



Fountain Valley School District

BOARD OF TRUSTEES  
ANNUAL ORGANIZATIONAL MEETING

**A G E N D A**

Board Room  
10055 Slater Avenue  
Fountain Valley, CA

**December 12, 2013**

- CALL TO ORDER: 6:00PM
- ROLL CALL
- APPROVAL OF AGENDA

M \_\_\_\_\_  
 2<sup>nd</sup> \_\_\_\_\_  
 V \_\_\_\_\_

- PUBLIC COMMENTS

*Speakers may address the Board of Trustees on Closed Session Items. Please comply with procedures listed on the goldenrod form "For Persons Wishing to Address the Board of Trustees" and give the form to the Executive Assistant.*

- CLOSED SESSION

The Board of Trustees will retire into Closed Session to address the following:

- Personnel Matters: *Government Code 54957 and 54957.1*  
Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.
- Negotiations: *Government Code 54957.6*  
Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board's designated representative, Cathie Abdel.
- PLEDGE OF ALLEGIANCE

**SPECIAL PRESENTATIONS**

1. **RECOGNITION OF RETIRING ASSISTANT SUPERINTENDENT, BUSINESS STEPHEN MCMAHON AND RETIRING SUPERVISOR, INFORMATION TECHNOLOGY, FRANK PITONIAK**

In December 2013, the District is losing two exceptional managers to retirement. It is *Our mission is to promote a foundation for academic excellence, mastery of basic skills, responsible citizenship, and a desire by students to achieve their highest potential through a partnership with home and community.*

appropriate that these outstanding educators be presented to the Board of Trustees and recognized for their combined nearly 54 years of commitment to public education and service to the children and staff of the Fountain Valley School District.

**2. DISTRICT OUTREACH AND RESOURCE DEVELOPMENT REPORT (WRITTEN AND ORAL)**

Lynn Davis of Clifford Moss will present an update as to the progress made on the District’s outreach and resource development initiative in response to the Board’s 2013-14 Board interests including the advancement of 21<sup>st</sup> century learning in our classrooms, the need to raise the district’s profile and the institutionalized interest of long standing support for our Educational Foundation.

**STAFF REPORTS AND PRESENTATIONS**

**3. FIRST INTERIM REPORT PRESENTATION (WRITTEN AND ORAL)**

Assistant Superintendent, Business, Stephen McMahon and Director, Fiscal Services, Scott Martin will present and review with the Board of Trustees the First Interim Report for the Fountain Valley School District.

**BOARD REPORTS AND COMMUNICATIONS**

Board Members will make the following reports and communicate information to fellow Board Members and staff.

**PUBLIC COMMENTS**

*Members of the community and staff are welcome to address the Board of Trustees on any item listed on the Agenda of Business or any other item of specific concern. Speakers are requested to limit their presentation to four minutes unless the time is waived by a majority of the Board Members present. If a member of the audience requests a response to their comments, the Board of Trustees may ask the Superintendent/Staff to respond to them personally or in writing after the meeting, or direct that additional information be provided to the Board on a future agenda.*

\*\*\* BOARD MEMBERS WHO WISH TO DISCUSS WITH STAFF ANY ITEMS LISTED UNDER LEGISLATIVE SESSION SHOULD INFORM THE BOARD PRESIDENT AT THIS TIME.

**LEGISLATIVE SESSION**

**4. ELECTION OF BOARD PRESIDENT FOR 2014**

M \_\_\_\_\_  
2<sup>nd</sup> \_\_\_\_\_  
V \_\_\_\_\_

Superintendent's Recommendation: It is recommended that the Board of Trustees open nominations for and vote on a Board President for the 2014 calendar year.

**5. ELECTION OF PRESIDENT PRO TEM FOR 2014**

M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

Superintendent's Recommendation: It is recommended that the Board of Trustees open nominations for and vote on a Board President Pro Tem for the 2014 calendar year.

**6. ELECTION OF BOARD CLERK FOR 2014**

M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

Superintendent's Recommendation: It is recommended that the Board of Trustees open nominations for and vote on a Board Clerk for the 2014 calendar year.

**7. SELECTION OF REPRESENTATIVES TO COUNTY COMMITTEES AND COUNCILS AND DISTRICT COMMITTEES**

M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

As part of the annual organizational meeting, the Board shall select board representatives to County committees and councils and various District committees. Alternates may be selected for some of the committees at the discretion of the board.

Superintendent's Recommendation: It is recommended that the Board of Trustees open for discussion and reach consensus on board representation on County committees and councils and District committees.

**8. SELECTION OF BOARD MEETING DATES FOR 2014**

M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

Superintendent's Recommendation: It is recommended that the Board of Trustees approve the 2014 Board Calendar of board meeting dates.

**9. CSBA DELEGATE ASSEMBLY NOMINATIONS**

M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

The Delegate Assembly is the policy-making body of CSBA. Board members elected to the Delegate Assembly serve a two-year term beginning April 1, 2014.

Superintendent's Recommendation: It is recommended that the Board of Trustees reach consensus on whether it shall submit a name or names in nomination for the CSBA Region 15 Delegate Assembly.

**10. RESOLUTION 2014-18: FUND 40**

M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

Based on the Board’s discussion of use of Fund 40 reserve funds at its November 14<sup>th</sup> meeting, Resolution 2014-18 has been prepared.

Superintendent's Recommendation: It is recommended that the Board of Trustees adopts Resolution 2014-18 and authorize the Superintendent or his designee to sign all documents.

**11. CONSENT CALENDAR/ROUTINE ITEMS OF BUSINESS**

M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

All items listed under the Consent Calendar and Routine Items of Business are considered by the Board of Trustees to be routine and will be enacted by the Board in one action. There will be no discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or public request specific items to be discussed and/or removed from the Consent Calendar.

Superintendent's Recommendation: The Board of Trustees approves all items listed under the Consent Calendar and Routine Items of Business in one action.

**Routine Items of Business**

- 11-A. Board Meeting Minutes from November 14<sup>th</sup> meeting
- 11-B. Personnel Items (Employment Functions, Workshops/Conferences, and Consultants)
- 11-C. Donations
- 11-D. Warrants
- 11-E. Purchase Order Listing
- 11-F. Budget Adjustments
- 11-G. Resolution 2014-17: Compensation for Board Member Jeanne Galindo for missed Board meeting on November 14, 2013 due to illness

**Consent Items**

**11-H. BIENNIAL REVIEW/UPDATED CONFLICT OF INTEREST CODE**

Superintendent's Comments: It is recommended that the Board of Trustees authorizes submission of a revised Conflict of Interest Code to the Orange County Board of Supervisors, and that the Board of Trustees approves the revised Conflict of Interest Code in its 2013 biennial review of said Code.

**11-I. APPROVAL OF APPLE INC CONSENT FORM**

Superintendent's Comments: It is recommended that the Board of Trustees approves the attached consent form which will allow the District to continue ordering from Apple Inc. through use of a "piggyback" bid. It is further recommended that the Superintendent or his designee be authorized to sign all necessary forms and documents.

**11-J. REVIEW AND APPROVAL OF FINANCIAL AUDIT 2012-13**

Superintendent's Comments: It is recommended that the Board of Trustees receives and accepts the 2012-13 Financial Audit.

**11-K. APPROVAL OF 2013-14 FIRST INTERIM REPORT**

Superintendent's Comments: The First Interim Report is completed and submitted to the County Office of Education and the State Controller's Office as of October 31, 2013. It is recommended that the Board of Trustees receive and authorize submittal of the First Interim Report for 2013-14.

**11-L. CONTRACT FOR SERVICES BETWEEN MARILYN FRIEND, PH.D., AND THE FOUNTAIN VALLEY SCHOOL DISTRICT FOR ON-SITE COACHING AND SUPPORT FOR CO-TEACHING**

Superintendent's Comments: It is recommended that the Board of Trustees approves the contract between Marilyn Friend, Ph.D., and the Fountain Valley School District for on-site support and coaching for co-teaching.

**11-M. MILEAGE REIMBURSEMENT TO PARENTS**

Superintendent's Comments: It is recommended that the Board of Trustees approves reimbursement to the parents for mileage for transporting their child to and from school during the period from September 4, 2013 through June 19, 2014, in an amount not to exceed \$3000, as described in the attached memo.

**11-N. NON-PUBLIC AGENCY CONTRACTS (BOARD MEMBERS ONLY)**

Superintendent's Comments: Under current consortium budget agreements, any unfunded cost of non-public school or non-public agency placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contracts be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Non-Public School/Agency	100% Contract Cost	Effective Dates
Cornerstone Therapies	500.00	7/1/2013 to 6/30/2014
Del Sol School	3,850.00	10/14/2013 to 6/30/2014
Cornerstone Therapies	960.00	11/18/2013 to 6/30/2014

**SUPERINTENDENT'S COMMENTS/NEW ITEMS OF BUSINESS**

The Board President will receive any announcements concerning new items of business from board members or the superintendent.

- CLOSED SESSION
- APPROVAL TO ADJOURN

**The next regular meeting of the Fountain Valley School District  
Board of Trustees is on Thursday, January 9, 2014 at 7:00pm  
(pending Board approval this evening).**

*A copy of the Board Meeting agenda is posted on the District's web site ([www.fvsd.k12.ca.us](http://www.fvsd.k12.ca.us)). Materials related to this agenda submitted to the Board of Trustees less than 72 hours prior to the meeting are available for public inspection by contacting the Superintendent's Office at 10055 Slater Avenue, Fountain Valley, CA 92708 or call 714.843.3255 during normal business hours.*

*Board meeting proceedings are tape recorded.*

*Reasonable Accommodation for any Individual with a Disability: Any individual with a disability who requires reasonable accommodation to participate in a board meeting may request assistance by contacting the Superintendent's office: 10055 Slater Avenue, Fountain Valley, CA 92708 or call (714) 843-3255 or FAX (714) 841-0356.*

SO 2013-14/B14-17  
Fountain Valley School District  
Superintendent's Office

M E M O R A N D U M

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
SUBJECT: **Recognition of Retiring Assistant Superintendent, Business, Stephen  
McMahon and Retiring Supervisor, Information Technology, Frank Pitoniak**  
DATE: December 6, 2013

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**Background**

In December 2013, the District is losing two exceptional managers to retirement. It is appropriate that these outstanding educators be presented to the Board of Trustees and recognized for their combined nearly 54 years of commitment to public education and service to the children and staff of the Fountain Valley School District.

SO 2013-14/B14-25  
Fountain Valley School District  
Superintendent's Office

MEMORANDUM

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
SUBJECT: **District Outreach and Resource Development Report (Written and Oral)**  
DATE: December 6, 2013

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**Background**

Lynn Davis of Clifford Moss will present an update as to the progress made on the District's outreach and resource development initiative in response to the Board's 2013-14 Board interests including the advancement of 21<sup>st</sup> century learning in our classrooms, the need to raise the district's profile and the institutionalized interest of long standing support for our Educational Foundation.



Board Meeting of December 12, 2013

SO 2013-14/B14-18  
Fountain Valley School District  
Superintendent's Office

M E M O R A N D U M

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
**SUBJECT: First Interim Report Presentation (Oral and Written)**  
DATE: December 5, 2013

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Assistant Superintendent, Business, Stephen McMahon and Director, Fiscal Services, Scott Martin will present and review with the Board of Trustees the First Interim Report for the Fountain Valley School District.

SO 2013-14/B14-19  
Fountain Valley School District  
SUPERINTENDENT'S OFFICE

M E M O R A N D U M

TO: Board of Trustees  
FROM: Rina Hansen, Executive Assistant  
SUBJECT: **Election of Board President for 2014**  
DATE: December 5, 2013

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**Background:**

The provisions of the Education Code require the governing board of each school district to hold an annual organizational meeting within a prescribed 15-day period. At the board meeting of November 14, 2013, the Board of Trustees took action to select Thursday, December 12, 2013 at 7:00 pm as the date and time of the annual meeting.

As part of the annual organizational meeting, the Board of Trustees will elect its officers for the calendar year 2014.

Board members shall make a motion, a second, and vote for a Board President.

**Recommendation:**

It is recommended that the Board of Trustees open nominations and reach consensus on a Board President for the calendar year 2014.

SO 2013-14/B14-20  
Fountain Valley School District  
SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
FROM: Rina Hansen, Executive Assistant  
SUBJECT: **Election of Board President Pro Tem for 2014**  
DATE: December 5, 2013

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**Background**

As part of the annual organizational meeting, the Board of Trustees will elect its officers for the calendar year 2014. Board members shall make a motion, a second, and vote for a Board President Pro Tem.

**Recommendation**

It is recommended that the Board of Trustees open nominations and reach consensus on a Board President Pro Tem for the calendar year 2014.

SO 2013-14/B14-21  
Fountain Valley School District  
SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
FROM: Rina Hansen, Executive Assistant  
SUBJECT: **Election of Board Clerk for 2014**  
DATE: December 5, 2013

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**Background**

As part of the annual organizational meeting, the Board of Trustees will elect its officers for the calendar year 2014. Board members shall make a motion, a second, and vote for a Board Clerk.

**Recommendation**

It is recommended that the Board of Trustees open nominations and reach consensus on a Board Clerk for the calendar year 2014.

SO 2013-14/B14-22  
 Fountain Valley School District  
 SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
 FROM: Marc Ecker, Superintendent  
 SUBJECT: **Selection of Representatives to County Committees and Councils and District Committees**  
 DATE: December 5, 2013

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**Background**

As part of the annual organizational meeting, the Board shall select board representatives to County committees and councils and various District committees. Alternates may be selected for some of the committees at the discretion of the board.

1. Nominating Committee/County Committee on School District Organization <i>Representative:</i> <i>Alternate:</i>	7. District Audit Committee  <i>Representative:</i> <i>(Alternate):</i>
2. Orange County School Boards' Association Political Action Committee <i>Representative:</i> <i>Alternate:</i>	8. Superintendent Parent Council  <i>Representative:</i> <i>(Alternate):</i>
3. Fountain Valley Educational Foundation <i>Representative:</i> <i>Alternate:</i>	9. Outstanding Service Award Committee <i>Representative:</i> <i>(Alternate):</i>
4. Ad Hoc Committee for the City of Fountain Valley <i>Representative:</i>  <i>(Board President)</i> <i>Alternate:</i>	10. Fountain Valley Education Committee (FV Chamber of Commerce)  <i>Representative:</i>
5. Ad Hoc Committee for the City of Huntington Beach <i>Representative:</i>	11. Liaison to FV Chamber of Commerce  <i>Representative:</i>
6. Representative to the Legislative Action Committee for Education (ACE) <i>Representative:</i> <i>(Alternate):</i>	

**Recommendation:**

It is recommended that the Board of Trustees open for discussion and reach consensus on board representation on County Councils and District Committees.

SO 2013-14/B14-23  
Fountain Valley School District  
SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
SUBJECT: **Selection of Board Meeting Dates for 2014**  
DATE: December 5, 2013

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**Background**

The Board of Trustees shall reach consensus on board meeting dates for the upcoming year. A proposed calendar of board dates is listed below. Meeting dates are on Thursdays, unless noted.

- January 9th
- February 6th
- March 13th
- April 3rd
- May 15th
- June 5th
- June 26th
- July 24th
- August 14th
- September 4th
- October 16th
- November 13th
- December 11th

**Recommendation**

It is recommended that the Board of Trustees discuss and reach consensus on the Board Calendar for 2014.

Board Meeting of December 12, 2013

SO 2013-14/B14-24  
Fountain Valley School District  
Superintendent's Office

MEMORANDUM

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
SUBJECT: **CSBA Delegate Assembly Nominations**  
DATE: December 5, 2013

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**Background:**

The California School Board Association is accepting nominations to CSBA's Delegate Assembly through January 7, 2014. The Delegate Assembly is the primary policy-making body of CSBA. Delegates adopt CSBA's legislative platform, take positions on critical issues, elect officers, and adopt bylaw changes. Delegates also serve as a communications link between district board members and the regional director and play a role in fostering collegiality within their region.

