by the District.

**Non-major Governmental Funds:**

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund. The District maintains three non-major special revenue funds:

- The *Adult Education Fund* is used to account for resources committed to adult education programs maintained by the District.
- The *Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's food service programs.
- The *Deferred Maintenance Fund* is used for the purpose of major repair or replacement of District property.

*Capital Projects Funds* are used to account for resources restricted, committed or assigned for capital outlays. The District maintains two non-major capital projects funds:

- The *Capital Facilities Fund* is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).
- The *Special Reserve Fund for Capital Projects* exists primarily to account for resources accumulated for capital outlay.

**Fiduciary Funds:**

*Expendable Trust Funds* are used to account for donations which have the stipulation that principal be expended for a specific purpose. The following expendable trust fund is utilized:

- The *Foundation Trust Fund* exists primarily to account for money received from gifts or bequests in scholarship 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 accounts. The student body funds are used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body. The amounts reported for student body funds represent the combined totals of all schools within the District.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**F. Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles 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 District superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund are presented as Required Supplementary Information.

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.

**G. 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 on June 30.

**H. Assets, Liabilities, and Equity**

**1. Cash and Investments**

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Deposit Insurance Corporation.

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

All district-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

**2. Stores Inventories and Prepaid Expenditures**

Inventories are recorded using the purchases method, in that inventory acquisitions are initially recorded as expenditures. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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The District's inventory is valued at a moving average cost and consists of expendable supplies held for consumption. The District has the option of reporting expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

3. Capital Assets

Capital assets, which include sites, improvement of sites, buildings and improvements, equipment, and construction in progress, are reported in the government-wide financial statements. Such assets are valued at historical cost or estimated historical cost unless obtained by annexation or donation, in which case they are recorded at estimated market value at the date of receipt. The District utilizes a capitalization threshold of \$5,000.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation.

All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvement of sites	20
Buildings	50
Portable buildings	20
Building improvements	20
Furniture and fixtures	20
Playground equipment	20
Food services equipment	15
Transportation equipment	15
Telephone system	10
Vehicles	8
Computer system and equipment	5
Office equipment	5

4. Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred and timing requirements have been met. Unearned revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures. Unearned revenue in the funds is recorded for grant and entitlement receivables that are not available within ninety days of year end and for cash receipts from grants and entitlements for which the District has not met the eligibility requirements for recognizing revenue.



**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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5. Compensated Absences

All vacation pay plus related payroll tax is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts as well as issuance costs are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as prepaid expenditures and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

7. Fund Balance Classifications

The District maintains a minimum unassigned fund balance of not less than 3 percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The District believes a reserve of this level is prudent to maintain a high bond rating and to protect the District from the effects of fluctuations in property tax revenues to which basic aide districts are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent and the Assistant Superintendent of Business Services.
- Unassigned includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

8. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

*Capital Projects* restrictions will be used for the acquisition and construction of capital facilities.

*Cafeteria Program* restrictions reflect the cash balances in the cafeteria fund that are restricted for the food service program.

*Adult Education* restrictions reflect the cash balances in the adult education fund that are restricted for the adult education program.

*Debt Service* restrictions reflect the cash balances in the debt service funds that are restricted for debt service payments by debt covenants.

*Educational Programs* restrictions reflect the amounts to be expended for federal and state funded educational programs.

*Unrestricted net position* reflects amounts that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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9. Local Control Funding Formula and Property Taxes

The Local Control Funding Formula (LCFF) creates base, supplemental, and concentration grants in place of most previously existing K–12 funding streams, including revenue limits and most state categorical programs. The revenue limit was a combination of local property taxes, state apportionments, and other local sources.

The 2013–14 Budget Act provides \$2.1 billion for school districts and charter schools and \$32 million for COEs to support the first-year implementation of the LCFF. Until full implementation, however, local educational agencies (LEAs) will receive roughly the same amount of funding they received in 2012–13 plus an additional amount each year to bridge the gap between current funding levels and the new LCFF target levels. The budget projects the time frame for full implementation of the LCFF to be eight years.

The LCFF includes the following components for school districts and charter schools:

- Provides a base grant for each LEA equivalent to \$7,643 per average daily attendance (ADA). The actual base grants would vary based on grade span.
- Provides an adjustment of 10.4 percent on the base grant amount for kindergarten through grade three (K–3). As a condition of receiving these funds, the LEA shall progress toward an average class enrollment of no more than 24 pupils in kindergarten through grade three, unless the LEA has collectively bargained an annual alternative average class enrollment in those grades for each school site.
- Provides an adjustment of 2.6 percent on the base grant amount for grades nine through twelve.
- Provides a supplemental grant equal to 20 percent of the adjusted base grant for targeted disadvantaged students. Targeted students are those classified as English learners (EL), eligible to receive a free or reduced-price meal (FRPM), foster youth, or any combination of these factors (unduplicated count).
- Provides a concentration grant equal to 50 percent of the adjusted base grant for targeted students exceeding 55 percent of an LEA’s enrollment.
- Provides for additional funding based on an “economic recovery target” to ensure that virtually all districts are at least restored to their 2007–08 state funding levels (adjusted for inflation) and also guarantees a minimum amount of state aid to LEAs.

The county 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 March 1, which is also the lien date. Property taxes on the secured roll are due on August 31 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 (March 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 alternate 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.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
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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.

**10. Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District has joined together with other school districts in the County to form the San Mateo County Schools Insurance Group ("SMCSIG") public entity risk pool. The District pays an annual premium for its property and casualty, workers' compensation, and liability insurance coverage. The Joint Powers Agreements provide that SMCSIG will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of self-insured levels.

There were no significant reductions in insurance coverage from coverage in the prior year and no insurance settlement exceeding insurance coverage.

**11. Accounting Estimates**

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

**12. Subsequent Events**

Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through the date the financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure other than the following:

*Tax and Revenue Anticipation Notes (TRAN)*

On June 19, 2014, the District issued \$9,815,000 in TRAN maturing on July 10, 2015, with an interest rate of 1%. The TRAN are a general obligation of the District, and are payable from revenues and cash receipts to be generated by the District. There are no contractual obligations related to the issuance other than the TRAN agreement. The funds were used to supplement cash flow.

**I. Upcoming Accounting and Reporting Changes**

**Summary of Statement No. 68 *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 (Issued 06/12)*.** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
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plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. This Statement establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement-determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. This Statement is effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged. The determination of the impact on the District's financial statements from the implementation of this standard is pending as of the issuance date of this report.