The Region 15 Delegate Assembly covers Orange County. The Board of Trustees may nominate board members within their geographic region to the Region 15 Delegate Assembly. The Board may nominate as many individuals as it chooses. Nominees must be members of CSBA member boards within the region.

CSBA delegates serve two-year terms. Those elected in 2014 will serve beginning April 1, 2014 through March 31, 2016. There are two required Delegate Assembly meetings each year, one in May in Sacramento and one preceding CSBA's Annual Education Conference and Trade Show in November/December.

**Recommendation:**

It is recommended that the Board of Trustees reach consensus on which name or names it will submit in nomination for the CSBA Region 15 Delegate Assembly.

Fountain Valley School District  
**BUSINESS SERVICES DIVISION**  
ASB/S13-14 – 132

M E M O R A N D U M

TO: Marc Ecker, Superintendent  
FROM: Stephen L. McMahon, Assistant Superintendent, Business Services  
DATE: December 4, 2013  
**SUBJECT: APPROVE RESOLUTION 2014-18 – FUND 40**

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**BACKGROUND**

Based on the Board's discussion of use of Fund 40 reserve funds at its last meeting, Resolution 2014-18 has been prepared.

The intent of this resolution is to:

- A) Invest the proceeds of the sale of Lamb and Wardlow school sites in order that the annual earnings can be used to supplement educational services. Each year the Board will be able to determine the specific use of the earnings. Further, the Board will select a financial advisor to help maximize earnings from invested funds.
- B) Direct the repayment of existing Certificates of Participation (COPs) in November 2014. At that date, repayment can be done without penalty. The cost of repayment is expected to be \$10,298,987 and funds are reserved for this purpose with Fund 40.
- C) Within two fiscal years, the District will discontinue using funds from Fund 40 to assist in balancing the General Fund. Since State funding declined, Fund 40 reserves have been used to augment available resources to support education. Now that State income is returning to prior levels, the Boards direction to use Fund 40 reserves to maintain a balanced budget will be discontinued.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve **RESOLUTION 2014-18** and authorize the Superintendent or his designee to sign all documents.



**RESOLUTION NO. 2014-18**

**RESOLUTION OF THE BOARD OF EDUCATION OF THE FOUNTAIN VALLEY SCHOOL DISTRICT AUTHORIZING THE REPAYMENT OF CERTIFICATES OF PARTICIPATION FROM FUND 40 RESERVE FUNDS, THE DISCONTINUANCE OF USE OF FUND 40 RESERVE FUNDS FOR CURRENT YEAR EXPENSES, THE INVESTMENT OF FUNDS FROM THE SALE OF SURPLUS PROPERTY AND THE APPOINTMENT OF A FINANCIAL ADVISOR**

WHEREAS, the Governing Board of the Fountain Valley School District (“District”), in order to maintain its fiscal standing and to provide for additional resources in the future, has undertaken a review of its financial status at its regular public meeting, held on November 14, 2013 and;

WHEREAS, the Governing Board of the District has determined that it is fiscally prudent to take certain actions to insure the District makes sound use of its Fund 40 reserve funds and;

WHEREAS, the Governing Board desires to manage its Fund 40 reserve funds to provide the maximum return within the context of Civil Code section 2261 et. seq. and the District’s Investment Policy adopted at its regular public meeting, held July 25, 2013 and;

NOW THEREFORE, be it resolved by the Governing Board of the Fountain Valley School District as follows:

1. That the above recitals are true.
2. That the District’s Governing Board authorizes the repayment of existing Certificates of Participation at the first opportunity to do so without penalty from Fund 40 reserve funds. It is estimated that such payment will be in November 2014 and in the amount of \$10,289,987.
3. That within two fiscal years, the District’s Governing Board will begin to approve annual budgets that no longer deficit spend nor rely on transfers from Fund 40 reserve funds to comply with Education Code 42127, the requirement to adopt a balanced budget.
4. That the District’s Governing Board set aside the proceeds from the sale of two surplus school sites, \$35,000,000, for the purposes of investment to maintain principal while maximizing returns, and that the use of such returns shall be determined annually.
5. That the District’s Governing Board shall interview and select a financial advisor to assist in the selection of an appropriate portfolio to accomplish the intent of the investments.
6. That the District’s Governing Board approves Resolution \_\_\_\_\_
7. That Resolution \_\_\_\_\_ shall take effect upon adoption.

PASSED AND ADOPTED By the Governing Board on December 12, 2013 by the following vote:

Ayes: \_\_\_\_\_  
 Nays: \_\_\_\_\_  
 Abstentions: \_\_\_\_\_

**STATE OF CALIFORNIA**            )  
                                                  ) ss  
**COUNTY OF ORANGE**            )

I, Judith Edwards, Clerk of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution passed and adopted by the Board at a regularly called and conducted meeting held on said date.

**WITNESSED** my hand this 12<sup>th</sup> day of December, 2013.

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Clerk of the Governing Board

Fountain Valley School District  
Superintendent's Office

**REGULAR MEETING OF THE BOARD OF TRUSTEES**

10055 Slater Avenue  
Fountain Valley, CA 92708

**November 14, 2013**

**MINUTES**

President Crandall called the regular meeting of the Board of Trustees to order at 6:00pm.

CALL TO ORDER

The following board members were present:

ROLL CALL

Sandra Crandall	President
Jimmy Templin	President Pro Tem
Judith Edwards	Clerk
Ian Collins	Member

Absent:

Jeanne Galindo	Member
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Mrs. Crandall noted the following addendum to the agenda with corrections to the support for item 5-I on the agenda:

AGENDA APPROVAL

**5-I. CONTRACT FOR SERVICES BETWEEN ORANGE COUNTY DEPARTMENT OF EDUCATION AND THE FOUNTAIN VALLEY SCHOOL DISTRICT FOR COMMON CORE MATH PROFESSIONAL DEVELOPMENT**

Superintendent's Comments: It is recommended that the Board of Trustees approves the contract between Orange County Department of Education and the Fountain Valley School District for Common Core Math Standards professional development for the 2013-2014 school year.

**Motion:** Mrs. Edwards moved to approve the meeting agenda.

**Second:** Mr. Collins

**Vote:** 5-0

There were no requests to address the Board prior to closed session.

PUBLIC COMMENTS

Mrs. Crandall announced that the Board would retire into Closed

CLOSED SESSION

Session. Action was anticipated. The following would be addressed:

- Personnel Matters: *Government Code 54957 and 54957.1*  
Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.
- Negotiations: *Government Code 54957.6*  
Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board’s designated representative, Cathie Abdel.
- Conference with Real Property Negotiators: *Government Code 54956.8*  
Real property negotiator Andreas Chialtas of Atkinson, Andelson, Loya, Ruud and Romo will join Assistant Superintendent, Steve McMahon and Director, Fiscal Services, Scott Martin in speaking to the board about the negotiations concerning the property at 9790 Finch Ave, Fountain Valley, CA.

The public portion of the meeting resumed at 7:10pm.

PLEDGE OF ALLEGIANCE

Dr. Ecker led the Pledge of Allegiance.

**STUDY SESSION**

Mr. McMahon began the study session by reviewing the history of Fund 40. He reviewed the ending balance history for Fund 40 beginning in 2002 and into the future into 2016. He noted that since 2009, the district has been using reserves to support the General Fund, over \$18 million over time. He reviewed the major property sales since 2001, totaling over \$99 million. He reviewed as well the expenditures from this money including \$26.2 million for modernization; maintenance/transportation/warehouse building purchase for over \$3 million; purchase of the district offices for \$7.7 million; purchase of vehicles and computer equipment for \$700,000; and \$18.5 million in transfers to the General Fund. He noted that the reserve for our COP debt is \$10 million; General Fund support will be exhausted by 2015-16 at the present rate; and \$35 million has been received from the sale of Lamb and Wardlow and

STUDY SESSION ON FUND 40

remains uncommitted. Considering this, he reviewed some recommended actions including paying off the COP, eliminating deficit spending, and investing the proceeds from the sale of the Lamb and Wardlow sites. He explained that at the current US Treasury rate, annual earnings would be \$1.34 million or there is the option to use a “laddered” approach to reduce rate risk. He noted that if consensus is reached to accept these recommendations, a resolution could be brought to the next Board meeting to formalize actions regarding the use of funds in Fund 40.

Mr. Collins noted that when the cost of health care rose so rapidly and the District reached into Fund 40 to assist, while this was the right thing to do, it does make one realize how quickly funds can be depleted. With LCFF we should be receiving more. He noted his agreement with Mr. McMahon on the importance of interest money to be used after the deposit of Lamb and Wardlow funds. He noted his agreement with the recommendations.

Mrs. Crandall noted that these sites were placed into this fund by previous boards and subsequent boards deviated from using the interest earnings only original idea. This has provided great benefit to the district through modernization, etc. She asked the Board their thoughts of paying off the COP by 2015, knowing that the early payoff is without penalty. Mrs. Edwards noted her opinion that we need to do this as it is the prudent thing to do.

Mr. Templin noted his curiosity for the argument against paying off the COP. Dr. Ecker noted that if the return on our investments would be less than the 3.5% interest we currently pay on the COP, there would not be a benefit to paying off the COP. Mr.

McMahon explained that not paying it off allows the money to be used for a different investment. Mr. Collins noted that with paying off the COP, the district would be in a better fiscal situation. The board reached consensus on paying off the COP in November 2014 and directed staff to include this in the resolution for the December meeting.

Regarding the recommendation to eliminate deficit spending, Mrs. Edwards noted her support of eliminating deficit spending. Mr. Templin noted that while we have a unique perspective and are coming out of hard times, given the recommendation from staff coming from their expertise and knowing all of the needs of the district, he noted his support of the recommendation. Mr. Collins noted his agreement, especially if we can get a balanced budget, noting that things are brighter for the future. He noted our uniqueness as a district in that we can pay off the COP and balance our budget. He noted his concern of the technology needs of the district and the source of these funds, something that we must responsibly keep in mind here as well. Dr. Ecker noted

that the elimination of deficit spending is something that staff concurs with and if we are to grow as a district, we do need to keep our deficit spending to a minimum or eliminate it all together. Most of the funds received by the district are out of our control. He noted that in 2007, we thought that things were going quite well, given the property sales and the money coming in from Sacramento, and the district took on some initiatives, like raising staff salaries to the mean. Unfortunately, the economy then turned which was something that we couldn't foresee. If we had adopted a resolution prior to this to not deficit spend, he questioned where the district would have been when the economy turned. On the other hand he noted that while there are some things that cannot be predicted, it is generally bad to spend more than you make. Mrs. Crandall noted her support of getting the deficit down to zero over the next two years. The board reached consensus to include elimination of deficit spending by 2015-16 in the December resolution.

Mrs. Crandall asked the Board their thoughts on the use of the \$35 million remaining in Fund 40. Mrs. Edwards noted again the original purpose to provide a revenue stream and noted her support for investing in a laddered portfolio. Mr. Templin noted his agreement, given that so much is out of our control if there is a way to provide an ongoing revenue source it may be something difficult to do but something that we should try. We do have some serious needs in front of us but he noting feeling good about making the attempt. Mr. Collins noted that there is a little bit of him that feels uncomfortable at committing to 30 years at \$35 million. Mr. McMahon explained that staff recommends that the Board put the money aside but also meet with some advisors to provide input as to what to do with investing it. Mr. Collins noted his agreement on the principal staying the same. Mrs. Crandall noted her agreement. The board reached consensus on including investing proceeds from Lamb and Wardlow for the long term, preserving principal and using earnings only for current year expenditures.

Mrs. Crandall noted that currently Fund 40 is with the County receiving interest of less than 1%. She asked the Board their thoughts on keeping Fund 40 with the County. Mr. McMahon noted that the best advice is to have a mix, bringing in an expert to advise. There was consensus to no longer keep Fund 40 with the County. Regarding using a financial advisor, Mr. McMahon noted that when investing with a professional money manager, it is important to find someone with a track record of ethics. He noted that having a professional with a strong track record is the way to go. While using the staff on hand is a cheaper option, it will most likely have a lesser return. Mrs. Crandall asked if there

was consensus on interviewing potential firms. Mr. Collins asked if there was a timeline regarding this. Dr. Ecker noted his support of using an investment advisor, noting that once a resolution is adopted, we would work to bring firms forward for the Board's consideration. Mrs. Crandall directed Mr. McMahon to include this in the resolution as well.

Regarding the interest yielded from the \$35 million, Mrs. Crandall asked for ideas, once deficit spending has ceased, for use of this revenue. Mr. Collins noted that previous cuts affecting students with the most need, ongoing staff development and our technology needs are all things that interest him. Mrs. Edwards noted as well elementary music. Mr. Templin noted his interest in hearing from staff and teachers regarding their needs and perhaps a needs assessment. Mrs. Crandall noted the elementary vocal music program; student early intervention programs; after school classes or reading coaches to increase student outcomes; professional development; instructional materials; fund centers suggested with differentiated instruction; library hours were decreased and an update on how this is working would help us to see if there is a need there; a consistent writing program for our district; and coaches for teachers, an extended BTSA of sorts. She also noted that grit (perseverance over time) is an important factor in student learning, propelling students to complete school, and yet, our students are not hardwired like this, and as such this is an area that cannot be ignored. Mr. Collins noted as well the natural course of events, maintenance of our sites, vehicle needs, etc. and the ongoing needs in running a district. And so he noted that the idea of the priority of cutting, perhaps it needs to be restored in reverse and perhaps more discussion is needed. Mrs. Crandall confirmed that Mr. McMahon and staff have the information needed to form a resolution for December. Dr. Ecker confirmed as well the board's interest in completing a needs assessment and bringing this forward at a later date.

## **STAFF REPORTS AND PRESENTATIONS**

Superintendent Dr. Marc Ecker reviewed the Local Control Accountability Plan (LCAP) included in the 2013-14 Budget Act and the procedures and timeframe by which staff will prepare the new LCAP for the Board's review and approval. He explained that LCFF and the LCAP are linked together and the Board needs to adopt the LCAP prior to adopting the budget, taking into account the funds provided by LCFF. Money needs to address two areas, English learners and economically impacted youth. There are three options to show in the LCAP that we are successful: spending more money than in the past year; providing

**LOCAL CONTROL  
ACCOUNTABILITY  
PLAN (WRITTEN ONLY)**

more services to these two groups and the population at large; or students need to achieve more. It has been noted though that the third option is problematic given the lack of available data this year, something that is being work out. He noted that the guidelines of the LCAP are to be simple, transparent, local and performance focused. There are six areas that the LCAP meshes in with the LCFF including stakeholder engagement. Stakeholder engagement should include parents, community members, students and other stakeholders (defined as LEA or school district personnel and other governmental agencies). The only specification for involvement as defined in the law are parents that represent English learners, our DELAC committee, and parents representing economically disadvantaged youth. We would also involve special education parents. These are the only three formalized, the others are not. The rest is up to the LEA and their plan as to how they engage other stakeholders. There also needs to be a needs assessment, using the data we have to see where needs are and the plan needs to include goals specific to these needs. There needs to be a performance level, noting what improvements we are specifically seeking to achieve. The fifth is what services we will be funding over and above what we are doing now. The last is the budget element that needs to link in with the dollars.

Assistant Superintendent, Instruction, Anne Silavs reviewed the Early Development Index, a required component of the District's work plan with the Children and Families Commission, and the timeline for implementation during the 2013-2014 school year.