**NOTE 2 - CASH AND INVESTMENTS**

Summary of Deposits

A summary of deposits as of June 30, 2014, is as follows:

Deposit or Investment	Carrying Amount	Fair Value	Investment Rating
<i>Government-Wide Statements:</i>			
Cash in county treasury investment pool	\$ 76,870,145	\$ 76,866,301	AA
Cash in revolving fund	14,550	14,550	n/a
Cash awaiting deposits	8,398	8,398	n/a
Cash with fiscal agent	10,566,792	10,566,792	n/a
Total Government-Wide Cash and Investments	87,459,885	87,456,041	
<i>Fiduciary Funds:</i>			
Cash in county treasury investment pool	177,074	177,074	n/a
Cash in banks	1,519,248	1,519,248	n/a
Total Cash and Investments	\$ 89,156,207	\$ 89,152,363	

Cash in banks and revolving funds

As of June 30, 2014, the bank balances of the District's accounts totaled \$1,537,449. All bank balances were fully covered by FDIC. FDIC covers up to \$250,000 per bank.

Cash in County Treasury

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

Policies and Practices

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

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diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the San Mateo County Investment Pool. The pool has a fair value of approximately \$981 million and an amortized book value of \$981 million.

*Credit Risk*

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the San Mateo County Investment Pool is governed by the County's general investment policy. The investment with the San Mateo County Investment Pool is rated at least Aa1 by Moody's Investor Service.

*Custodial Credit Risk – Deposits*

Custodial credit risk 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.

*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. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following as of June 30, 2014:

Receivables	General Fund	Building Fund	County School Facilities Fund	Bond Interest & Redemption Fund	Nonmajor Funds	Total
Federal Government:						
Special Education	\$ 219,639	\$ -	\$ -	\$ -	\$ -	\$ 219,639
Child Nutrition	-	-	-	-	319,118	319,118
Adult Education	-	-	-	-	133,015	133,015
Other Federal Resources	414,896	-	-	-	-	414,896
State Government:						
LCFF Apportionments	4,048,899	-	-	-	-	4,048,899
Lottery	293,958	-	-	-	-	293,958
Special Education	140,651	-	-	-	-	140,651
Partnership Academies Program	175,275	-	-	-	-	175,275
Other State Resources	77,389	-	-	-	-	77,389
Local Contributions	1,228,901	87	-	-	12,825	1,241,813
Other Resources	866,623	6,115	28,166	27,009	115,934	1,043,847
Accounts Receivable	\$ 7,466,231	\$ 6,202	\$ 28,166	\$ 27,009	\$ 580,892	\$ 8,108,500

**NOTE 4 - INTERFUND TRANSACTIONS**

Interfund transactions are reported as 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/expenses. 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. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

As of June 30, 2014, interfund receivables and payables were as follows:

Fund	Due From Other Funds	Due to Other Funds
General Fund	\$ 411,824	\$ 90,174
Building Fund	570	17,603
County School Facilities Fund	157	1,396
Nonmajor Funds	73,971	377,349
Totals	\$ 486,522	\$ 486,522

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Interfund transfers consist of operating transfers from funds receiving revenues to funds through which the resources are to be expended. Interfund transfers for fiscal year 2013-2014 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount
Adult Education Fund	General Fund	\$ 993,331 <b>1</b>
Cafeteria Fund	General Fund	460,000 <b>2</b>
Deferred Maintenance Fund	General Fund	2,002,636 <b>3</b>
Special Reserve Fund for Capital Outlay Projects	General Fund	1,002,456 <b>4</b>
County School Facilities Fund	Building Fund	970,296 <b>5</b>
Bond Interest and Redemption Fund	Bond Interest and Redemption Fund	2,568,763 <b>6</b>
		<u>\$ 7,997,482</u>
<p><b>1</b> Transfer of adult education program entitlements.</p> <p><b>2</b> Transfer to cover cash flow deficits from the loss of "meals for the needy" funds and to pay for new point of sale program and equipment.</p> <p><b>3</b> District's 50% contribution of state deferred maintenance allotment and to set aside funds needed for deferred maintenance projects through out the district.</p> <p><b>4</b> Transfer to set aside funds for ground renovation projects and new common core equipment requirements.</p> <p><b>5</b> Transfer to reimburse the County School Facilities fund for capital outlay.</p> <p><b>6</b> This fund is controlled by the County Controller's Office and is used to pay bond premiums and interest.</p>		

**NOTE 5 - CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2014, is shown below:

Capital Assets	Balance July 01, 2013	Additions	Deletions	Balance June 30, 2014
Land - nondepreciable	\$ 23,334,754	\$ 6,500	\$ -	\$ 23,341,254
Construction in progress - nondepreciable	35,422,779	12,005,990	13,321,782	34,106,987
Buildings and improvements	465,738,309	15,335,132	-	481,073,441
Equipment	5,729,174	1,152,967	-	6,882,141
Total capital assets	530,225,016	28,500,589	13,321,782	545,403,823
Less accumulated depreciation for:				
Buildings and improvements	147,226,205	14,913,680	-	162,139,885
Equipment	4,685,023	199,750	-	4,884,773
Total accumulated depreciation	151,911,228	15,113,430	-	167,024,658
Total capital assets - net depreciation	\$ 378,313,788	\$ 13,387,159	\$ 13,321,782	\$ 378,379,165

**NOTE 6 - TAX AND REVENUE ANTICIPATION NOTES**

On June 11, 2013, the District issued \$10,000,000 in Tax and Revenue Anticipation Notes (TRAN) maturing on July 2, 2014, with an interest rate of 1.5%. The TRAN was issued at a premium of \$131,800.

The TRAN are a general obligation of the District, and are payable from revenues and cash receipts to be generated by the District. There are no contractual obligations related to the issuance other than the TRAN agreement. The funds were used to ensure cash flow.



**SEQUOIA UNION HIGH SCHOOL DISTRICT  
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**NOTE 7 - SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES**

A schedule of changes in long-term debt for the year ended June 30, 2014, is shown below:

Long-Term Debt	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
General Obligation Bonds	\$ 336,340,000	\$ 105,810,000	\$ 113,000,000	\$ 329,150,000	\$ 6,220,000
Unamortized bond discounts - net	(4,826,241)	-	(4,826,241)	-	-
Unamortized bond premiums - net	11,606,498	8,010,902	3,644,168	15,973,232	3,644,168
Net OPEB obligation	10,580,225	4,973,411	2,238,679	13,314,957	-
Compensated Absences	675,757	48,801	-	724,558	724,558
Total Long-Term Debt	\$ 354,376,239	\$ 118,843,114	\$ 114,056,606	\$ 359,162,747	\$ 10,588,726

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund from local revenues. The accrued vacation and other postemployment benefits will be paid by the fund for which the employee worked.

**NOTE 8 - GENERAL OBLIGATION BONDS**

Through elections, the District received authorization to issue general obligation bonds (GOB) that requires the county to levy annual ad valorem taxes for the payment of interest and principal on the bonds. Bond proceeds are used to build additional classrooms and to perform repairs and renovations.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

In 2012, the District issued \$30,600,000 in general obligation refunding bonds with interest rates of 1.5-4% to refund \$31,900,000 of outstanding 2003 Refunding Bonds and 2004 Series 2005 bonds ("refunded") with an interest rate of 3.5-5.125%. The net proceeds of \$34,305,692 (after payment of \$223,907 in underwriting fees, insurance, and other issuance costs) included a premium of \$3,929,600 and was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,629,600. The District completed the advance refunding to finance additional cash for capital outlay, which resulted in a decrease of \$2,592,018 in total debt service payments over the next 8 years. The refunding resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$2,488,843.