**EARLY DEVELOPMENT  
INDEX (WRITTEN  
ONLY)**

## **BOARD REPORTS AND COMMUNICATIONS**

Mrs. Edwards visited Newland, Tamura, Masuda, Courreges, Oka, Cox and Talbert. She commended Mr. Ham for his pictorial log of how teachers are getting on board with chrome books. She also enjoyed the Veteran's Day ceremony at Masuda and met with the Chinese delegation at Courreges.

**BOARD REPORTS AND  
COMMUNICATIONS**

Mr. Templin participated in a SELPA in-service on bullying and found it very informative, noting the case logs shared and the OAH standards to determine if a student is being denied FAPE.

Mr. Collins visited Newland, Tamura, Masuda, Courreges, Oka, Cox and Talbert, met with the Chinese delegation at Courreges, attended the middle school soccer tournament at Talbert, and he commended the United States' response to typhoon relief in the Philippines.



Mrs. Crandall commended Mrs. Abdel on the CBO search and its successful results with a \$20,000-25,000 savings to district. She attended the Mayor’s Ball, the Plavan harvest festival, Oka’s casino night, Courreges’ Halloween parade, met with the Chinese delegation at Courreges, attended Masuda’s Veterans’ Day ceremony, and the joint VFW and City of Fountain Valley Veterans’ Day presentation. She toured Newland, Talbert, Cox and Oka, attended the Rotary Most Improve Student recognition, the OCDE TOTY recognition, FVEF meeting where plans for the Taste of Fountain Valley, the Mr. Fountain Valley pageant and the PIO initiative were discussed, the Boys and Girls Twilight meeting, cabinet meeting for tonight’s agenda, and she presented two parent trainings on reading for 2<sup>nd</sup> grade parents, and trainings for preschool parents for early literacy. She thanked all the trustees for their service over the past month.

**PUBLIC COMMENTS**

There were no requests to address the Board.

**PUBLIC COMMENTS**

**LEGISLATIVE SESSION**

**Motion:** Mr. Templin moved to approve and accept the offer received from Leport Educational Institute, Inc. for the property, and reject all three counter offers for the property.

**APPROVAL OF  
ACCEPTANCE OF  
HIGHEST OR  
SUCCESSFUL BID  
AND DELEGATION  
OF AUTHORITY TO  
EXECUTE FINAL  
LEASE AGREEMENT**

**Second:** Mrs. Edwards

Mr. Collins noted this benefit to the district and that this was well done by our attorneys. Mrs. Crandall noted that this is a Montessori school that will start with an infant through middle school program. They have a sound foundation, providing a revenue stream for the district for 20 years.

**Vote:** 4-0

**Motion:** Mr. Templin moved to approve a delegation of authority to Scott Martin, Director Fiscal Services or his designee, to execute the final Option Agreement and Lease Agreement with Leport Educational Institute, Inc.

**Second:** Mr. Collins

vote: 4-0

**Motion:** Mr. Templin moved to approve the Consent Calendar.

CONSENT  
CALENDAR/  
ROUTINE ITEMS OF  
BUSINESS

Second: Mrs. Edwards

Vote: 4-0

Mrs. Crandall congratulated Christine Fullerton on her appointment as our new Assistant Superintendent, Business effective sometime in January with overlap with Mr. McMahon.

The Consent Calendar included:

- Board Meeting Minutes from the October 17<sup>th</sup> meeting
- Personnel Items (Employment Functions, Workshops/Conferences, and Consultants)
- Donations
- Warrants
- Purchase Order Listing
- Budget Adjustments
- Adoption of Revisions to Board Policy 5121 Grades/Evaluation of Student Achievement (Second Reading and Adoption)
- Approval of Common Core State Standards Spending Plan (Second Reading)
- Approval of Contract for Services Between Orange county Department of Education and the Fountain Valley School District for Common Core Math Professional Development
- Approval of Annual Organizational Meeting
- Adoption of Resolution 2014-16: Authorization for Teaching Credentials for 2013-14 School Year
- Approval of Contract with Silver Creek Industries, Inc. for Two Relocatable Classroom Buildings at Talbert Middle School
- Approval of Notice of Layoff for Classified Position – Reduction of work Hours
- Approval of Acceptance of 2013-14 Memo of Understanding Between the Orange County Department of Education and the Fountain Valley School District for the Beginning Teacher Support and Assessment System (BTSA)/Induction Program Consortium – Agreement #39732

Non-Public School/Agency	100% Contract Cost	Effective Dates
Therapeutic Education Centers	\$2,090	7/1/2013-6/30/2014

Speech & Language Devel. Center	\$5,134.50	7/1/2013-6/30/2014
Cornerstone Therapies	\$960	9/17/2013-6/30/2014

**SUPERINTENDENT’S COMMENTS/NEW ITEMS OF BUSINESS**

Dr. Ecker            Thanked the Board and Mr. McMahon and staff for their work this evening on our study session on Fund 40. He noted his belief that this meeting was a watershed meeting, given the board consensus on actions for Fund 40.

**ADJOURNMENT**

**Motion:**        Mr. Collins moved to adjourn the meeting at 8:48pm.

**Second:**        Mrs. Edwards

**Vote:**            Unanimously approved

/rl

**FOUNTAIN VALLEY SCHOOL DISTRICT  
PERSONNEL ITEMS FOR APPROVAL  
December 12, 2013**

**1.0 EMPLOYMENT FUNCTIONS:**

1.1 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS APPROVAL OF THE FOLLOWING CERTIFICATED LEAVES OF ABSENCE:

	<u>EMPLOYEE</u>	<u>LOCATION</u>	<u>ASSIGNMENT</u>	<u>REASON</u>	<u>EFFECTIVE</u>
1.1.1	Costigan, Kimberly	Newland	4 <sup>th</sup> Grade Teacher	Maternity	01/06/2014
1.1.2	Doyle, Jill	Oka	4 <sup>th</sup> Grade Teacher	Maternity	12/02/2013
1.1.3	Rutter, Kelly	Plavan	5 <sup>th</sup> Grade Teacher	Maternity	12/02/2013

1.2 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS APPROVAL OF JANET DO, SCHOOL COUNSELOR, ON TEMPORARY CONTRACT EFFECTIVE NOVEMBER 14, 2013.

1.3 SUPERINTENDENT REQUESTS APPROVAL OF THE EMPLOYMENT CONTRACT FOR CHRISTINE FULLERTON, ASSISTANT SUPERINTENDENT, BUSINESS EFFECTIVE JANUARY 13, 2014 THROUGH JUNE 30, 2016.

**2.0 EMPLOYMENT FUNCTIONS**

2.1 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS THE APPROVAL OF THE FOLLOWING NEW CLASSIFIED EMPLOYEES:

	<u>EMPLOYEE</u>	<u>LOCATION</u>	<u>ASSIGNMENT</u>	<u>EFFECTIVE</u>
2.1.1	Burns, Megan	Courreges	ESP Instructor	11/18/2013
2.1.2	Dao, Nhiem	Assessment & Accountability	Bilingual Testing Tech Vietnamese	11/18/2013
2.1.3	Lopez, Viviana	Courreges	Over Enrollment Aide	10/28/2013
2.1.4	Nguyen, Duy	Gisler	IA Bilingual Vietnamese	10/15/2013
2.1.5	Spivey, Erin	Plavan	Library/Media Tech	10/15/2013
2.1.6	Tokarz, Amber	Cox	Preschool Instructor	12/03/2013

2.2 ASSISTANT SUPERINTENDENT, PERSONNEL HAS ACCEPTED THE RETIREMENT OF THE FOLLOWING CLASSIFIED EMPLOYEES:

	<u>EMPLOYEE</u>	<u>LOCATION</u>	<u>ASSIGNMENT</u>	<u>EFFECTIVE</u>
2.2.1	Bollinger, Deborah	Masuda	FSW	12/20/2013
2.2.2	Palmer, Suzanne	Tamura	IA SH/PH	12/20/2013
2.2.3	Pitoniak, Frank	Technology	IT Supervisor	12/20/2013
2.2.4	Ratcliff, Lucy	Tamura	IA DTT	12/27/2013

2.3 ASSISTANT SUPERINTENDENT, PERSONNEL HAS ACCEPTED THE RESIGNATION OF THE FOLLOWING CLASSIFIED EMPLOYEES:

	<u>EMPLOYEE</u>	<u>LOCATION</u>	<u>ASSIGNMENT</u>	<u>EFFECTIVE</u>
2.3.1	Abdallah, Maryam	Business	Acct Assist/Purchasing Technician	11/15/2013

2.3.2	Drumm, Randy	Courreges	ESP Aide	10/21/2013
2.3.3	Mayorga., Karin	Plavan	Preschool Aide	11/18/2013

2.4 ASSISTANT SUPERINTENDENT, PERSONNEL REQUESTS APPROVAL OF THE PLACEMENT ON THE CLASSIFIED SALARY SCHEDULE AT RANGE 71 OF WEBSITE/SOCIAL MEDIA TECHNICIAN.

**CONTRACT OF EMPLOYMENT FOR THE POSITION OF  
ASSISTANT SUPERINTENDENT, BUSINESS SERVICES**

---

The Fountain Valley School District ("District") hereby employs Christine Fullerton for the position of Assistant Superintendent, Business Services for the period of January 13, 2014 through June 30, 2016. Responsibilities, compensation, benefits and all other terms of employment for the Assistant Superintendent shall be set forth in adopted board policies and in board regulations.

The Assistant Superintendent, Business Services shall be paid an annual base salary of \$160,000.00 effective January 13, 2014. The base salary is inclusive of any and all mileage stipend/longevity. Upon receipt of a satisfactory evaluation the base salary shall be increased by \$7,500 step advancement effective July 1, 2014 and July 1, 2015.

The Assistant Superintendent, Business Services shall be required to render a 245 day work year of full and regular service to the district during each annual period covered by the contract or portion thereof. The Assistant Superintendent, Business Services shall be entitled to 24 days of vacation with pay exclusive of holidays defined in section 37220 and 37221 of the California Education Code and any other additional holidays granted by the Board for twelve month management employees.

Any time during the term of this contract that members of the Fountain Valley Management Team receive a salary schedule increase, the base salary of the Assistant Superintendent, Business Services shall be increased by the same percentage.

In accordance with California law, this agreement is subject to the provisions of California Government Code sections 53260-53264 which require that if this agreement is terminated, the maximum cash settlement that the Assistant Superintendent, Business Services may receive shall be in an amount equal to the monthly salary of the Assistant Superintendent, Business Services, multiplied by the number of months left on the unexpired term of the agreement or eighteen (18) months, whichever is less. In addition, in accordance with California Government Code section 53243.2, if this contract is terminated, any cash settlement that the Assistant Superintendent, Business Services may receive from the District shall be fully reimbursed to the District if the Assistant Superintendent is convicted of a crime involving an abuse of her office or position.

---

Marc Ecker, Ph.D. , Superintendent

Date

I hereby accept this offer of employment. I agree to perform the duties of Assistant Superintendent, Business Services as set forth in board policy and board regulations.

---

Christine Fullerton, Assistant Superintendent, Business Services

Date

**FOUNTAIN VALLEY SCHOOL DISTRICT  
PERSONNEL ITEMS FOR APPROVAL**

December 12, 2013

<i><b>INSTRUCTION</b></i>
---------------------------

3.0 **CONFERENCE/WORKSHOP ATTENDANCE**

	<u>NAME</u>	<u>ATTENDING</u>	<u>LOCATION</u>	<u>COST</u>	<u>BUDGET</u>	<u>DATE</u>
3.1	WRIGHT, Abby (Support Services)	ACSA 2014 Every Child Counts Symposium	Monterey, CA	Actual and Necessary	01-001-9961-5210	Jan. 15-17, 2014

FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

All donations to the district must be officially accepted by the Fountain Valley School District Board of Trustees inasmuch as their acceptance may involve an expenditure of district funds for installation, use, and/or maintenance. Before any donation is supplied or purchased by your organization, or formally accepted for a school, the following information is requested on this form. Upon site/document approval, a copy of the form shall be presented to Business Services or Technology/Media for further consideration and approval in accordance with Board Policy 3290, Donations to School District.

SCHOOL RECEIVING DONATION: Cox Elementary

NAME OF DONOR: AT & T United Way

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)

\$75.00 # 560179307

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)

ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 010320000 -8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 0100132894310

INTENDED USE: (State how this will be used) classroom enhancement

REVIEWED: [Signature] APPROVED/DISAPPROVED: \_\_\_\_\_  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/12/13  
Assistant Superintendent Business/Administration Date

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/12/13



FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

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SCHOOL RECEIVING DONATION: Cox Elementary

NAME OF DONOR: Cox PTO

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)

#4317 \$ 728.57

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)

ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 010320000 -8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 0100132894310

INTENDED USE: (State how this will be used ) Kdg Assessment

REVIEWED: [Signature] APPROVED/DISAPPROVED: \_\_\_\_\_  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/12/13  
Assistant Superintendent Business/Administration Date

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/12/13

FOUNTAIN VALLEY SCHOOL DISTRICT  
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SCHOOL RECEIVING DONATION: Cox Elementary

NAME OF DONOR: Cox PTO

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)

#4315      \$ 1035.08

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)

ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 010320000 -8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 0100132894310

INTENDED USE: (State how this will be used ) PTO Supplies

REVIEWED: [Signature] APPROVED/DISAPPROVED: \_\_\_\_\_  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: [Signature] 11/12/13  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/12/13

FOUNTAIN VALLEY SCHOOL DISTRICT  
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SCHOOL RECEIVING DONATION: Cox Elementary

NAME OF DONOR: Cox PTO

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)

#4314 \$3588.78

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)

ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 010320000 -8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 0100132894310

INTENDED USE: (State how this will be used ) Weekly Reader Magazine

REVIEWED: [Signature] APPROVED/DISAPPROVED: \_\_\_\_\_  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: \_\_\_\_\_  
Assistant Superintendent Business/Administration Date 11/12/13

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/12/13

FOUNTAIN VALLEY SCHOOL DISTRICT  
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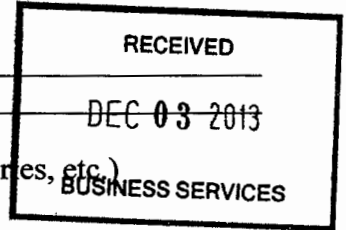
SCHOOL RECEIVING DONATION: Fulton

NAME OF DONOR: Fulton PTA

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.) \$1,292.55

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 012929000-8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 010142989-5899

INTENDED USE: (State how this will be used) After school clubs, ASB & 8<sup>th</sup> gr. Stipends, Teacher planning days.