In 2014, the District issued \$105,810,000 in general obligation refunding bonds with interest rates of 2-5% to refund \$105,295,000 of outstanding General Obligation Bonds, Series 2005B, 2005 General Obligation Refunding Bonds, and 2006 General Obligation Refunding Bonds ("refunded") with an interest rate of 3-5.5%. The net proceeds of \$113,110,308 (after payment of \$710,594 in underwriting fees, insurance, and other issuance costs) included a premium of \$8,010,902 and was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent

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to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$8,525,902. The District completed the advance refunding to finance additional cash for capital outlay, which resulted in a decrease of \$14,660,903 in total debt service payments over the next 20 years. The refunding resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$10,756,590.

The outstanding General Obligation Bond debt of the District as of June 30, 2014, is as follows:

General Obligation Bonds	Issue Date	Maturity	Interest Rate	Issued Amount	Outstanding Amount
<b>General Obligation Bonds, Election of 2004</b>					
General Obligation Bonds, Series 2005B	12/20/05	7/1/2035	4.625 - 5.5%	45,000,000	5,370,000
<b>General Obligation Bonds, Election of 2008</b>					
2008 General Obligation Bonds, (Election of 2008, Series A)	6/12/08	7/1/2032	3 - 5%	74,000,000	63,455,000
2009 General Obligation Bonds, (Election of 2008, Series B)	7/9/09	7/1/2034	2.5 - 5%	40,000,000	37,860,000
<b>General Obligation Refunding Bonds</b>					
2005 General Obligation Refunding Bonds	8/18/05	7/1/2028	3 - 5%	24,230,000	1,025,000
2005 General Obligation Refunding Bonds Issue 2	12/20/05	7/1/2023	4 - 4.5%	5,020,000	4,250,000
2006 General Obligation Refunding Bonds	12/21/06	7/1/2032	3.5 - 5%	70,000,000	21,025,000
2011 General Obligation Refunding Bonds	7/14/11	7/1/2019	3-5%	11,120,000	11,120,000
2012 General Obligation Refunding Bonds	12/20/12	7/1/2029	1.5-4%	30,600,000	28,235,000
2014 General Obligation Refunding Bonds	4/2/2014	7/1/2035	2-5%	105,810,000	105,810,000
<b>General Obligation Bonds, Election of 2011</b>					
General Obligation Bonds, Series 2011C-1	4/28/2011	7/1/2043	3 - 6%	26,000,000	26,000,000
General Obligation Bonds, Series 2011C-2	4/28/2011	7/1/2025	5.4 - 5.9%	25,000,000	25,000,000
Total General Obligation Bonds				\$ 456,780,000	\$ 329,150,000

The annual requirements to amortize General Obligation Bonds outstanding as of June 30, 2014, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	\$ 6,220,000	\$ 13,441,902	\$ 19,661,902
2016	7,200,000	14,291,598	21,491,598
2017	8,485,000	14,004,641	22,489,641
2018	9,710,000	13,664,348	23,374,348
2019	10,170,000	13,278,679	23,448,679
2020-2024	74,170,000	58,239,430	132,409,430
2025-2029	83,910,000	38,882,158	122,792,158
2030-2034	88,480,000	19,495,428	107,975,428
2035-2039	32,485,000	4,666,819	37,151,819
2040-2044	8,320,000	1,555,800	9,875,800
Total Debt Service	\$ 329,150,000	\$ 191,520,802	\$ 520,670,802

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - JOINT VENTURES (JOINT POWERS AGREEMENTS)**

The District participates in a joint powers agreement ("JPA") with the San Mateo County Schools Insurance Group ("SMCSIG"). A board consisting of a representative from each member district governs the JPA. The governing board controls the operation of the JPA independent of any influence by the District beyond the District's representation on the governing board. The JPA is independently accountable for its fiscal matters. Budgets are not subject to any approval other than that of the governing board. Member districts share surpluses and deficits proportionately to their participation. The relationship between the District and the JPA is such that the JPA not a component unit of the District for financial reporting purposes. The following is a summary of coverage provided by SMCSIG JPA and its most recent financial statement information:

<i>Risk Management JPA's</i>	SMCSIG June 30, 2014
Total Assets	\$ 17,343,941
Total Liabilities	8,411,639
Total Equity	8,932,302
Total Revenues	35,889,261
Total Expenditures	35,880,935

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

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. If the review or audit discloses exceptions, the District may incur a liability to grantor agencies.

Litigation

The District may be exposed to claims and litigation. Management believes, based on consultation with legal counsel, that the ultimate resolution of any claims or litigation will not have a material adverse effect on the District's financial position or results of operations.

Commitments

As of June 30, 2014, the District had committed \$8,356,139 towards services and construction. These commitments are not a liability of the District's until services or goods have been rendered.

**NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS**

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

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**PERS**

*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% 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 District's required employer contribution rate for fiscal year 2013-14 was 11.442%. The contribution requirements of the plan members are established by state statute. For the fiscal year ending June 30, 2014, 2013 and 2012 the District contributed \$2,246,868, \$2,049,278, and \$1,673,445, to CalPERS. These were the District's required contribution.

**STRS**

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

*Funding Policy.* Active plan members are required to contribute 8% 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 STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2013-2014 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal years ending June 30, 2014, 2013, and 2012, were \$4,323,252, \$4,021,884, and \$3,739,973, respectively, and equaled 100% of the required contributions for each year.

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**NOTE 12 - POSTEMPLOYMENT HEALTHCARE PLAN (OPEB)**

*Plan Description.* The District's Postemployment Healthcare Plan (PHP) is a single-employer defined benefit healthcare plan including medical benefits for the following groups of employees:

	Certificated	Classified	Management
Applies to employee hired	After February 26, 1985	After April 1, 1998	After July 1, 1998
Benefit types provided	Medical only	Medical only	No additional benefits
Duration of benefits	Lifetime	To age 65	To age 65
Required service	15 years at age 65; Prior to 65, additional 1 year for each year before age 65 subject to a maximum of 10 additional years <sup>(1)</sup>	16 years @ Age 55 14 years @ Age 56 12 years Ca., Age 57 10 years @ Age 58 or older	16 years @ Age 55 14 years @ Age 56 12 years Ca., Age 57 10 years @ Age 58 or older
Minimum age	55	55	55
Dependent coverage	No	To age 65 <sup>(3)</sup>	To age 65 <sup>(3)</sup>
District contribution %	100% <sup>(2)</sup>	100%	100%
District cap	Highest single, active HMO rate minus the minimum CalPERS employer contribution	Highest single, active HMO rate minus the minimum CalPERS employer contribution	Highest single, active HMO rate minus the minimum CalPERS employer contribution

	Certificated	Classified	Management
Applies to employee hired	Before February 26, 1985	Before April 1, 1998	Before July 1, 1998
Benefit types provided	Medical only	Medical only	Medical only
Duration of benefits	Lifetime	Lifetime	Lifetime
Required service	10 years at age 65; Prior to 65, additional 1 year for each year before age 65 subject to a maximum of 10 additional years <sup>(1)</sup>	16 years @ Age 55 14 years @ Age 56 12 years @ Age 57 10 years @ Age 58 or older	10 years at age 65; Prior to 65, additional 1 year for each year before age 65 subject to a maximum of 10 additional years <sup>(1)</sup>
Minimum age	55	55	50/55
Dependent coverage	No	To age 65 <sup>(3)</sup>	No
District contribution %	100% <sup>(2)</sup>	100%	100%
District cap	Highest single, active HMO rate minus the minimum CalPERS employer contribution	Highest single, active HMO rate minus the minimum CalPERS employer contribution	Highest single, active HMO rate minus the minimum CalPERS employer contribution

<sup>(1)</sup> May retire at any age with 30 years' service in public education as long as ten years is with the District.