REVIEWED: [Signature] APPROVED/DISAPPROVED: 12/2/13  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 12/3/13  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Assistant Superintendent Date  
Instruction

BOARD APPROVAL DATE: 12/12/13

FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

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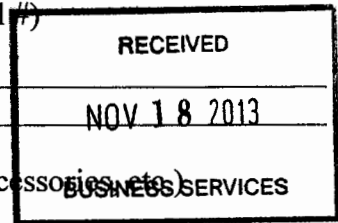
SCHOOL RECEIVING DONATION: Fulton

NAME OF DONOR: Fulton PTA

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.) \$223.74

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 0129000-8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 010142989-5899

INTENDED USE: (State how this will be used) Cheer coach stipend Sept/Oct, 2013

REVIEWED: [Signature] APPROVED/DISAPPROVED: APPROVED Date: 11/14/13  
Principal/Department Head

REVIEWED: [Signature] APPROVED/DISAPPROVED: APPROVED Date: 11/19/13  
Assistant Superintendent  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_ Date: \_\_\_\_\_  
Assistant Superintendent  
Instruction

BOARD APPROVAL DATE: 12/12/13

FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

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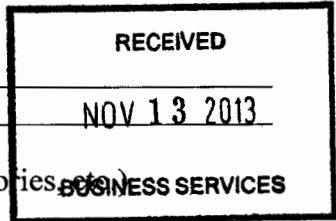
SCHOOL RECEIVING DONATION: Masuda

NAME OF DONOR: Masuda PTA

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
\$243.26

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)  
N/A

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)  
N/A



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)  
N/A

REVENUE ACCT: 010144989 -8699  
EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 010144949-4310

INTENDED USE: (State how this will be used ) Purchased Ball cart for Noon Leagues

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/12/13  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/13/13  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Assistant Superintendent Date  
Instruction

BOARD APPROVAL DATE: 12/12/13

FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

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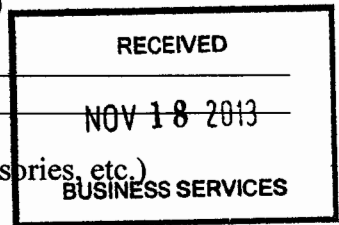
SCHOOL RECEIVING DONATION: Plavan Elementary

NAME OF DONOR: Tom Vo's Taekwondo Academy

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
CK # 1123 in the amount of \$400.00

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 014000000-8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 0100140894310

INTENDED USE: (State how this will be used) Paper & Ink for Copiers & Riso machines.

REVIEWED: Julie M. Ballenger (APPROVED) DISAPPROVED: 11/15/2013  
Principal/Department Head Date

REVIEWED: [Signature] (APPROVED) DISAPPROVED: 11/19/13  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Assistant Superintendent Date  
Instruction

BOARD APPROVAL DATE: 12/12/13

FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

All donations to the district must be officially accepted by the Fountain Valley School District Board of Trustees inasmuch as their acceptance may involve an expenditure of district funds for installation, use, and/or maintenance. Before any donation is supplied or purchased by your organization, or formally accepted for a school, the following information is requested on this form. Upon site/document approval, a copy of the form shall be presented to Business Services or Instruction for further consideration and approval in accordance with Board Policy 3290, Donations to School District.

SCHOOL RECEIVING DONATION: Tamura Elementary

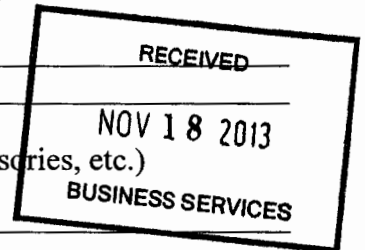
NAME OF DONOR: Tamura PTO

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
\$36.07 Check #3349

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)

ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)



REVENUE ACCT: 010100000 -8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 010011010 - 4310

INTENDED USE: (State how this will be used )

PTO Paper Supplies

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/8/2013  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/18/13  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Assistant Superintendent Date  
Instruction

BOARD APPROVAL DATE: 12/12/13



FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

All donations to the district must be officially accepted by the Fountain Valley School District Board of Trustees inasmuch as their acceptance may involve an expenditure of district funds for installation, use, and/or maintenance. Before any donation is supplied or purchased by your organization, or formally accepted for a school, the following information is requested on this form. Upon site/document approval, a copy of the form shall be presented to Business Services or Instruction for further consideration and approval in accordance with Board Policy 3290, Donations to School District.

SCHOOL RECEIVING DONATION: Tamura Elementary

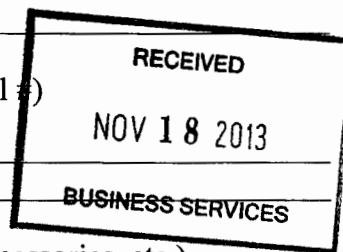
NAME OF DONOR: Tamura PTO

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)

\$46.44 Check #3348

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 010100000 -8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 010011010 - 4310

INTENDED USE: (State how this will be used ) Art Master Supplies

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/12/2013  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/18/13  
Assistant Superintendent Business/Administration Date

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Assistant Superintendent Instruction Date

BOARD APPROVAL DATE: 12/2/13

**FOUNTAIN VALLEY SCHOOL DISTRICT**

TO: STEVE McMAHON  
FROM: MARTHA LOCKWOOD  
SUBJECT: WARRANT LISTING BOARD MEETING – DECEMBER 12, 2013  
DATES 11/06/13 – 11/25/13  
WARRANT NUMBERS 63781 - 63990

01 GENERAL	\$	199,764.88
12 CHILD DEVELOPMENT	\$	4,249.24
13 CAFETERIA	\$	69,837.92
14 DEFERRED MAINTENANCE	\$	0
25 CAPITAL FACILITIES	\$	375,733.09
35 SCHOOL FACILITIES	\$	0
40 SPECIAL RESERVE	\$	18,224.27
68 WORKERS COMPENSATION	\$	1,617.28
69 INSURANCE	\$	74,648.44
TOTAL	\$	<b>744,075.12</b>

# FOUNTAIN VALLEY SD

## PURCHASE ORDER DETAIL REPORT BY FUND BOARD OF TRUSTEES MEETING 12/12/2013

FROM 11/06/2013 TO 12/03/2013

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>OBJECT DESCRIPTION</u>
H20M4154	MOBILE MINI STORAGE	146.10	146.10	012869390 5645	Outside Srvs-Repairs & Mainten
H20M4158	DUNN-EDWARDS CORPORATION	3,163.98	2,163.98	012869390 4347	Repair & Upkeep Equip Supplies
			1,000.00	012879390 4347	Repair & Upkeep Equip Supplies
H20M4184	HILLYARD / LOS ANGELES	625.00	625.00	012869390 4347	Repair & Upkeep Equip Supplies
H20M4185	WEST LITE SUPPLY CO INC	350.00	350.00	012869390 4347	Repair & Upkeep Equip Supplies
H20M4186	SMOKE GUARD CALIFORNIA INC.	2,000.00	2,000.00	014869390 5899	Other Operating Expenses
H20R0675	MEISEL	181.60	181.60	010142929 4311	Elective Supplies
H20R0683	ORANGE COUNTY DEPARTMENT OF ED	125.00	125.00	010019961 5210	Travel, Conference, Workshop
H20R0684	SOUTHWEST SCHOOL AND OFFICE SU	85.00	85.00	015513860 4310	Instructional Supplies
H20R0686	PIONEER DRAMA SERVICE INC.	107.95	107.95	010143838 4311	Elective Supplies
H20R0687	ACSA FOUNDATION FOR	375.00	375.00	010019961 5210	Travel, Conference, Workshop
H20R0688	ORANGE COUNTY TREASURER	4,874.52	4,874.52	012869390 5570	Sanitation Fees
H20R0689	ORANGE COUNTY TREASURER	1,700.90	1,700.90	019509380 5899	Other Operating Expenses
H20R0690	ORANGE COUNTY TREASURER	297.84	297.84	019509380 5899	Other Operating Expenses
H20R0691	SOUTHWEST SCHOOL AND OFFICE SU	220.00	220.00	015102960 4310	Instructional Supplies
H20R0693	SCHOOL NEWS ROLL CALL LLC	263.00	263.00	012719275 5825	Advertising
H20R0694	ATLAS BOLT	43.20	43.20	010142929 4311	Elective Supplies
H20R0695	STAPLES	269.99	269.99	012059385 4325	Office Supplies
H20R0696	APPLE COMPUTER ORDER DEPARTMEN	52.92	52.92	010144989 4399	Equipment Under \$500
H20R0697	AWARDS & TROPHIES	32.67	32.67	010014040 4310	Instructional Supplies
H20R0698	STAPLES	150.00	150.00	010144949 4310	Instructional Supplies
H20R0699	SOUTHWEST SCHOOL AND OFFICE SU	489.33	489.33	012289961 4325	Office Supplies
H20R0700	AARDVARK CLAY AND SUPPLY	500.00	500.00	010013232 4310	Instructional Supplies
H20R0701	P & R PAPER SUPPLY COMPANY	56.48	56.48	012733232 4327	Health Supplies
H20R0702	LINGUISYSTEMS INC.	99.26	99.26	015643260 4310	Instructional Supplies
H20R0703	SMART & FINAL	100.00	100.00	010014747 4310	Instructional Supplies
H20R0704	APPLE COMPUTER ORDER DEPARTMEN	298.08	298.08	011494788 4399	Equipment Under \$500
H20R0705	MOREYS MUSIC STORE INC	271.66	271.66	010099276 5645	Outside Srvs-Repairs & Mainten
H20R0707	STAPLES	200.00	200.00	010011010 4310	Instructional Supplies
H20R0708	TEXTBOOK WAREHOUSE	237.60	237.60	012129078 4110	Basic Textbooks
H20R0710	OFFICE DEPOT	114.79	114.79	012719165 4325	Office Supplies
H20R0711	ROTARY CLUB OF FOUNTAIN VALLEY	600.00	600.00	012719165 5390	Dues and Membership Non Taxabl
H20R0712	CLIFFORD MOSS LLC	20,000.00	20,000.00	012719165 5813	Consultant

**FOUNTAIN VALLEY SD**

**PURCHASE ORDER DETAIL REPORT BY FUND**

**BOARD OF TRUSTEES MEETING 12/12/2013**

**FROM 11/06/2013**

**TO 12/03/2013**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>OBJECT DESCRIPTION</u>
H20R0713	APPLE COMPUTER ORDER DEPARTMEN	343.33	343.33	010014040 4399	Equipment Under \$500
H20R0714	APPLE COMPUTER ORDER DEPARTMEN	1,208.20	1,208.20	016689380 4399	Equipment Under \$500
H20R0715	ADVANTAGE OPTICS	1,381.28	1,381.28	012109078 4399	Equipment Under \$500
H20R0716	CLEARVISION TECHNOLOGIES	8,000.00	8,000.00	012395098 5899	Other Operating Expenses
H20R0718	SOUTHWEST SCHOOL AND OFFICE SU	432.00	432.00	010269275 4310	Instructional Supplies
H20R0719	ARIEL SUPPLY INC.	155.42	77.71	012849380 4325	Office Supplies
H20R0720	SAMS CLUB	540.00	540.00	011229275 4325	Office Supplies
H20R0721	STAPLES	200.00	200.00	015511060 4310	Instructional Supplies
H20R0722	HATFIELD, AYUMI	400.00	400.00	012509861 5813	Consultant
H20R0723	SOUTHWEST SCHOOL AND OFFICE SU	100.00	100.00	012731010 4327	Health Supplies
H20R0724	SCHOOL NURSE SUPPLY INC	46.44	46.44	012734040 4327	Health Supplies
H20R0725	STAPLES	345.96	345.96	010144949 4310	Instructional Supplies
H20R0726	CDWG	451.07	451.07	010014787 4320	Computer Supplies
H20R0727	OFFICE DEPOT	304.54	304.54	012719165 4325	Office Supplies
H20R0728	ORANGE COUNTY DEPARTMENT OF ED	385.00	385.00	011229275 5210	Travel, Conference, Workshop
H20R0731	TARGET STORES	200.00	200.00	015641660 4310	Instructional Supplies
H20R0732	OFFICE DEPOT	300.00	300.00	015643860 4310	Instructional Supplies
H20R0733	STAPLES	25.00	25.00	015642960 4310	Instructional Supplies
H20R0735	GST	30,304.08	30,304.08	016689380 4410	Fixed Assets \$500-\$5000
H20R0737	LAKESHORE LEARNING MATERIALS	60.00	60.00	015642960 4310	Instructional Supplies
H20R0738	HOME DEPOT	25.00	25.00	012589860 4310	Instructional Supplies
H20R0739	BARNES AND NOBLE	158.60	158.60	015104760 4310	Instructional Supplies
H20R0740	LAKESHORE LEARNING MATERIALS	1,922.29	1,922.29	012289963 4310	Instructional Supplies
H20R0741	LAKESHORE LEARNING MATERIALS	165.24	165.24	015513760 4310	Instructional Supplies
H20R0745	APPLE COMPUTER ORDER DEPARTMEN	400.00	400.00	012289963 4320	Computer Supplies
H20R0750	CALIFORNIA WESTERN VISUALS	773.28	773.28	010113255 4310	Instructional Supplies
H20R0751	METRO BUSINESS SOLUTIONS INC.	2,310.00	577.50	012839392 4410	Fixed Assets \$500-\$5000
			577.50	012869390 4410	Fixed Assets \$500-\$5000
			1,155.00	012919395 4410	Fixed Assets \$500-\$5000
H20R0752	MIND RESEARCH INSTITUTE	3,999.00	3,999.00	010014789 4310	Instructional Supplies
H20R0753	METRO BUSINESS SOLUTIONS INC.	2,156.98	2,156.98	012719165 5870	Outside Printing & Reproductio
H20S8015	WAXIE	5,430.34	5,430.34	011000000 9320	STORES
H20S8016	WAXIE	4,426.49	4,426.49	011000000 9320	STORES
H20S8017	PEERLESS MATERIALS	1,065.96	1,065.96	011000000 9320	STORES

**FOUNTAIN VALLEY SD**

**PURCHASE ORDER DETAIL REPORT BY FUND**

**BOARD OF TRUSTEES MEETING 12/12/2013**

**FROM 11/06/2013**

**TO 12/03/2013**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>OBJECT DESCRIPTION</u>
H20S8018	INDUSTRIAL FORMULATORS INC.	1,078.67	1,078.67	011000000 9320	STORES
H20S8019	EVERYTHING MEDICAL LLC	366.44	366.44	011000000 9320	STORES
H20S8020	WAXIE	36.03	36.03	011000000 9320	STORES
H20S8021	WAXIE	2,666.55	2,666.55	011000000 9320	STORES
<b>Fund 01 Total:</b>		<b>110,195.06</b>	<b>110,117.35</b>		

**FOUNTAIN VALLEY SD**

**PURCHASE ORDER DETAIL REPORT BY FUND  
BOARD OF TRUSTEES MEETING 12/12/2013**

**FROM 11/06/2013 TO 12/03/2013**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>OBJECT DESCRIPTION</u>
H20R0706	DISCOUNT SCHOOL SUPPLY	108.00	108.00	120016198 4310	Instructional Supplies
H20R0709	LAKESHORE LEARNING MATERIALS	108.00	108.00	120016098 4310	Instructional Supplies
H20R0729	LAKESHORE LEARNING MATERIALS	108.00	108.00	120016798 4310	Instructional Supplies
H20R0730	LAKESHORE LEARNING MATERIALS	108.00	108.00	120016198 4310	Instructional Supplies
H20R0734	TARGET STORES	216.00	216.00	120016098 4310	Instructional Supplies
H20R0743	ORIENTAL TRADING COMPANY	162.00	162.00	120016698 4310	Instructional Supplies
H20R0746	TARGET STORES	270.00	270.00	120016098 4310	Instructional Supplies
H20R0747	TARGET STORES	270.00	270.00	120016098 4310	Instructional Supplies
H20R0749	LAKESHORE LEARNING MATERIALS	162.00	162.00	120016098 4310	Instructional Supplies
	<b>Fund 12 Total:</b>	<b>1,512.00</b>	<b>1,512.00</b>		

**FOUNTAIN VALLEY SD**

**PURCHASE ORDER DETAIL REPORT BY FUND**

**BOARD OF TRUSTEES MEETING 12/12/2013**

**FROM 11/06/2013**

**TO 12/03/2013**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>OBJECT DESCRIPTION</u>
H20R0719	ARIEL SUPPLY INC.	155.42	77.71	133207380 4325	Office Supplies
H20R0736	STAPLES	92.87	92.87	133207380 4790	Food Services Supplies
<b>Fund 13 Total:</b>		<b>248.29</b>	<b>170.58</b>		

**FOUNTAIN VALLEY SD**

**PURCHASE ORDER DETAIL REPORT BY FUND  
BOARD OF TRUSTEES MEETING 12/12/2013**

**FROM 11/06/2013 TO 12/03/2013**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>OBJECT DESCRIPTION</u>
H20M4155	KOURY ENGINEERING	15,000.00	15,000.00	252869380 6299	Other Building & Improvement
H20M4156	H.P. INSPECTIONS INC.	5,998.00	5,998.00	252839380 5899	Other Operating Expenses
H20M4157	BSK ASSOCIATES	6,321.25	6,321.25	252839380 5899	Other Operating Expenses
<b>Fund 25 Total:</b>		<b>27,319.25</b>	<b>27,319.25</b>		



**FOUNTAIN VALLEY SD**

**PURCHASE ORDER DETAIL REPORT BY FUND  
BOARD OF TRUSTEES MEETING 12/12/2013**

**FROM 11/06/2013 TO 12/03/2013**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>OBJECT DESCRIPTION</u>
Total Account Amount:			139,119.18		

**FOUNTAIN VALLEY SD**

**PURCHASE ORDER DETAIL REPORT - CHANGE ORDERS**

**BOARD OF TRUSTEES**

**12/12/2013**

**FROM 11/06/2013 TO 12/03/2013**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>CHANGE AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>PSEUDO / OBJECT DESCRIPTION</u>
H20M4126	DIGITAL NETWORKS GROUP INC.	3,500.00	+1,000.00	014869390 5899	STAR Building DO-Routine Maint / Other Operating
H20M4179	COMPONENTS CENTER	421.00	+346.00	012869390 4347	Maintenance / Repair & Upkeep Equip Supplies
<b>Fund 01 Total:</b>			<b>1,346.00</b>		
<b>Total Amount of Change Orders:</b>			<b>1,346.00</b>		

# FOUNTAIN VALLEY SD

Reference #:

## Adjustment of Funds

2014 20

It has been resolved to make the budget adjustments as listed below per Education Code 42600.