<sup>(2)</sup> For post-65 benefits for those retiring after 1997, the District contribution can be reduced to the extent the total cost of all post-65 service credits exceeds 0.88% of the District's total revenue limit sources income

<sup>(3)</sup> For Maintenance and Operations/Support Services to spouse age 65; for Office, Technical and Paraprofessional to retiree age 65.

*Funding Policy.* The required contribution to the PHP is based on projected pay-as-you-go financing requirements. For the fiscal year ended June 30, 2014, the District contributed \$2,238,679 to the plan from payment of current premiums and current retiree benefits.

*Annual OPEB Cost and Net OPEB Obligation.* The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual required contribution	\$ 4,973,411
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	4,973,411
Contributions made	(2,238,679)
Increase in net OPEB obligation	2,734,732
Net OPEB obligation - beginning of year	10,580,225
Net OPEB obligation - end of year	\$ 13,314,957

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 was as follows:

Fiscal Year Ended	Annual Required Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 4,706,584	48.13%	\$ 8,080,073
June 30, 2013	4,706,584	46.88%	10,580,225
June 30, 2014	4,973,411	45.01%	13,314,957

*Actuarial Methods and Assumptions.* In the Entry Age Normal method, the cost of each individual's OPEB benefits is amortized on a straight-line basis over his/her working career. For each employee, a "normal cost" is computed, the amount which, if accumulated during each year of employment, will at retirement be sufficient to fund the expected benefits for that individual. The sum of all the individual normal costs for all employees is called the Normal Cost. The accumulated value of all normal costs attributed to prior years, including the full value of benefits for all currently retired employees, is called the Actuarial Accrued Liability. The unfunded Actuarial Accrued Liability is amortized over a period of future years. The longest amortization period permitted under GASB 45 is 30 years. The ARC is the sum of the Normal Cost and the amortization of the unfunded Actuarial Accrued Liability. The remaining amortization period at June 30, 2014, was 27 years.

The actuarial assumptions included a discount rate of 4.75% per year and an annual healthcare cost trend rate of 4%. The discount rate is the interest rate at which future benefit obligations are discounted back to the present time. GASB 45 requires that the discount rate reflect the expected investment return on the District's investments.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**Required Supplementary Information (OPEB Schedule of Funding Progress)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a/c))
2/1/2008	\$ -	\$ 34,369,045	\$ 34,369,045	0.00%	\$ 66,853,030	51.41%
7/1/2011	-	47,214,848	47,214,848	0.00%	56,342,615	83.80%
2/1/2014	-	49,091,785	49,091,785	0.00%	60,788,703	80.76%

REQUIRED  
SUPPLEMENTARY  
INFORMATION



**SEQUOIA UNION HIGH SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (GAAP)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive - (Negative)
	Original	Final		
Revenues:				
LCFF sources	\$ 93,213,318	\$ 98,306,075	\$ 98,480,964	\$ 174,889
Federal	2,658,032	3,253,189	2,992,724	(260,465)
Other state	6,910,006	5,004,887	3,763,962	(1,240,925)
Other local	8,137,938	13,344,654	13,788,847	444,193
Total revenues	110,919,294	119,908,805	119,026,497	(882,308)
Expenditures:				
Certificated salaries	50,924,163	52,833,708	51,998,515	835,193
Classified salaries	17,977,837	19,419,137	19,723,603	(304,466)
Employee benefits	26,442,930	26,135,791	25,916,951	218,840
Books and supplies	3,817,215	6,070,346	4,995,159	1,075,187
Services and other operating expenditures	10,182,793	11,959,393	12,272,670	(313,277)
Capital outlay	148,000	243,553	205,126	38,427
Other outgo	1,620,000	1,396,094	1,393,816	2,278
Total expenditures	111,112,938	118,058,022	116,505,840	1,552,182
Excess (deficiency) of revenues over (under) expenditures	(193,644)	1,850,783	2,520,657	669,874
Other financing sources (uses):				
Transfers out	(1,993,331)	(4,398,423)	(4,458,423)	(60,000)
Total other financing sources (uses)	(1,993,331)	(4,398,423)	(4,458,423)	(60,000)
Net change in fund balance	(2,186,975)	(2,547,640)	(1,937,766)	609,874
Fund balances beginning	20,758,888	20,758,888	20,758,888	-
Fund balances ending	\$ 18,571,913	\$ 18,211,248	\$ 18,821,122	\$ 609,874

SUPPLEMENTARY  
INFORMATION

**SEQUOIA UNION HIGH SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<b>Special Revenue Funds</b>			<b>Capital Projects Funds</b>		
	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve Fund for Capital Projects	Total Nonmajor Funds
<b>Assets</b>						
Cash and investments	\$ 555,734	\$ 12,589	\$ 5,407,471	\$ 4,340,245	\$ 2,906,192	\$ 13,222,231
Accounts receivable	152,141	329,907	8,165	86,191	4,488	580,892
Due from other funds	253	73,718	-	-	-	73,971
<b>Total Assets</b>	<b>\$ 708,128</b>	<b>\$ 416,214</b>	<b>\$ 5,415,636</b>	<b>\$ 4,426,436</b>	<b>\$ 2,910,680</b>	<b>\$ 13,877,094</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 76,697	\$ 44,746	\$ 34,077	\$ 26,704	\$ 3,881	\$ 186,105
Due to other funds	10,363	364,458	1,789	739	-	377,349
Unearned revenue	80,034	-	-	-	-	80,034
<b>Total Liabilities</b>	<b>167,094</b>	<b>409,204</b>	<b>35,866</b>	<b>27,443</b>	<b>3,881</b>	<b>643,488</b>
<b>Fund balances:</b>						
Nonspendable revolving funds	50	7,000	-	-	-	7,050
Restricted for adult education	540,984	-	-	-	-	540,984
Restricted for cafeteria programs	-	10	-	-	-	10
Assigned for facility projects	-	-	-	4,398,993	-	4,398,993
Assigned for capital projects	-	-	-	-	2,906,799	2,906,799
Assigned for site repairs	-	-	5,379,770	-	-	5,379,770
<b>Total Fund Balances</b>	<b>541,034</b>	<b>7,010</b>	<b>5,379,770</b>	<b>4,398,993</b>	<b>2,906,799</b>	<b>13,233,606</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 708,128</b>	<b>\$ 416,214</b>	<b>\$ 5,415,636</b>	<b>\$ 4,426,436</b>	<b>\$ 2,910,680</b>	<b>\$ 13,877,094</b>