<b>Fund: 0101 GENERAL FUND</b>
--------------------------------

<b>Object</b>	<b>Description</b>	<b>FROM</b>	<b>TO</b>
1100	TEACHERS' SALARIES	2,616.00	1,000.00
1200	CERTIFICATED PUPIL SUPPORT		11,030.00
2100	INSTRUCTIONAL AIDES' SALARIES	1,255.00	
3101	STRS-CERTIFICATED POSITIONS	216.00	967.00
3202	PERS-CLASSIFIED	144.00	
3313	MEDICARE-CERTIFICATED	38.00	170.00
3314	MEDICARE-CLASSIFIED	18.00	
3356	OASDI-CLASSIFIED	78.00	
3501	SUI-CERTIFICATED	1.00	6.00
3502	SUI-CLASSIFIED	1.00	
3601	WORKERS'COMP-CERTIFICATED	56.00	250.00
3602	WORKERS'COMP-CLASSIFIED	27.00	
4100	TEXTBOOKS	33,894.00	279,532.00
4200	BOOKS OTHER THAN TEXTBOOKS		20.00
4300	MATERIALS & SUPPLIES		76,277.00
4400	NONCAPITALIZATION EQUIPMENT		57,473.00
5200	TRAVEL & CONFERENCES		800.00
5600	RENTAL,LEASE,REPAIR & NON CAP	360.00	3,854.00
5713	Direct Cost-Printing & Reprod		157.00
5800	PROF/CONS SERV & OPER EXPENSE		273,275.00
6200	BUILDING AND IMPROVE OF BLDGS		107,322.00
6400	EQUIPMENT		50,000.00
8000	REVENUE LIMIT SOURCES	1,479,433.00	5,438,603.00
8100	FEDERAL INCOME		12,340.00
8300	STATE INCOME	302,422.00	
8400	STATE INCOME	1,250,928.00	
8500	STATE INCOME	39,505.00	901,191.00
8600	LOCAL INCOME		49,217.00
8900	INCOMING TRANSFERS	2,498,173.00	1,748,173.00
9740	RESTRICTED BALANCE	494,724.00	634,400.00
9789	RESERVE FOR ECONOMIC UNCERTAIN		64,344.00
9790	UNASSIGNED/UNAPPROPRIATED	2,927,141.00	4,478,755.00

# FOUNTAIN VALLEY SD

Reference #:

## Adjustment of Funds

2014 20

It has been resolved to make the budget adjustments as listed below per Education Code 42600.

**Fund: 0101 GENERAL FUND**

<b>Object</b>	<b>Description</b>	<b>FROM</b>	<b>TO</b>
	<b>Subfund Total:</b>	<b>9,031,030.00</b>	<b>14,189,156.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 12, 2013.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

The above adjustment was approved on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy

# FOUNTAIN VALLEY SD

Reference #:

## Adjustment of Funds

2014 21

It has been resolved to make the budget adjustments as listed below per Education Code 42600.

### Fund: 1212 CHILD DEVELOPMENT

<b>Object</b>	<b>Description</b>	<b>FROM</b>	<b>TO</b>
3402	HEALTH & WELFARE-CLASSIFIED	4,000.00	
4300	MATERIALS & SUPPLIES	2,000.00	
4700	FOOD		4,000.00
8600	LOCAL INCOME	2,000.00	482.00
9740	RESTRICTED BALANCE		482.00
<b>Subfund Total:</b>		<b>8,000.00</b>	<b>4,964.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 12, 2013.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

The above adjustment was approved on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy

# FOUNTAIN VALLEY SD

Reference #:

## Adjustment of Funds

2014 22

It has been resolved to make the budget adjustments as listed below per Education Code 42600.

<b>Fund: 2525 CAPITAL FACILITIES</b>
--------------------------------------

<b>Object</b>	<b>Description</b>	<b>FROM</b>	<b>TO</b>
6100	SITES AND IMPROVEMENT OF SITES		14,317.00
6200	BUILDING AND IMPROVE OF BLDGS	2,500.00	203,050.00
9780	OTHER ASSIGNMENTS	214,867.00	
<b>Subfund Total:</b>		<b>217,367.00</b>	<b>217,367.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 12, 2013.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

The above adjustment was approved on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy

# FOUNTAIN VALLEY SD

Reference #:

## Adjustment of Funds

2014 23

It has been resolved to make the budget adjustments as listed below per Education Code 42600.

<b>Fund: 4040 SPECIAL RESERVE/C.O.P.</b>
------------------------------------------

<b>Object</b>	<b>Description</b>	<b>FROM</b>	<b>TO</b>
5800	PROF/CONS SERV & OPER EXPENSE	28,574.00	37,680.00
7612	IFT BETWEEN GEN,&SPEC.RES.FUND	750,000.00	
8600	LOCAL INCOME		205.00
8900	INCOMING TRANSFERS		16,679,690.00
9780	OTHER ASSIGNMENTS		17,420,789.00
<b>Subfund Total:</b>		<b>778,574.00</b>	<b>34,138,364.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 12, 2013.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

The above adjustment was approved on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy

# FOUNTAIN VALLEY SD

Reference #:

## Transfer of Funds

2014 17

It has been resolved to make the budget transfers as listed below per Education Code 42600.

### Fund: 0101 GENERAL FUND

Object	Description	FROM	TO
1100	TEACHERS' SALARIES		3,372.00
2100	INSTRUCTIONAL AIDES' SALARIES		363.00
2400	CLERICAL & OFFICE SALARIES		2,228.00
2900	OTHER CLASSIFIED SALARIES	53,691.00	500.00
3101	STRS-CERTIFICATED POSITIONS		289.00
3202	PERS-CLASSIFIED		306.00
3313	MEDICARE-CERTIFICATED		51.00
3314	MEDICARE-CLASSIFIED	778.00	46.00
3354	ALTERNATIVE RETIRE-CLASSIFIED	697.00	
3356	OASDI-CLASSIFIED		193.00
3501	SUI-CERTIFICATED		4.00
3502	SUI-CLASSIFIED	27.00	5.00
3601	WORKERS'COMP-CERTIFICATED		78.00
3602	WORKERS'COMP-CLASSIFIED	1,145.00	69.00
4100	TEXTBOOKS	2,000.00	
4200	BOOKS OTHER THAN TEXTBOOKS	91.00	
4300	MATERIALS & SUPPLIES	22,696.00	63,191.00
4400	NONCAPITALIZATION EQUIPMENT		11,056.00
5200	TRAVEL & CONFERENCES	5,378.00	590.00
5300	DUES AND MEMBERSHIPS		281.00
5500	OPERATIONS & HOUSEKEEPNG SVCS	1,800.00	35.00
5600	RENTAL,LEASE,REPAIR & NON CAP		11,096.00
5800	PROF/CONS SERV & OPER EXPENSE	69,263.00	147,234.00
7310	TRANSFER OF INDIRECT COSTS		34,987.00
9790	UNASSIGNED/UNAPPROPRIATED	119,434.00	1,364.00
<b>Subfund Total:</b>		<b>277,000.00</b>	<b>277,338.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 12, 2013.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

The above transfer was approved on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy



# FOUNTAIN VALLEY SD

Reference #:

## Transfer of Funds

2014 18

It has been resolved to make the budget transfers as listed below per Education Code 42600.

### Fund: 1212 CHILD DEVELOPMENT

Object	Description	FROM	TO
2100	INSTRUCTIONAL AIDES' SALARIES		1,649.00
2400	CLERICAL & OFFICE SALARIES		825.00
3202	PERS-CLASSIFIED		283.00
3314	MEDICARE-CLASSIFIED		36.00
3356	OASDI-CLASSIFIED		153.00
3502	SUI-CLASSIFIED		1.00
3602	WORKERS'COMP-CLASSIFIED		53.00
4300	MATERIALS & SUPPLIES	6,229.00	4,540.00
4400	NONCAPITALIZATION EQUIPMENT	540.00	
4700	FOOD		6,780.00
5200	TRAVEL & CONFERENCES		6,300.00
5800	PROF/CONS SERV & OPER EXPENSE	589.00	968.00
9740	RESTRICTED BALANCE	14,230.00	
<b>Subfund Total:</b>		<b>21,588.00</b>	<b>21,588.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 12, 2013.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

The above transfer was approved on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy

# FOUNTAIN VALLEY SD

## Transfer of Funds

Reference #:  
2014 19

It has been resolved to make the budget transfers as listed below per Education Code 42600.

**Fund: 6769 INSURANCE HEALTH/WELFARE**

Object	Description	FROM	TO
3408	Health Ins. Abate.-Certificate		6,000.00
3409	Health Ins. Abate.-Classified		4,000.00
4300	MATERIALS & SUPPLIES	1,400.00	
5800	PROF/CONS SERV & OPER EXPENSE	25,625.00	530.00
5900	COMMUNICATIONS		700.00
9790	UNASSIGNED/UNAPPROPRIATED		15,795.00
<b>Subfund Total:</b>		<b>27,025.00</b>	<b>27,025.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 12, 2013.

AYES: \_\_\_\_\_  
 NOES: \_\_\_\_\_  
 ABSENT: \_\_\_\_\_

\_\_\_\_\_  
 Secretary, Board of Trustees

The above transfer was approved on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy



Fountain Valley School District

**RESOLUTION NUMBER 2014-17**

Resolution of the Board of Trustees of the Fountain Valley School District, pursuant to Education Code Section 35120, Board Compensation.

**BE IT RESOLVED**, that pursuant to Education Code Section 35120, Board Member Jeanne Galindo is entitled to be compensated for missing the Board meeting of November 14, 2013 due to illness. *Education Code 1090, 35120*

The foregoing Resolution was duly and regularly adopted by the Fountain Valley School District Board of Trustees at its meeting held on December 12, 2013 and received the following vote:

*PASSED AND ADOPTED By the Governing Board on December 12, 2013 by the following vote:*

Ayes: \_\_\_\_\_  
Nays: \_\_\_\_\_  
Abstentions: \_\_\_\_\_

**STATE OF CALIFORNIA** )  
 ) ss  
**COUNTY OF ORANGE** )

I, Judy Edwards, Clerk of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution passed and adopted by the Board at a regularly called and conducted meeting held on said date.

**WITNESSED** my hand this 12<sup>th</sup> day of December, 2013.

\_\_\_\_\_  
President of the Governing Board

*cf: Board Bylaw 9250*

Board meeting of December 12, 2013

SO 2013-14/B14-26  
Fountain Valley School District  
Superintendent's Office

MEMORANDUM

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
**SUBJECT: Biennial Review/Updated Conflict of Interest Code**  
DATE: December 5, 2013

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**Background:**

The Political Reform Act of 1974, Government Code Section 81000, requires that a local government agency adopt a Conflict of Interest Code. The Fountain Valley School District has previously adopted a Conflict of Interest Code and that Code now requires updating as a part of our district's biennial review. The District's Conflict of Interest Code is in compliance with the requirements of Government code Section 87302, but changes must be made to the District's Code to delete positions that have been change or dissolved and add any new positions.

**Recommendation:**

It is recommended that the Board of Trustees authorize submission of a revised Conflict of Interest Code to the Orange County Board of Supervisors, and that the Board of Trustees shall approve the revised Conflict of Interest Code in its 2013 biennial review of said Code.

/rl



## Conflict of Interest Code EXHIBIT A (Final Draft)

**Entity:** School Districts

**Agency:** Fountain Valley School District

Position	Disclosure Category	Files With	Status
Assistant Principal	OC-02	Agency	Unchanged
Assistant Superintendent	OC-01	Agency	Unchanged
Autism Specialist	OC-02	Agency	Added
<b>Reason:</b> Autism Specialist has filed in past but was not included in COI Code			
Board of Trustee	OC-01	COB	Unchanged
Consultant	OC-30	Agency	Unchanged
Director, Assessment and Accountability	OC-02	Agency	Renamed
<b>Reason:</b> Previously entered incorrectly as Director, Instruction			
Director, Child Care Program	OC-02	Agency	Unchanged
Director, Fiscal Services	OC-01	Agency	Unchanged
Director, Food Services	OC-02	Agency	Unchanged
Director, Human Resources	OC-02	Agency	Unchanged
Director, Support Services	OC-02	Agency	Unchanged
Personnel Commissioner	OC-02	Agency	Unchanged
Principal	OC-02	Agency	Unchanged
Program Specialist	OC-02	Agency	Added
<b>Reason:</b> Program Specialist has filed in the past but was not included in previous COI Code.			
Superintendent	OC-01	COB	Unchanged
Supervisor, Custodial/Energy Conservation Manager	OC-02	Agency	Unchanged
Supervisor, Grounds	OC-01	Agency	Unchanged
Supervisor, Information Technology	OC-02	Agency	Unchanged
Supervisor, Maintenance	OC-01	Agency	Unchanged
Supervisor, Transportation	OC-01	Agency	Unchanged

**Total: 20**



## Disclosure Descriptions EXHIBIT B (Final Draft)

**Entity:** School Districts

**Agency:** Fountain Valley School District

Disclosure Category	Disclosure Description	Status
OC-01	All interests in real property in Orange County, the authority or the District as applicable, as well as investments, business positions and sources of income (including gifts, loans and travel payments).	Unchanged
OC-02	All investments, business positions and sources of income (including gifts, loans and travel payments).	Unchanged
OC-30	Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The County Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.	Unchanged