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<b>Special Revenue Funds</b>			<b>Capital Projects Funds</b>		
	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve Fund for Capital Projects	Total Nonmajor Funds
Revenues:						
Federal	\$ 242,226	\$ 1,366,580	\$ -	\$ -	\$ -	\$ 1,608,806
Other state	24,094	116,966	-	-	-	141,060
Other local	166,864	600,884	46,539	1,784,250	630,507	3,229,044
Total revenues	433,184	2,084,430	46,539	1,784,250	630,507	4,978,910
Expenditures:						
Instruction	582,754	-	-	-	-	582,754
Instruction-related services:						
Supervision of instruction	186,123	-	-	-	-	186,123
School site administration	589,343	-	-	-	-	589,343
Pupil services:						
Food services	-	3,024,274	-	-	-	3,024,274
All other pupil services	87,974	-	-	-	-	87,974
General administration:						
All other general administration	-	-	-	7,925	-	7,925
Plant services	200,362	4,485	91,252	13,151	867,985	1,177,235
Facility acquisition and construction	-	-	109,032	187,648	-	296,680
Total expenditures	1,646,556	3,028,759	200,284	208,724	867,985	5,952,308
Excess (deficiency) of revenues over (under) expenditures	(1,213,372)	(944,329)	(153,745)	1,575,526	(237,478)	(973,398)
Other financing sources (uses):						
Transfers in	993,331	460,000	2,002,636	-	1,002,456	4,458,423
Total other financing sources (uses)	993,331	460,000	2,002,636	-	1,002,456	4,458,423
Net change in fund balances	(220,041)	(484,329)	1,848,891	1,575,526	764,978	3,485,025
Fund balances beginning	761,075	491,339	3,530,879	2,823,467	2,141,821	9,748,581
Fund balances ending	\$ 541,034	\$ 7,010	\$ 5,379,770	\$ 4,398,993	\$ 2,906,799	\$ 13,233,606

STATE AND FEDERAL  
AWARD COMPLIANCE  
SECTION

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
ORGANIZATION  
FOR THE YEAR ENDED JUNE 30, 2014**

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The District services approximately 8,250 students. The District is located in San Mateo County and is comprised of four high schools and one continuation high school. There were not any changes in the District's boundaries during the year.

**Governing Board**

Name	Office	Term Expires
Allen Weiner	President	2015
Olivia Martinez	Vice President	2015
Alan Sarver	Clerk	2016
Chris Thomsen	Trustee	2016
Carrie DuBois	Trustee	2015
Claire Porter	Student Trustee	2014

**Administration**

James Lianides  
Superintendent

Enrique Navas  
Assistant Superintendent, Administrative Services

Morgan Marchbanks  
Assistant Superintendent, Educational Services

David Reilly  
Assistant Superintendent, Human Resources & Professional Development

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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	Second Period Report	Annual Report
High School:		
Grades nine through twelve, regular classes	7,672	7,701
Continuation education	201	196
Home and hospital	2	3
Special education	167	166
Community day schools	23	19
High School Totals	<u>8,065</u>	<u>8,085</u>
Classes for Adults:		
Adults in correctional facilities	<u>4</u>	<u>6</u>
Classes for Adults Totals	<u>4</u>	<u>6</u>
ADA Totals	<u>8,069</u>	<u>8,091</u>
Community day schools - additional funds:		
High School - ADA for 5th and 6th hours	<u>84</u>	<u>80</u>
Charter School		
Classroom Based		
Secondary:		
Grades nine through twelve	1,206	1,206
Nonclassroom based	None	None

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Grade Level	1982-83 Actual Minutes	Reduced 1982-83 Actual Minutes	1986-87 Minutes Requirements	Reduced 1986-87 Minutes Requirements	2013-14 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Grade 9	66,500	64,653	64,800	63,000	66,141	180	0	In compliance
Grade 10	66,500	64,653	64,800	63,000	66,141	180	0	In compliance
Grade 11	66,500	64,653	64,800	63,000	66,141	180	0	In compliance
Grade 12	66,500	64,653	64,800	63,000	66,141	180	0	In compliance

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 46201 through 46208. School districts that have met their LCFF targets or have not met their LCFF targets, but received longer day and year incentive funding, can not provide less than the 1986-87 minutes requirements; reduced by 5 days for fiscal years 2013-14 and 2014-15. There is no longer a requirement to offer minutes offered in 1982-83 for districts that exceeded the minutes listed in the statute and met their LCFF target, or districts that received incentive funding for longer instructional day and year, or for a district that did not meet its LCFF target and participated in the longer day incentive but not the longer year incentive.



**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	(Budget <sup>1</sup> )			
	2015	2014	2013	2012
<u>General Fund</u>				
Revenues and other financial sources	\$ 116,954,168	\$ 119,026,497	\$ 111,927,087	\$ 105,111,698
Expenditures	117,089,166	116,505,840	107,995,329	102,992,880
Other uses and transfers out	1,743,331	4,458,423	2,493,331	2,043,331
Total outgo	118,832,497	120,964,263	110,488,660	105,036,211
Change in fund balance	\$ (1,878,329)	\$ (1,937,766)	\$ 1,438,427	\$ 75,487
Ending fund balance	\$ 16,942,793	\$ 18,821,122	\$ 20,758,888	\$ 19,320,461
Available reserves <sup>(2)</sup>	\$ 7,205,487	\$ 8,841,816	\$ 9,000,000	\$ 8,550,815
Designated for economic uncertainty	\$ 7,205,487	\$ 8,841,816	\$ 9,000,000	\$ 8,550,815
Unassigned fund balance	\$ -	\$ -	\$ -	\$ -
Available reserves as a percentage of total outgo	6.06%	7.31%	8.15%	8.14%
Total long-term debt	\$ 348,778,836	\$ 359,162,747	\$ 354,376,239	\$ 354,998,808
Average daily attendance at P-2	8,091	8,065	7,771	7,777

Average daily attendance has increased by 288 over the past three years. The district anticipates an increase of 26 ADA.

The general fund balance has decreased by \$499,339 over the past three years. For a district this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, other uses (total outgo).

The district has shown an operating surplus in two of the past three years. Total long-term debt has increased by \$4,163,939 over the past three years.

<sup>1</sup> Budget numbers are based on the first adopted budget of the fiscal year 2014/15.

<sup>2</sup> Available reserves consists of all unassigned fund balances in the general fund, which includes the reserve for economic uncertainties.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

PROGRAM NAME	FEDERAL CATALOG NUMBER	PASS THROUGH NUMBER	PROGRAM EXPENDITURE
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Passed Through California Department of Education			
<b><i>Title I Cluster</i></b>			
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 636,631
NCLB: Title I, Part C, Migrant Ed	84.011	14326	48,846
<b><i>Total Title I Cluster</i></b>			<u>685,477</u>
<b><i>Special Education Cluster</i></b>			
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	1,373,852
Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	5,447
<b><i>Total Special Education Cluster</i></b>			<u>1,379,299</u>
<b><i>Title II Cluster</i></b>			
NCLB: Title II, Part A, Teacher Quality	(1) 84.367	14341	471,704
NCLB: Title II, Part D, Enhancing Education Through Technology	(1) 84.318	14334	230,763
<b><i>Total Title II Cluster</i></b>			<u>702,467</u>
Department of Rehab: Workability II, Transition Partnership	84.158	10006	105,012
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	157,528
Adult Education: Adult Basic Education & ESL	84.002	14508	130,458
Adult Education: Adult Secondary Education	84.002	13978	31,202
Adult Education: English Literacy & Civics Education	84.002	14109	80,566
NCLB (ESEA): Title III, Immigrant Education Program	84.365	15146	10,740
NCLB: Title III, Immigrant Education Program	84.365	15146	160,045
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<u>3,442,794</u>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through California Department of Education			
National School Lunch Program	(1) 10.555	13391	1,366,580
<b>TOTAL FEDERAL PROGRAMS</b>			<u>\$ 4,809,374</u>

(1) Audited as major program

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT  
TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	General Fund	Building Fund	Bond Redemption Fund	County School Facilities Fund	Other Nonmajor Governmental Funds
June 30, 2014 Annual Financial and Budget Report Fund Balances	\$ 14,232,100	\$ 3,633,912	\$ 21,114,349	\$ 14,613,436	\$ 17,822,628
Adjustments and Reclassifications:					
Special Reserve Fund for Other Than Capital Outlay:					
Cash with County Treasury	4,582,151	-	-	-	(4,582,151)
Accounts Receivable	6,871	-	-	-	(6,871)
June 30, 2014 Audited Financial Statements Fund Balances	\$ 18,821,122	\$ 3,633,912	\$ 21,114,349	\$ 14,613,436	\$ 13,233,606

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2014**

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Education Audit Appeals Panel Section 19815 (d)(7) Disclosure

**Schedule of Charter Schools:**

<u>Charter School</u>	<u>Status</u>
Summit Preparatory High School	Excluded from financial statements
Everest Public High School	Excluded from financial statements
East Palo Alto Phoenix Academy (Aspire)	Excluded from financial statements
East Palo Alto Academy – Stanford	Excluded from financial statements

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF EXCESS SICK LEAVE  
FOR THE YEAR ENDED JUNE 30, 2014**

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Section 19833.5 (a)(3)(c) Disclosure

The District does not provide more than 12 sick leave days in a school year to any group of employees who are CalSTRS members.

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
NOTES TO STATE AND FEDERAL AWARD COMPLIANCE SECTIONS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**1. PURPOSE OF SCHEDULES**

A. 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.

B. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day and Longer Instructional Year. 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 46201 through 46206.

C. 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.

D. Schedule of Expenditures of Federal Awards

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with OMB Circular A-133 and state requirements.

E. 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.

F. Schedule of Charter Schools

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District's financial statements.

G. Schedule of Excess Sick Leave

This schedule provides information on whether the District grants excess sick leave, as that term is defined in subdivision (c) of Education Code Section 22170.5, to employees who are members of the California State Teachers Retirement System.

**2. RESULTS OF RECONCILIATIONS OF EXPENDITURES PER SCHEDULE OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEMS**

There were no material unreconciled differences between the District's records and the schedule of federal grant activity as shown on the Schedule of Expenditures of Federal and State Awards.

**3. BASIS OF PRESENTATION – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Sequoia Union High School 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

OTHER INDEPENDENT  
AUDITOR'S REPORTS



**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  
Sequoia Union High School District  
Redwood City, California

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sequoia Union High School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Sequoia Union High School District's basic financial statements, and have issued our report thereon dated November 20, 2014.

***Internal Control over Financial Reporting***

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered Sequoia Union High School 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 Sequoia Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Sequoia Union High School District'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 entity'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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Sequoia Union High School District'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.

C & A LLP

November 20, 2014  
San Jose, California



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY OMB CIRCULAR A-133**

Board of Education  
Sequoia Union High School District  
Redwood City, California

**Report on Compliance for Each Major Federal Program**

We have audited Sequoia Union High School District's compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Sequoia Union High School District's major federal programs for the year ended June 30, 2014. Sequoia Union High School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Sequoia Union High School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sequoia Union High 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 for each major federal program. However, our audit does not provide a legal determination of the Sequoia Union High School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Sequoia Union High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended.

**Report on Internal Control over Compliance**

Management of Sequoia Union High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sequoia Union High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in



the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sequoia Union High School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the District as of and for the year ended June 30, 2014, and have issued our report thereon dated November 20, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*C & A LLP*

November 20, 2014  
San Jose, California



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON STATE PROGRAMS**

The Honorable Board of Trustees  
Sequoia Union High School District  
Redwood City, California

**Compliance**

We have audited the Sequoia Union High School District's (the District) compliance with the types of State compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2013-14*, published by the Education Audit Appeals Panel, for the year ended June 30, 2014. The applicable State compliance requirements are identified in the table below.

**Management's Responsibility**

Compliance with the requirements referred to above is the responsibility of the District's management.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the District's compliance with the State laws and regulations based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2013-14*, published by the Education Audit Appeals Panel. Those standards and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2013-14*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on compliance with the state laws and regulations described in the schedule below occurred. An audit includes examining, on a test basis, evidence supporting the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

<u>Description</u>	<u>Procedures in the Audit Guide</u>	<u>Procedures Performed</u>
Attendance Reporting	6	6
Teacher Certification and Misassignments	3	3
Kindergarten Continuance	3	Not applicable
Independent Study	23	None
Continuation Education	10	10
Instructional Time for School Districts	10	10
Instructional Materials - General Requirements	8	8
Ratios of Administrative Employees to Teachers	1	1



<u>Description</u>	<u>Procedures in the Audit Guide</u>	<u>Procedures Performed</u>
Classroom Teacher Salaries	1	1
Early Retirement Incentive	4	Not applicable
Gann Limit Calculation	1	1
School Accountability Report Card	3	3
Juvenile Courts	8	Not applicable
Local Control Funding Formula Certification	1	1
California Clean Energy Job Acts	3	3
After School Education and Safety Program:		
General Requirements	4	Not applicable
After School	5	Not applicable
Before School	6	Not applicable
Education Protection Account Funds	1	1
Common Core Implementation Funds	3	3
Unduplicated Local Control Funding Formula Pupil Counts	3	3
Charter Schools:		
Contemporaneous Records of Attendance	8	Not applicable
Mode of Instruction	1	Not applicable
Nonclassroom-Based Instruction/Independent Study	15	Not applicable
Determination of Funding for Nonclassroom - Based Instruction	3	Not applicable
Annual Instructional Minutes - Classroom Based	4	Not applicable
Charter School Facility Grant Program	1	Not applicable

We did not perform the audit procedures for Full-time Independent Study programs because the ADA was under the level that requires testing.