**Total: 3**



## Master List of Agency Filers (Final Draft)

**Entity:** School Districts

**Agency:** Fountain Valley School District

Last Name	First Name	Middle Name	Position	Division	Category	Status
Collins	Ian		Board of Trustee		OC-01	Unchanged
Crandall	Sandra		Board of Trustee		OC-01	Unchanged
Ecker	Marc	A.	Superintendent		OC-01	Unchanged
Edwards	Judith	H.	Board of Trustee		OC-01	Unchanged
Files with Agency			Assistant Principal		OC-02	
Files with Agency			Assistant Superintendent		OC-01	
Files with Agency			Autism Specialist		OC-02	
Files with Agency			Consultant		OC-30	
Files with Agency			Director, Assessment and Accountability		OC-02	
Files with Agency			Director, Child Care Program		OC-02	
Files with Agency			Director, Fiscal Services		OC-01	
Files with Agency			Director, Food Services		OC-02	
Files with Agency			Director, Human Resources		OC-02	
Files with Agency			Director, Support Services		OC-02	
Files with Agency			Personnel Commissioner		OC-02	
Files with Agency			Principal		OC-02	
Files with Agency			Program Specialist		OC-02	
Files with Agency			Supervisor, Custodial/Energy Conservation Manager		OC-02	
Files with Agency			Supervisor, Grounds		OC-01	
Files with Agency			Supervisor, Information Technology		OC-02	



## Master List of Agency Filers (Final Draft)

Entity: School Districts

Agency: Fountain Valley School District

Last Name	First Name	Middle Name	Position	Division	Category	Status
Files with Agency			Supervisor, Maintenance		OC-01	
Files with Agency			Supervisor, Transportation		OC-01	
Galindo	Jeanne		Board of Trustee		OC-01	Unchanged
Templin	James		Board of Trustee		OC-01	Unchanged

Total: 24





## Conflict of Interest Code EXHIBIT A (Final Draft)

**Entity:** School Districts

**Agency:** Fountain Valley School District

Position	Disclosure Category	Files With
Assistant Principal	OC-02	Agency
Assistant Superintendent	OC-01	Agency
Autism Specialist	OC-02	Agency
Board of Trustee	OC-01	COB
Consultant	OC-30	Agency
Director, Assessment and Accountability	OC-02	Agency
Director, Child Care Program	OC-02	Agency
Director, Fiscal Services	OC-01	Agency
Director, Food Services	OC-02	Agency
Director, Human Resources	OC-02	Agency
Director, Support Services	OC-02	Agency
Personnel Commissioner	OC-02	Agency
Principal	OC-02	Agency
Program Specialist	OC-02	Agency
Superintendent	OC-01	COB
Supervisor, Custodial/Energy Conservation Manager	OC-02	Agency
Supervisor, Grounds	OC-01	Agency
Supervisor, Information Technology	OC-02	Agency
Supervisor, Maintenance	OC-01	Agency
Supervisor, Transportation	OC-01	Agency

**Total: 20**



## Disclosure Descriptions EXHIBIT B (Final Draft)

Entity: School Districts

Agency: Fountain Valley School District

Disclosure Category	Disclosure Description
OC-01	All interests in real property in Orange County, the authority or the District as applicable, as well as investments, business positions and sources of income (including gifts, loans and travel payments).
OC-02	All investments, business positions and sources of income (including gifts, loans and travel payments).
OC-30	Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The County Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.

**Total: 3**



## Master List of Agency Filers (Final Draft)

**Entity:** School Districts

**Agency:** Fountain Valley School District

Last Name	First Name	Middle Name	Position	Division	Category	Files With
Collins	Ian		Board of Trustee		OC-01	COB
Crandall	Sandra		Board of Trustee		OC-01	COB
Ecker	Marc	A.	Superintendent		OC-01	COB
Edwards	Judith	H.	Board of Trustee		OC-01	COB
Files with Agency			Assistant Principal		OC-02	Agency
Files with Agency			Assistant Superintendent		OC-01	Agency
Files with Agency			Autism Specialist		OC-02	Agency
Files with Agency			Consultant		OC-30	Agency
Files with Agency			Director, Assessment and Accountability		OC-02	Agency
Files with Agency			Director, Child Care Program		OC-02	Agency
Files with Agency			Director, Fiscal Services		OC-01	Agency
Files with Agency			Director, Food Services		OC-02	Agency
Files with Agency			Director, Human Resources		OC-02	Agency
Files with Agency			Director, Support Services		OC-02	Agency
Files with Agency			Personnel Commissioner		OC-02	Agency
Files with Agency			Principal		OC-02	Agency
Files with Agency			Program Specialist		OC-02	Agency
Files with Agency			Supervisor, Custodial/Energy Conservation Manager		OC-02	Agency
Files with Agency			Supervisor, Grounds		OC-01	Agency
Files with Agency			Supervisor, Information Technology		OC-02	Agency



## Master List of Agency Filers (Final Draft)

Entity: School Districts

Agency: Fountain Valley School District

Last Name	First Name	Middle Name	Position	Division	Category	Files With
Files with Agency			Supervisor, Maintenance		OC-01	Agency
Files with Agency			Supervisor, Transportation		OC-01	Agency
Galindo	Jeanne		Board of Trustee		OC-01	COB
Templin	James		Board of Trustee		OC-01	COB

**Total: 24**

FOUNTAIN VALLEY SCHOOL DISTRICT

**BUSINESS SERVICES DIVISION**

DFS/13-14 - 48

MEMORANDUM

To: Stephen McMahon Assistant Superintendent, Business Services  
From: Scott R. Martin, Director, Fiscal Services  
Date: December 3, 2013  
Subject: **APPROVAL of APPLE INC CONSENT FORM**

---

**BACKGROUND**

In 2004 the District entered into a purchase agreement with Apple Inc. for the purchase of Apple products. The District used a “piggyback” bid from the Glendale Unified School District. This agreement expired effective October 2013. A new agreement has been accepted by the Glendale Unified School District and is the same in all material respects.

The Glendale Unified bid may be used by schools districts throughout California by virtue of its “piggyback” clause (Public Contract Code 20118,20652) and may extend through 2018 by mutual consent of the District and Apple Inc. (Education Code 39644). The Fountain Valley School District would need only to sign a consent form provided by Apple Inc.

All documents have been reviewed by Orange County Department of Education’s legal counsel.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the attached consent form which will allow the District to continue ordering from Apple Inc. through use of a “piggyback” bid. It is further recommended that the Superintendent or his designee be authorized to sign all necessary forms and documents.

cl



**Piggyback Consent Form ("Consent Form") to the  
Education/State & Local Government Purchase Agreement  
and  
Professional Services Agreement  
between  
Glendale Unified School District and Apple Inc. ("Apple")**

Name of Institution: Address: City, State, Zip:	_____ _____ _____	Apple Inc. 1 Infinite Loop Cupertino, CA 95014
-------------------------------------------------------	-------------------------	------------------------------------------------------

Dear Purchaser,

After an initial review, we have determined that you do not have a contract with Apple; however, you are an eligible purchaser under the Agreements identified below and attached to this Consent Form.

Name of Agreements	Education/State & Local Government Purchase Agreement and Professional Services Agreement
Agreement Number	Education/State & Local Government Purchase Agreement: 12987
Agreement Number	Professional Services Agreement: 335142
Bid Number	P-13 13/14
Purchaser	
Date of Agreements	10/31/13

Apple may process your current and future purchase orders under these Agreements, provided that you execute this Consent Form. If for some reason the Agreements are not attached to this Consent Form, please immediately request them prior to executing this Consent Form. Apple advises Purchaser to review all the terms and conditions of the Agreements prior to executing this Consent Form.

By executing this Consent Form, Purchaser agrees to be bound by the terms and conditions of the Agreements. Subject to the total aggregate liability caps in the Education/State & Local Government Purchase Agreement and the Professional Services Agreement, Purchaser agrees that you are responsible and liable for any purchases you make under the Agreements and for any of your actions or inactions pursuant to the terms and conditions of the Agreements.

This Consent Form will terminate on the termination date of the Agreements. Apple may terminate this Consent Form without cause upon thirty (30) days' written notice to Purchaser. Apple also may terminate this Consent Form immediately upon written notice to Purchaser, if Purchaser breaches any terms and conditions of the Agreements or this Consent Form.

Please complete and execute this Consent Form and fax the completed and executed Consent Form to Apple at 866-784-4004. This Consent Form must be executed by an officer of your institution who is duly authorized to bind your institution to the terms and conditions of these Agreements. Please note that if we do not receive this Consent Form, any pending purchase order will not be processed.

If you have any questions or comments regarding this Consent Form, please email [austincontracts@apple.com](mailto:austincontracts@apple.com).

Regards,  
Sales Contracts Management  
Apple Inc.

**PURCHASER**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Date**



## Education/State & Local Government Purchase Agreement

This Education/State & Local Government Purchase Agreement is made between Apple Inc., a California corporation located at 1 Infinite Loop, Cupertino, CA 95014 ("Apple") and:  
Institution Legal Name ("Purchaser"): Glendale Unified School District

Institution DBA (if different from Legal Name): \_\_\_\_\_

Address: 223 North Jackson Street

City, ST, Zip: Glendale, CA 91206

### 1. Definitions

A. "Agreement" means, collectively, this Education/State & Local Government Purchase Agreement, any addenda or amendments hereto that reference this Education Purchase Agreement and that are mutually executed by the parties, and any terms that are incorporated herein by specific reference, excluding the terms of any purchase orders.

B. "Apple Products" mean Services, hardware and software products manufactured, distributed or licensed under the Apple brand name that Purchaser has paid to acquire or has properly licensed from Apple for its own use, but excluding third party software and all other third party products. Apple Product consisting of software is referred to as "Apple Software".

C. "Limited Warranty" means and is limited to Apple's standard limited warranty that is set forth in the documentation that accompanies an Apple Product purchased under this Agreement.

D. "Products" mean, collectively, Services, Apple Products and other products that are sold or licensed by Apple to Purchaser for Purchaser's own use.

E. "Services" mean, collectively, the standard, price-listed service, support and/or training products sold under the Apple Inc. brand name that Purchaser has paid to acquire.

### 2. Purchases from Apple

A. **Limited Billing Service Account.** Apple will provide Purchaser a limited billing service account to use when placing service orders such as Customer Installable Parts (CIPs) and mail-in or on-site repairs. Purchaser may be asked to submit a purchase order when placing a service order. Purchaser acknowledges that Apple does not provide service CIP or repair pricing on an Apple price list; Apple will quote current pricing to Purchaser prior to processing any purchase order, and Purchaser will have the option to either accept or decline the quoted prices. In the event Purchaser accepts the quoted pricing, Apple will process the purchase order under the terms of this Agreement; should Purchaser decline the quoted prices, Apple will not process the purchase order.

B. **Price.** Prices shall be as set forth on the applicable Apple price list in effect on the date Purchaser's order is accepted by Apple. Apple reserves the right to accept or decline any order, in whole or in part. Apple may cancel any accepted order prior to shipment. Unless Purchaser notifies Apple otherwise, Apple may make partial shipments of Purchaser's orders. Apple will not be liable for any failure to ship complete orders. Purchaser will be invoiced separately for each partial shipment and will pay each invoice when due, without regard to subsequent deliveries. Apple will allocate its available inventory and make deliveries (including partial shipments) in its sole discretion and without liability to Purchaser. Prices include standard freight and insurance

using an Apple-selected carrier. All applicable local sales or use taxes, duties and other imposts, if any, due on account of purchases hereunder shall be paid by Purchaser. Proof of tax exempt status must be on file at Apple's Support Center for any order to be treated as a tax-exempt transaction.

C. **Delivery.** Title and risk of loss to all Products will pass to Purchaser upon shipment from Apple's shipping location. For Products shipped pursuant to Apple's standard practices in all but the last week of every Apple fiscal quarter during the term of this Agreement, Apple will issue credits or replace Products returned due to damage in transit or that are lost in transit. For Products shipped pursuant to Apple's standard practices in the last week of every Apple fiscal quarter during the term of the Agreement, Apple will not issue credits or replace Products returned due to damage in transit or that are lost in transit. Instead, Apple will provide third-party insurance for damaged or lost Products with Purchaser named as the loss payee. When not shipping Products pursuant to Apple's standard practices but instead shipping via a carrier selected by Purchaser, Apple will not issue credits or replace Products returned due to damage in transit or that are lost in transit. Shipping charges for orders that are shipped under Purchaser's instructions will be added to Apple's invoice, or shipped freight collect, at Apple's option.

D. **Payment.** Purchaser shall be invoiced upon shipment of Products and, provided Purchaser is qualified for credit with Apple, payment of such invoice will be due no later than thirty (30) days from date of invoice. Apple will also charge for any fees due from Purchaser by regulation or statute, including, if applicable, fees due under the California Electronic Waste Recycling Act or similar statutes in other states. Apple reserves the right to change the Authorized Apple Price Lists and Purchaser's credit terms at any time. In addition to Apple's other rights in this Agreement, Apple reserves the right, without liability or obligation to Purchaser, to suspend deliveries in the event of a payment default.

### 3. Limited Warranty

A. The sole warranty for and Apple Product purchased hereunder shall be the Limited Warranty. Except for the Limited Warranty, all Apple Products are sold "as is" and without additional warranty or support from Apple.

B. All Products, other than Apple Products, are sold "as is" and without warranty or support from Apple, but may be accompanied by a manufacturer's warranty, as more particularly provided in the warranty documentation that accompanies such Products. Upon Purchaser's request, Apple will provide a copy of any manufacturer's warranty accompanying Products offered by Apple under this Agreement. Nothing in this Agreement shall be construed as obligating Apple to provide any warranty-related fulfillment or support for any Products, other than Apple Products.



C. EXCEPT FOR THE LIMITED WARRANTY, APPLE MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR SERVICES, AND TO THE MAXIMUM EXTENT PROVIDED BY LAW, APPLE HEREBY DISCLAIMS SUCH WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

APPLE PRODUCTS ARE NOT INTENDED OR SUITABLE FOR USE IN SITUATIONS OR ENVIRONMENTS WHERE THE FAILURE OR TIME DELAYS OF, OR ERRORS OR INACCURACIES IN, THE CONTENT, DATA OR INFORMATION PROVIDED BY APPLE PRODUCTS COULD LEAD TO DEATH, PERSONAL INJURY, OR SEVERE PHYSICAL OR ENVIRONMENTAL DAMAGE, INCLUDING WITHOUT LIMITATION THE OPERATION OF NUCLEAR FACILITIES, AIRCRAFT NAVIGATION OR COMMUNICATIONS SYSTEMS, AIR TRAFFIC CONTROL, LIFE SUPPORT OR WEAPONS SYSTEMS.

4. **Proprietary Rights.** Purchaser acknowledges that Products often contain not only hardware but also software, including but not limited to, operating systems and applications. Such software may be included in ROMs or other semiconductor chips embedded in hardware, or it may be contained separately on disks or on other media. Such software is proprietary, is copyrighted, and may also contain valuable trade secrets and is protected by patents. Purchaser, as an end user, is licensed to use any software contained in such Products, subject to the terms of the license accompanying the Products, if any, and the applicable patent, trademark, copyright, and other intellectual property, federal and state laws of the United States. Unless Purchaser has obtained Apple's prior written consent, Purchaser, in addition to any obligations or restrictions set forth in any license, which may accompany a Product, shall not copy the software. Purchaser shall not disassemble, decompile, reverse engineer, copy, modify, create derivative works thereof or otherwise change any of the software or its form.

5. **Right of Defense.**

A. Subject to the exceptions set forth below and Purchaser's compliance with the notice and defense conditions in Section 5.B below, Apple will defend any proceeding or action brought by a third party against Purchaser to the extent based on a claim that: (1) an Apple Product sold by Apple that Purchaser has paid to acquire infringes a U.S. patent, copyright, trademark or trade secret; or (2) personal injury or tangible property damage suffered by such third party was caused by Apple's gross negligence or willful misconduct during the course of Apple's performance of Services. Notwithstanding anything to the contrary, Apple is not liable for any claims or damages arising out of or related to: (a) any modification of any Apple Product(s), (b) any combination, operation or use of any Apple Product(s) with non-Apple branded Products or other non-Apple-provided programs, data or documentation, (c) Purchaser's violation of any import or export control requirements, regulations, and laws, (d) Purchaser's use or exportation of any Apple Product(s) into any countries identified on any U.S. Government embargoed countries list, (e) use of any Apple Software in a manner not authorized under the applicable Apple end user license agreement (the "EULA"), or (f) Purchaser's, its employees or subcontractors' negligence, acts or omissions. Subject to the foregoing exceptions, Apple's obligation to defend Purchaser against claims covered by 5.A(1) or 5.A(2) above is contingent on Purchaser's compliance with Section 5.B below. THE FOREGOING CONSTITUTES PURCHASER'S SOLE AND

EXCLUSIVE REMEDY AND APPLE'S ENTIRE LIABILITY FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT.

B. **Notice and Defense Conditions.** Purchaser shall promptly notify Apple, in writing, of any claim, demand, proceeding or suit of which Purchaser becomes aware which may give rise to a right of defense pursuant to this section 5 ("Claim"). Notice of any Claim that is a legal proceeding, by suit or otherwise, must be provided to Apple within thirty (30) days of Purchaser's first learning of such proceeding. Notice must be in writing and include an offer to tender the defense of the Claim to Apple. Apple, if it accepts such tender, may take over sole control of the defense of the Claim. That control includes the right to take any and all actions deemed appropriate by Apple to completely and finally resolve the Claim by settlement or compromise. Upon Apple's acceptance of tender, Purchaser will cooperate with Apple with respect to such defense and settlement. If a Claim is settled and to the extent permitted by law, both parties will not publicize the settlement and will make every effort to ensure the settlement agreement contains a non-disclosure provision.

C. In the event of any actual or potential Claim, Apple will be entitled (but not obligated), at its sole option, to: (1) procure for Purchaser the right to continue use of the applicable Apple Product(s), (2) replace the applicable Apple Product(s), (3) modify the applicable Apple Product(s), or (4) refund the amount paid by Purchaser to Apple for the applicable Apple Product, less depreciation.

6. **Limitation of Liabilities and Remedies.** Notwithstanding anything to the contrary, except to the extent prohibited by applicable law, the maximum aggregate liability of Apple for any and all claims and damages arising out of or related to this Agreement, whether arising in contract, warranty, tort, strict liability, statute or otherwise, shall be limited to three hundred thousand U.S. dollars (\$300,000). IN NO EVENT SHALL APPLE BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, CLAIMS FOR LOST BUSINESS PROFITS OR REVENUE, LOSS OF DATA, INTERRUPTION IN USE, UNAVAILABILITY OF DATA, OR THE COST OF THE PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES) OR FOR PUNITIVE OR EXEMPLARY DAMAGES, WHETHER AS A RESULT OR BREACH OF CONTRACT, WARRANTY, TORT, STRICT LIABILITY, STATUTE OR OTHERWISE. The remedies set forth in this Agreement shall be Purchaser's sole and exclusive remedies for any and all claims against Apple, its agents and subcontractors in connection with or related to this Agreement. The parties further agree that the liability cap set forth herein shall not be applied cumulatively or on a per claim basis and nothing shall be construed so as to enlarge that aggregate limit. THE PARTIES AGREE THAT THE ABOVE TERMS REPRESENT A FAIR ALLOCATION OF RISK BETWEEN THE PARTIES

WITHOUT WHICH THEY WOULD NOT HAVE ENTERED INTO THE AGREEMENT.

7. **Term and Termination**

A. **Term; Termination.** Unless terminated earlier as provided in this Agreement, the initial term of this Agreement shall be from the date Apple signs it until the following March 31; and unless either party provides written notice of non-renewal to the other party not less than thirty (30) days before the expiration of any then-current term, this Agreement shall automatically renew for additional one (1) year periods. Either party may terminate this Agreement without cause upon thirty (30) days prior written notice.





Either party may terminate this Agreement upon thirty (30) days prior written notice if the other party is in material breach of this Agreement and has failed to cure such breach within thirty (30) days of the date of such notice.

**B. Effect of Termination.** The parties agree that upon any notice of termination of this Agreement: (i) the due date of all Apple invoices shall be accelerated so that they become immediately due and payable; (ii) Apple may refuse all or part of any purchase orders received by Apple pursuant to this Agreement after the date of notice of termination; and (iii) Purchaser will cease placing new orders.

**C. Survival.** All defined terms and the following provisions shall survive any termination of this Agreement: Sections 1, 2.D, 3-4, 5.C, 6, 7.B, 7.C and 8.

**8. General**

**A. Governing Law.** If Purchaser is a public institution or agency, this Agreement will be governed and interpreted under the laws of the state in which Purchaser is located. If Purchaser is a private institution, this Agreement will be governed and interpreted under the laws of the State of California, without regard to its conflict of laws provisions (in the event that litigation commences, the parties agree that the venue shall be Santa Clara County, California).

**B. Severability.** If a court of competent jurisdiction holds that any provision of this Agreement is invalid or unenforceable, the remaining portions of this Agreement will remain in full force and effect, and the parties will replace the invalid or unenforceable provision with a valid and enforceable provision that achieves the original intent of the parties and economic effect of the Agreement.

**C. Waivers.** A party's waiver of any breach by the other party or failure to enforce a remedy will not be considered a waiver of subsequent breaches of the same or a different kind.

**D. Export Compliance.** This Agreement is subject to all laws, regulations, order or other limitations on the export and re-export of commodities, technical data and software. Purchaser agrees that it will not export, re-export, resell or transfer any export controlled commodity, technical data or software (1) in violation of such limitations imposed by the United States or any other appropriate nation government authority, or (2) to any country for which an export license

or other governmental approval is required at the time of export, without first obtaining all necessary licenses or other approvals, at Purchaser's sole cost and expense.

**E. Entire Agreement; Modifications.** This Agreement supersedes all previous agreements and representations of, between or on behalf of the parties concerning the subject matter. This Agreement contains all of Apple's and Purchaser's agreements, warranties, understandings, conditions, covenants, and representations concerning the subject matter. In the event of any conflict or inconsistency between the terms of this Agreement and any EULA, the terms of the EULA shall control solely as to the Apple Software covered by that EULA. Neither Apple nor Purchaser will be liable for any agreements, warranties, understandings, conditions, covenants, or representations not expressly set forth or referenced in this Agreement. Any different or additional provisions in purchase orders, invoices or similar documents issued by Purchaser at any time are hereby deemed refused by Apple and such refused provisions will be unenforceable. Except as otherwise provided in this Agreement, no modification to this Agreement will be binding unless in writing and signed by an authorized representative of each party.

**F. Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and shall have the same force and effect as an original but such counterparts together shall constitute one and the same instrument.

**G. Force Majeure.** Neither party shall be liable for any delay or failure to meet its obligations (except for Purchaser's payment obligations) under this Agreement due to circumstances beyond its reasonable control, including but not limited to war, riot, insurrection, civil commotion, epidemics, labor strikes or lockouts, shortages, factory or other labor conditions, fire, flood, earthquake or storm. Notwithstanding, this provision shall not be construed to relieve Purchaser of its obligations to make payments to Apple pursuant to this Agreement.

**H. Authority.** Purchaser represents and warrants that it has all right, power and authority under applicable law to enter into and perform this Agreement and that the person signing below has the requisite legal authority to bind Purchaser to the terms of this Agreement.

The duly authorized representatives of the parties execute this Agreement as of the Effective Date.

Purchaser  
SIGNATURE:   
PRINT NAME: Eva Rae Lueck  
TITLE: Chief Business & Financial Officer  
DATE: October 25, 2013

Apple Inc.  
SIGNATURE:   
PRINT NAME: DAVID NWAN  
TITLE: SR. CONTRACT MANAGER  
DEPT: NEW CONTRACTS  
EFFECTIVE DATE: 10/21/13



**Amendment to the Education/State & Local Government Purchase Agreement**

This Amendment to the Education/State & Local Government Purchase Agreement ("Amendment") modifies the Education/State & Local Government Purchase Agreement ("Agreement"), dated on or about October \_\_\_\_\_, 2013 between Apple Inc., a California corporation located at 1 Infinite Loop, Cupertino, CA 95014 ("Apple") and:

Company Name ("Purchaser"): Glendale Unified School District

Address: 223 North Jackson Street

City, ST, Zip: Glendale, CA 91206

This Amendment entered into by the above-named parties amends the Agreement as follows:

**1. Section 1, "Definitions"**

The following Section 1.F, "Additional Eligible Purchasers," is added to the Agreement:

"(i) Eligible Purchasers include Purchaser and any school districts and their public or private not-for-profit school systems, Boards of Education, state universities and colleges, and community, vocational and technical colleges, state, county or city agency or department (including fire departments and libraries), special district, port authority, municipality, township, or Indian reservation in the State that Purchaser is located. Products purchased shall be for each of the Eligible Purchaser's own use in its facilities in the United States or in connection with educational purposes and shall not be purchased for the purpose of resale to another entity or individual. Apple reserves complete discretion in making eligibility determinations.

(ii) The Purchaser shall be responsible and be liable only for purchases made directly by it on its own purchase orders and shall not be liable for any purchases made by or acts of any other Eligible Purchaser purchasing under this Agreement."

**2. Section 7.A, "Term and Termination"**

Section 7.A, "Term and Termination" is deleted in its entirety and replaced with the following:

"7.A. Term; Termination. Unless terminated earlier as provided in this Agreement, the initial term of this Agreement shall be from the date Apple signs it until the following October 15, 2014; and unless either party provides written notice of non-renewal to the other party not less than thirty (30) days before the expiration of any then-current term, this Agreement may be renewed by mutual written consent of the parties for four (4) additional one (1) year periods through October 15, 2018. Either party may terminate this Agreement without cause upon thirty (30) days prior written notice. Either party may terminate this Agreement upon thirty (30) days prior written notice if the other party is in material breach of this Agreement and has failed to cure such breach within thirty (30) days of the date of such notice."

Unless specifically changed by this Amendment, the terms and conditions of the Agreement remain in full force and effect and apply to all transactions contemplated by this Amendment. In the event of a conflict between the provisions of the Agreement and provisions of this Amendment, the provisions of this Amendment will prevail.

The duly authorized representatives of the parties execute this Amendment as of the dates set forth below.

Purchaser  
SIGNATURE: [Signature]  
PRINT NAME: Eva Rae Lueck  
TITLE: Chief Business & Financial Officer  
DATE: October 25, 2013

Apple Inc.  
SIGNATURE: [Signature]  
PRINT NAME: DAVID RYAN  
TITLE: Sr CONTRACTS MANAGER  
DEPT: Sales Contracts Management  
EFFECTIVE DATE: 10/31/13



## Apple Professional Services Agreement

This Apple Professional Services Agreement ("Agreement") is made between Apple Inc., a California corporation located at 1 Infinite Loop, Cupertino, CA 95014 ("Apple") and:

Company Name ("Customer"): Glendale Unified School District

Address: 223 North Jackson Street

City, ST, Zip: Glendale, CA 91206

### 1. Definitions

A. "Agreement" means collectively this Apple Professional Services Agreement, any exhibits, addendums, amendments or additions, and any documents or materials incorporated by reference.

B. "Confidential Information" means confidential information disclosed by either party to the other, including but not limited to the terms and conditions of this Agreement, any non-public information relating to the other party's research, development, proprietary technology, product and marketing plans, finances, personnel, business opportunities, and pricing, but not including information that becomes public knowledge except to the extent made public in violation of this Agreement.

C. "Services" means the information technology consulting services that Customer acquires from Apple, as identified in a SOW.

D. "Statement of Work" or "SOW" means a uniquely numbered document detailing the Services that Customer will acquire from Apple, substantially in the format attached hereto as Exhibit A.

### 2. Services

#### A. Statement of Work

This Agreement shall serve as a master agreement for the acquisition of Services from Apple to Customer. It is agreed that when Services are to be performed, the parties shall prepare and execute a SOW. All Services to be performed by Apple shall be documented in a SOW. Each SOW shall set forth, at a minimum, a description of the Services, the duration of the Services, and the fees for the Services. By referencing the number and date of this Agreement, each SOW shall incorporate all terms contained herein. Apple shall have the right to accept or decline any proposed SOW.

#### B. Delivery and Acceptance

Apple shall make reasonable efforts to provide Services on a timely basis, subject to availability of qualified personnel and the difficulty and scope of the Services. However, Apple shall not be liable for its failure to do so, nor will it be in breach of this Agreement solely by reason of such failure. Apple may reassign and substitute personnel at anytime and may provide the same or similar Services to other customers. Services supplied by Apple under this Agreement are provided to assist Customer. Customer, not Apple, will be responsible for determining objectives. Services shall be deemed accepted, on date of delivery or upon conclusion of any agreed acceptance period stated in the SOW, if the Services substantially conform to their description.

### 3. Compensation

#### A. Fees and Expenses

In consideration of Services performed, Customer agrees to pay Apple the fees and expenses specified in the applicable SOW. If no fee is specified, Customer agrees to pay Apple's then current fee rate for each hour of Service performed. Customer may specify in each SOW an authorized limit of fees and expenses for which it shall pay for Services performed, and Apple agrees not to incur additional fees and expenses beyond the limits specified without prior written approval from Customer.

#### B. Invoicing

Provided Customer is eligible for Apple's credit terms, fees and expenses shall be invoiced after Services are performed on a monthly basis unless otherwise specified in the SOW. Fees due for fraction of hours shall be rounded up to the nearest whole number. Any overdue amounts shall be subject to a finance charge at the rate of 1.5% per month commencing on the date such amount becomes overdue, or the highest rate permitted by applicable law, whichever is lower. Customer will pay any tax Apple becomes obligated to pay by virtue of this Agreement exclusive of taxes based on the net income of Apple. Payment of fees and expenses shall be due thirty (30) days from date of Apple's invoice.

4. **Confidentiality.** Neither party will use the other's Confidential Information except as required to achieve the objectives of this Agreement, or will disclose such Confidential Information except to employees, agents or contractors who have a need to know or as required by law. Neither party will make any disclosure or statement of Confidential Information in connection with this Agreement or its subject matter without the other's prior written consent or as required by law.

5. **Ownership.** Any ideas, concepts, inventions, know-how, data-processing techniques, software or documentation developed by Apple personnel (alone or jointly with Customer) in connection with Services provided to Customer ("Apple Information") will be the exclusive property of Apple, except to the extent that such items are a derivative of Customer's property. Apple grants Customer a non-exclusive, royalty-free, non-transferable (without right to sublicense) license to use the software or other proprietary rights in Services developed under this Agreement. Apple may provide Customer with specific, customized or unique suggestions or information as part of the Services developed by Apple, which suggestions or information do not have application to other customers of Apple ("Customer-Owned Information"). Apple will identify all Customer-Owned Information and furnish that information to Customer subject to the qualifications set forth in this Agreement, and Customer will own all of Apple's right, title and interest in the Customer-Owned Information.

6. **Warranty.** Except as expressly represented otherwise in this Agreement, and to the extent not prohibited by law, all Services provided by or on behalf of Apple to Customer under this Agreement are furnished on an "AS-IS" basis, without warranty of any kind, whether express, implied, statutory or otherwise especially as to quality, reliability, timeliness, usefulness, sufficiency and accuracy. ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ALL IMPLIED WARRANTIES OF CONDITION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE DISCLAIMED BY APPLE. NO ORAL OR WRITTEN INFORMATION PROVIDED BY APPLE SHALL CREATE A WARRANTY UNLESS INCORPORATED INTO THIS AGREEMENT.