### Opinion

In our opinion, Sequoia Union High School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on State Programs for the fiscal year ended June 30, 2014.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing over compliance and the results of that testing based on the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2013-14*. Accordingly, this report is not suitable for any other purpose.

*C & A LLP*

November 20, 2014  
San Jose, California

## FINDINGS AND RECOMMENDATIONS

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weaknesses?	_____ Yes	<u>  x  </u> No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	<u>  x  </u> No	
Non-compliance material to financial statements noted?	_____ Yes	<u>  x  </u> No	

**Federal Awards**

Internal control over major programs:			
Material weaknesses?	_____ Yes	<u>  x  </u> No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	<u>  x  </u> No	
Type of auditor's report issued on compliance over major programs	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section .510(a)	_____ Yes	<u>  x  </u> No	

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
84.367	NCLB: Title II, Part A, Teacher Quality
84.318	NCLB: Title II, Part D, Enhancing Education Through Technology
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs:	<u>    \$    300,000    </u>
Auditee qualified as low risk auditee?	<u>  x  </u> Yes <u>      </u> No

**State Awards**

Internal control over state programs:			
Material weaknesses?	_____ Yes	<u>  x  </u> No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	<u>  x  </u> No	
Type of auditor's report issued on compliance over state programs:	<u>Unmodified</u>		

(Continued)

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**Section II – Financial Statement Findings**

No findings noted.

**Section III - Federal Award Findings and Questioned Costs**

No findings noted.

**Section IV - State Award Findings and Questioned Costs**

No findings noted.

(Concluded)



**SEQUOIA UNION HIGH SCHOOL DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**Section II – Financial Statement Findings**

No findings noted.

**Section III - Federal Award Findings and Questioned Costs**

No findings noted.

**Section IV - State Award Findings and Questioned Costs**

No findings noted.

**RESOLUTION NO. 1530  
SEQUOIA UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES**

**RESOLUTION CONFIRMING AUTHORITY TO EXECUTE PURCHASE AND SALE  
AGREEMENT FOR PROPERTY LOCATED AT 150 JEFFERSON DRIVE, MENLO  
PARK, CALIFORNIA; AUTHORIZING THE COMPLETION OF TRANSACTION TO  
PURCHASE THE PROPERTY; AND AUTHORIZING THE SUPERINTENDENT OR  
HIS DESIGNEE TO TAKE ALL APPROPRIATE ACTIONS TO COMPLETE THE  
TRANSACTION**

**WHEREAS**, the Board of Trustees of the Sequoia Union High School District (the “District”) has found that the District must prepare to address an expected significant future increases in student enrollment; and

**WHEREAS**, to address this increased enrollment, the District is undertaking master planning at each of its existing comprehensive campuses to ensure that use of space on these campuses is maximized; and

**WHEREAS**, recognizing the need to support high quality education, to upgrade local high schools and to avoid overcrowding, this Board of Trustees and the electors of this District approved Measure A in June 2014; and

**WHEREAS**, Measure A, among other things, provides funding to renovate aging classrooms and repair, construct, or acquire equipment, classrooms, and facilities; and

**WHEREAS**, this Board has determined that, notwithstanding master planning for space utilization at existing District campuses, an important component of the District’s strategy to avoid school overcrowding is the establishment of new small school sites; and

**WHEREAS**, the District has located a property commonly known as 150 Jefferson Drive, Menlo Park, California (APN 055-243-030), that this Board has determined may be an appropriate site for a small school, contingent upon review of environmental suitability and other matters; and

**WHEREAS**, the owner of this property, Jefferson Fields, LLC, a California limited liability company, has indicated a willingness to sell the property to the District; and

**WHEREAS**, in a prior action, this Board authorized the District Superintendent to negotiate an agreement to purchase the property for an amount not to exceed \$9,335,000; and

**WHEREAS**, the District and Jefferson Fields, LLC have entered into a Purchase and Sale Agreement, dated October 29, 2014, pursuant to which Jefferson Fields, LLC has agreed to sell the property at 150 Jefferson Drive, Menlo Park, California, to the District for \$9,335,000; and

**WHEREAS**, this Board intends to confirm the Superintendent's authority to enter into the Purchase and Sale Agreement for the property at 150 Jefferson Drive, Menlo Park, California and to authorize the Superintendent or his designee to complete the purchase transaction, including payment to Jefferson Fields, LLC of the purchase price of \$9,335,000 for the property, subject to completion of any and all due diligence, analysis, and other review of the potential suitability of the property for possible future use by the District that the Superintendent determines, in his discretion, is appropriate; and

**WHEREAS**, this Board wishes to authorize and direct the Superintendent to undertake or cause to be undertaken all appropriate due diligence and other review of the potential suitability of the property at 150 Jefferson Drive, Menlo Park, California, for possible future use by the District and to authorize all contracts and expenditures related to such due diligence, analysis, and other review, up to an amount not to exceed \$125,000; and

**WHEREAS**, this Board also intends to authorize the Superintendent to extend the due diligence period provided for under the Purchase and Sale Agreement for the property at 150 Jefferson Drive, Menlo Park, California, if the Superintendent determines, in his discretion, that such extension is warranted, on such terms as the Superintendent determines are appropriate, including the making of any option payment (refundable or non-refundable) that the Superintendent may negotiate for such extension and this Board intends to specifically confirm that the Superintendent has the authority to make the \$50,000 non-refundable Extension Deposit payment to extend the due diligence period, as provided in section 2(b) of the Purchase and Sale Agreement; and

**WHEREAS**, this Board wishes to confirm that, in the event that the Superintendent determines, at any time prior to the closing date under the Purchase and Sale Agreement, that the property at 150 Jefferson Drive, Menlo Park, California is unsuitable for District purposes, the Superintendent shall have the authority to abandon the acquisition of the property, notwithstanding any liquidated damages or other expenses that the District may incur as a result of such abandonment.

**NOW, THEREFORE**, the Board of Trustees hereby finds, determines, declares, orders and resolves as follows:

1. The Board confirms the authority of the District's Superintendent to enter into the Purchase and Sale Agreement for the property located at 150 Jefferson Drive, Menlo Park, California, for \$9,335,000; and
2. The Superintendent is authorized and directed to undertake or cause to be undertaken all appropriate due diligence and other review to confirm the suitability of the property for District purposes and this Board hereby authorizes all contracts and expenditures related to such due diligence, analysis, and review up to an amount not to exceed \$125,000; and
3. The Superintendent is authorized to extend the due diligence period provided for under the Purchase and Sale Agreement for the property located at 150 Jefferson Drive, Menlo

Park, California, if the Superintendent determines, in his discretion, that such extension is warranted, on such terms as the Superintendent determines are appropriate (including, but not limited to the making of any refundable or non-refundable option payment) and the Superintendent is specifically authorized to make the \$50,000 non-refundable Extension Deposit payment to extend the due diligence period, as provided in Section 2(b) of the Purchase and Sale Agreement; and

4. Subject to the completion of all due diligence, analysis, and other review that the District Superintendent determines, in his discretion, to be appropriate, the Superintendent or his designee is authorized to complete the purchase transaction for the property located at 150 Jefferson Drive, Menlo Park, California, and is further authorized to make (and undertake all necessary arrangements for making) the full payment necessary to complete the purchase transaction, up to an amount not to exceed \$9,335,000; and
5. The Superintendent is authorized to abandon the acquisition of the property located at 150 Jefferson Drive, Menlo Park, California, in the event that the Superintendent determined, at any time prior to the closing date under the Purchase and Sale Agreement, that the property is unsuitable for District purposes, notwithstanding any liquidated damages or other expenses that the District may incur as a result of such abandonment.

**APPROVED, PASSED AND ADOPTED** by the Board of Trustees of the Sequoia Union High School District on the 10th day of December 2014, by the following vote:

AYES:

NOES:

ABSTENTIONS:

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President of the Board of Trustees of the  
Sequoia Union High School District

Attested to:

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Clerk of the Board of Trustees of the  
Sequoia Union High School District

**RESOLUTION NO. 1531  
SEQUOIA UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES**

**RESOLUTION CONFIRMING AUTHORITY TO EXECUTE REAL PROPERTY  
PURCHASE AGREEMENT FOR PROPERTY LOCATED AT 535 OLD COUNTY  
ROAD, SAN CARLOS, CALIFORNIA; AUTHORIZING THE COMPLETION OF  
TRANSACTION TO PURCHASE PROPERTY; AND AUTHORIZING THE  
SUPERINTENDENT OR HIS DESIGNEE TO TAKE ALL APPROPRIATE ACTIONS  
TO COMPLETE THE TRANSACTION**

**WHEREAS**, the Board of Trustees of the Sequoia Union High School District (the “District”) has found that the District must prepare to address an expected significant future increases in student enrollment; and

**WHEREAS**, to address this increased enrollment, the District is undertaking master planning at each of its existing comprehensive campuses to ensure that use of space on these campuses is maximized; and

**WHEREAS**, recognizing the need to support high quality education, to upgrade local high schools and to avoid overcrowding, this Board of Trustees and the electors of this District approved Measure A in June 2014; and

**WHEREAS**, Measure A, among other things, provides funding to renovate aging classrooms and repair, construct, or acquire equipment, classrooms, and facilities; and

**WHEREAS**, this Board has determined that, notwithstanding master planning for space utilization at existing District campuses, an important component of the District’s strategy to avoid school overcrowding is the establishment of new small school sites; and

**WHEREAS**, the District has located a property commonly known as 535 Old County Road, in San Carlos, California (APN 046-112-530), that this Board has determined may be an appropriate site for a small school, contingent upon review of environmental suitability and other matters; and

**WHEREAS**, the owner of this property, County Associates, a general partnership, has indicated a willingness to sell the property to the District; and

**WHEREAS**, in a prior action, this Board authorized the District Superintendent to negotiate an agreement to purchase the property for an amount not to exceed \$3,425,000; and

**WHEREAS**, the District and County Associates have entered into a Real Property Purchase Agreement, dated October 9, 2014, pursuant to which County Associates has agreed to sell the property at 535 Old County Road, San Carlos, California, to the District for \$3,425,000; and

**WHEREAS**, this Board intends to confirm the Superintendent's authority to enter into the Real Property Purchase Agreement for the property at 535 Old County Road, San Carlos, California and to authorize the Superintendent or his designee to complete the purchase transaction, including payment to County Associates of the purchase price of \$3,425,000 for the property, subject to completion of any and all due diligence, analysis, and other review of the potential suitability of the property for possible future use by the District that the Superintendent determines, in his discretion, is appropriate; and

**WHEREAS**, this Board wishes to authorize and direct the Superintendent to undertake or cause to be undertaken all appropriate due diligence and other review of the potential suitability of the property at 535 Old County Road, San Carlos, California, for possible future use by the District and to authorize all contracts and expenditures related to such due diligence, analysis, and other review, up to an amount not to exceed \$100,000; and

**WHEREAS**, this Board also intends to authorize the Superintendent to extend the due diligence period provided for under the Real Property Purchase Agreement for the property at 535 Old County Road, San Carlos, California, if the Superintendent determines, in his discretion, that such extension is warranted, on such terms as the Superintendent determines are appropriate, including the making of any option payment that the Superintendent may negotiate for such extension; and

**WHEREAS**, this Board intends to confirm that, in the event that the Superintendent determines, at any time prior to the closing date under the Real Property Purchase Agreement that the property at 535 Old County Road, San Carlos, California is unsuitable for District purposes, the Superintendent shall have the authority to abandon the acquisition of the property, notwithstanding any liquidated damages or other expenses that the District may incur as a result of such abandonment.

**NOW, THEREFORE**, the Board of Trustees hereby finds, determines, declares, orders and resolves as follows:

1. The Board confirms the authority of the District's Superintendent to enter into the Real Property Purchase Agreement for the property located at 535 Old County Road, San Carlos, California, for \$3,425,000; and
2. The Superintendent is authorized and directed to undertake or cause to be undertaken all appropriate due diligence and other review to confirm the suitability of the property for District purposes and this Board hereby authorizes all contracts and expenditures related to such due diligence, analysis, and review up to an amount not to exceed \$100,000; and
3. The Superintendent is authorized to extend the due diligence period provided for under the Real Property Purchase Agreement for the property located at 535 Old County Road, San Carlos, California, if the Superintendent determines, in his discretion, that such extension is warranted, on such terms as the Superintendent determines are appropriate; and

4. Subject to the completion of all due diligence, analysis, and other review that the District Superintendent determines, in his discretion, to be appropriate, the Superintendent or his designee is authorized to complete the purchase transaction for the property located at 535 Old County Road, and is further authorized to make (and undertake all necessary arrangements for making) the full payment necessary to complete the purchase transaction, up to an amount not to exceed \$3,425,000; and
5. The Superintendent is authorized to abandon the acquisition of the property located at 535 Old County Road, San Carlos, California, in the event that the Superintendent determined, at any time prior to the closing date under the Real Property Purchase Agreement that the property is unsuitable for District purposes, notwithstanding any liquidated damages or other expenses that the District may incur as a result of such abandonment.

**APPROVED, PASSED AND ADOPTED** by the Board of Trustees of the Sequoia Union High School District on the 10th day of December 2014, by the following vote:

AYES:

NOES:

ABSTENTIONS:

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President of the Board of Trustees of the  
Sequoia Union High School District

Attested to:

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Clerk of the Board of Trustees of the  
Sequoia Union High School District