7. **Limitation of Liability and Remedies.** IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT, STRICT LIABILITY, STATUTE OR OTHERWISE, SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES (INCLUDING LOST BUSINESS PROFITS, LOSS OF DATA, INTERRUPTION IN USE OR UNAVAILABILITY OF DATA) OR FOR PUNITIVE OR EXEMPLARY DAMAGES. IN THE EVENT THAT APPLE SHALL FAIL TO PROVIDE SERVICES IN ACCORDANCE WITH THIS AGREEMENT, APPLE'S



ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY SHALL BE FOR APPLE TO USE ITS REASONABLE EFFORTS TO REPERFORM THOSE SERVICES WITHIN A REASONABLE PERIOD OF TIME; PROVIDED, THAT IN THE EVENT APPLE IS UNABLE TO CORRECT ANY DEFAULT OR BREACH OF THIS AGREEMENT BY IT, APPLE MAY ELECT TO REFUND ALL PAYMENTS ACTUALLY RECEIVED BY IT FROM CUSTOMER FOR THE SERVICES IN QUESTION, IN FULL SATISFACTION OF APPLE'S OBLIGATIONS UNDER THIS AGREEMENT. THE SAID REPERFORMANCE OR REFUND SHALL CONSTITUTE APPLE'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR SUCH DEFAULT OR BREACH. IN NO EVENT SHALL THE AGGREGATE LIABILITY FOR DAMAGES OF APPLE, ITS EMPLOYEES OR AGENTS, EXCEED THE AMOUNTS CUSTOMER ACTUALLY PAID TO APPLE FOR THE SERVICES AT ISSUE UNDER THIS AGREEMENT. TO THE EXTENT NOT PROHIBITED BY LAW, THE LIMITATIONS IN THIS SECTION SHALL APPLY TO PERSONAL INJURY LIABILITY.

**8. Indemnification.** Apple will defend or settle any claim against Customer that a Service delivered under this Agreement (collectively referred to as "Deliverables") infringes a United States patent, utility model, industrial design, copyright, mask work or trademark, provided Customer (i) promptly notifies Apple in writing of the claim, and (ii) cooperates with Apple in and grants Apple sole authority to control the defense and any related settlement. Apple will pay the cost of such defense and settlement and any costs and damages finally awarded against Customer. If such a claim is made or appears likely to be made, Apple may procure the right for Customer to continue using the Deliverable(s), may modify the Deliverable(s), or may replace it. If a court enjoins use of the Deliverable(s) or Apple determines that none of these alternatives is reasonably available, Apple will take back the Deliverable(s) and refund its value. Apple is not liable for any claim of infringement arising from Apple's compliance with any designs, specifications or instructions of Customer, modification of the Deliverable(s) by Customer or a third party, or use of the Deliverable(s) in a way not specified by Apple. These terms state the entire liability of Apple for claims of infringement by Deliverables supplied by Apple.

#### **9. Term and Termination**

##### **A. Term**

Unless terminated earlier as provided in this Agreement, the initial term of this Agreement shall be from the date Apple signs it until March 31, 2011; and unless either party provides written notice to the contrary to the other party not less than thirty (30) days before the expiration of any renewal term, this Agreement shall be renewed for additional one (1) year periods.

##### **B. Termination**

(i) Termination of Agreement. Either party may terminate this Agreement without cause upon thirty (30) days prior written notice. Either party may terminate this Agreement immediately in the event the other is in material breach of this Agreement. In the event notice is given terminating this Agreement, the due date of all Apple invoices shall be accelerated so that they become due and payable as of the date of notice of termination.

(ii) Termination of a SOW. If Apple is not in default of any of its obligations under a SOW, and the performance of Services is stopped through any wrongful act or neglect of Customer, or Customer fails to make payment to Apple when due, Apple may give written notice to Customer of its intent to terminate performance under a SOW or a portion thereof, specifying the grounds thereof. If the Customer fails within ten (10) days to cure the act or neglect specified or to make the payment identified therein as past due, Apple may then terminate performance of Services and recover payment from the Customer for all Services performed prior to the termination date. The Customer may, for its sole convenience, cancel a SOW in whole or in part, by giving Apple ten (10) days written notice

of its intention to do so. In the event of such cancellation, Apple shall be entitled to recover for all Services performed prior to the effective termination, together with its reasonable extra costs incurred by reason of the cancellation.

##### **C. Termination for Cause**

Either party may terminate a SOW immediately if the other party has (i) failed to cure any breach of this Agreement and/or the SOW within thirty (30) days of written notice from the non-breaching party, (ii) breached the terms of the section entitled "Confidentiality", or (iii) become insolvent, makes a general assignment for the benefit of creditors or becomes subject to any proceeding under any bankruptcy or insolvency law.

##### **D. Survivorship**

Those sections that by their nature survive expiration or termination of this Agreement will survive expiration or termination.

#### **10. General**

##### **A. Governing Law; Venue; Limitation of Claims**

This Agreement will be governed and interpreted under the laws of the State of California, without regard to its conflict of laws provisions. In the event of any dispute or controversy between the parties to this Agreement, the parties shall try to resolve the dispute in a fair and reasonable way. To that end, the parties shall first attempt to resolve such dispute or controversy through one senior management member of each party. If the parties' senior management members are unable to resolve such dispute or controversy within sixty (60) days after the complaining party's written notice to the other party of such dispute or controversy, the parties shall further seek to resolve the dispute or controversy pursuant to non-binding mediation conducted in either Santa Clara County or San Francisco, California. Each party shall bear its own expenses in connection with the mediation, except that Apple shall pay the fees and expenses of the mediator. If the parties are unable to resolve the dispute or controversy within sixty (60) days after commencing mediation, either party may commence litigation in the state or federal courts in Santa Clara County, California (but only such courts). Notwithstanding the foregoing, each party shall have the right to seek equitable relief in order to protect any rights to confidentiality or intellectual property. The parties hereby waive any bond requirements for obtaining equitable relief. To the extent permitted by law, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER OR NOT RELATING TO OR ARISING OUT OF THIS AGREEMENT). ANY LITIGATION ARISING OUT OF ANY DISPUTE OR CONTROVERSY BETWEEN THE PARTIES TO THIS AGREEMENT MUST BE BROUGHT WITHIN ONE (1) YEAR FROM THE FIRST DATE SUCH ACTION COULD HAVE BEEN BROUGHT. IF A LONGER PERIOD IS PROVIDED BY STATUTE, THE PARTIES HEREBY EXPRESSLY WAIVE IT.

##### **B. Independent Contractor**

During performance of the Agreement, Apple shall be an independent contractor and not an agent of the Customer. Apple shall supervise the performance of its own services and shall have control of the manner and means by which the Services are performed, subject to compliance with the Agreement and any plans, specifications, schedules, or other items agreed to in a SOW.

##### **C. Non-Solicitation of Employees**

During the term of this Agreement, and for one (1) year thereafter, Customer shall not offer employment to, or employ, an employee or contractor of Apple directly involved in Services, or induce such employee or contractor to breach any employment agreement or services contract with Apple. This restriction shall not apply to a Customer making offers of employment through general public advertisements.

##### **D. Publicity**



In connection with Apple's promotion of its professional services, including but not limited to, referential listings of customers on its web site, Customer grants to Apple a worldwide non-exclusive royalty free license to publicly use Customer's name and trademark(s) in connection with informing others of Customer's utilization of such services. Apple agrees to make reasonable efforts to adhere to any trademark guidelines that Customer may wish Apple to adopt, as delivered in writing to Apple from time to time.

**E. Force Majeure**

Neither party shall be liable for any delay or failure to meet its obligations under this Agreement due to circumstances beyond its reasonable control, including but not limited to war, riot, insurrection, civil commotion, labor strikes or lockouts, shortages, factory or other labor conditions, fire, flood, earthquake or storm.

**F. Notices**

Any notice under this Agreement, must be in writing and will be deemed given upon the earlier of actual receipt or ten (10) days after being sent by first class mail, return receipt requested, to the address set forth below for Apple and to the address designated on this Agreement by Customer for receipt of notices, or as may be provided by the parties.

Apple Inc.  
Sales Contracts Management  
1 Infinite Loop, M/S 38-2CM  
Cupertino, CA 95014

Either party may give notice of its change of address for receipt of notices by giving notice in accordance with this section.

**G. Assignment**

Apple may use subcontractors to perform Services under this Agreement. Customer may not assign this Agreement without the written approval of Apple. Any attempt by Customer to assign without Apple's approval shall be deemed void.

**H. Severability**

The duly authorized representatives of the parties execute this Agreement as of the dates set forth below.

Customer

SIGNATURE:

PRINT NAME: Eva Rae Lueck

TITLE: Chief Business & Financial Officer

DATE: October 25, 2013

If any provision of this Agreement should be held to be unenforceable or invalid for any reason, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining provisions, and the parties will substitute for such provision an enforceable and valid provision, which most closely approximates the intent and economic effect of the unenforceable or invalid provision.

**I. Entire Agreement**

Apple and Customer acknowledge that this Agreement and any associated Statements of Work supersedes and extinguishes all previous agreements and representations of, between or on behalf of the parties with respect to its subject matter. This Agreement contains all of Apple's and Customer's agreements, warranties, understandings, conditions, covenants, and representations with respect to its subject matter. Neither Apple nor Customer will be liable for any agreements, warranties, understandings, conditions, covenants, or representations not expressly set forth or referenced in this Agreement. Apple is deemed to have refused any different or additional provisions in purchase orders, invoices or similar documents, unless Apple affirmatively accepts such provision in writing, and such refused provisions will be unenforceable.

**J. Modifications**

Except as otherwise provided in this Agreement, no modification to this Agreement will be binding unless in writing and signed by an authorized representative of each party.

**K. Customer's Responsibilities and Representations**

Customer shall provide Apple equipment, information, and facilities necessary to perform Services described in the SOW, unless agreed otherwise by the parties.

**L. Counterparts**

This Agreement may be executed in one or more counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and shall have the same force and effect as an original but such counterparts together shall constitute one and the same instrument.

Apple Inc.

SIGNATURE:

PRINT NAME: DAVID RYAN

TITLE: SALES CONTRACTS MANAGER

DEPT: Sales Contracts Management

EFFECTIVE DATE: 10/31/13



## Amendment to the Apple Professional Services Agreement

This Amendment to the Apple Professional Services Agreement ("Amendment") modifies the Apple Professional Services Agreement ("Agreement"), dated on or about October \_\_\_\_, 2013 between Apple Inc., a California corporation located at 1 Infinite Loop, Cupertino, CA 95014 ("Apple") and:

Company Name ("Customer"): Glendale Unified School District

Address: 223 North Jackson Street

City, ST, Zip: Glendale, CA 91206

This Amendment entered into by the above-named parties amends the Agreement as follows:

### 1. Section 1., "Definitions"

The following Section 1.E, "Additional Eligible Purchasers," is added to the Agreement:

"(i) Eligible Purchasers include Purchaser and any school districts and their public or private not-for-profit school systems, Boards of Education, state universities and colleges, and community, vocational and technical colleges, state, county or city agency or department (including fire departments and libraries), special district, port authority, municipality, township, or Indian reservation in the State that Purchaser is located. Products and Services purchased shall be for each of the Eligible Purchaser's own use in its facilities in the United States or in connection with educational purposes and shall not be purchased for the purpose of resale to another entity or individual. Apple reserves complete discretion in making eligibility determinations.

(ii) The Purchaser shall be responsible and be liable only for purchases made directly by it on its own purchase orders and shall not be liable for any purchases made by or acts of any other Eligible Purchaser purchasing under this Agreement."

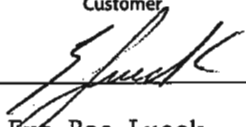
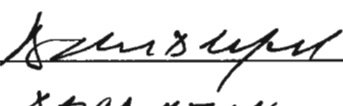
### 2. Section 9.A, "Term and Termination"

Section 9.A, "Term and Termination" is deleted in its entirety and replaced with the following:

"9.A. Term; Termination. Unless terminated earlier as provided in this Agreement, the initial term of this Agreement shall be from the date Apple signs it until the following October 15, 2014; and unless either party provides written notice of non-renewal to the other party not less than thirty (30) days before the expiration of any then-current term, this Agreement may be renewed by mutual written consent of the parties for four (4) additional one (1) year periods through October 15, 2018. Either party may terminate this Agreement without cause upon thirty (30) days prior written notice. Either party may terminate this Agreement upon thirty (30) days prior written notice if the other party is in material breach of this Agreement and has failed to cure such breach within thirty (30) days of the date of such notice."

Unless specifically changed by this Amendment, the terms and conditions of the Agreement remain in full force and effect and apply to all transactions contemplated by this Amendment. In the event of a conflict between the provisions of the Agreement and provisions of this Amendment, the provisions of this Amendment will prevail.

The duly authorized representatives of the parties execute this Amendment as of the dates set forth below.

Customer	Apple Inc.
SIGNATURE: <u></u>	SIGNATURE: <u></u>
PRINT NAME: <u>Eva Rae Lueck</u>	PRINT NAME: <u>DAVID N. TAN</u>
TITLE: <u>Chief Business &amp; Financial Officer</u>	TITLE: <u>SALES CONTRACTS MANAGER</u>
DATE: <u>October 25, 2013</u>	DEPT: <u>Sales Contracts Management</u>
	EFFECTIVE DATE: <u>10/31/13</u>



## **GLENDALE UNIFIED SCHOOL DISTRICT**

**223 North Jackson Street  
Glendale, CA 91206**

**BID NUMBER P-13 13/14**

**Apple Computer Products, Services, and Related Items**

<b>Issue Date:</b>	<b>August 22, 2013</b>	
<b>Mandatory Bidders Conference:</b>	<b>September 5, 2013</b>	<b>10:00 AM Sharp</b>
<b>Bid Submittal and Opening Date:</b>	<b>September 27, 2013</b>	<b>2:00 PM Sharp</b>

**GLENDALE UNIFIED SCHOOL DISTRICT  
BIDDERS PACKAGE**

**Bid Number – P-13 13/14**

**Apple Computer Products, Services, and Related Items**

**TABLE OF CONTENTS (BID DOCUMENTS):**

<u>DIVISION</u> Section	<u>TITLE</u>	<u>NO. OF PAGES</u>
<u>0100 BIDDING REQUIREMENTS</u>		
0100.1	NOTICE OF BID	1
0100.2	BIDDER INFORMATION	1
0100.3	NOTICE OF MANDATORY PRE-BID CONFERENCE	1
0100.4	BID OVERVIEW	1
0100.5	BID AWARD CONSIDERATIONS	1
0100.6	INFORMATION FOR BIDDERS	3
<u>0200 FORMS</u>		
0200.1	BID FORM (1)	1
0200.2	BID FORM (2)	1
0200.3	PIGGYBACK CLAUSE FORM (3)	1
0200.4	DEVIATIONS FORM (4)	1
0200.5	NON-COLLUSION DECLARATION (5)	1
0200.6	REFERENCE LIST	1
<u>0300 BID SPECIFICATIONS</u>		
0300.1	SPECIFICATIONS	7



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**0100 – BIDDING REQUIREMENTS**

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## NOTICE OF BID

**NOTICE IS HEREBY GIVEN** that the Glendale Unified School District (“District”) of Los Angeles County, California, acting by and through its Governing Board (“Board”), will receive up to, but not later than, **2:00 PM on September 27, 2013**, sealed bids for the procurement of the following:

### **Bid No. P-13 13/14 – Apple Computer Products, Services, and Related Items**

All bids shall be made and presented on a form furnished by the District. Bids shall be received in the office of the Procurement and Contract Services, Room 305, Glendale Unified School District, 223 North Jackson Street, Glendale, CA 91206, (818) 241-3111 ext. 477 and shall be opened and publicly read aloud at the above stated time and place.

Each bid must conform with and be responsive to the bid documents, copies of which are on file and may be obtained from the office of Procurement and Contract Services. Each bid shall be accompanied by the security and all forms referred to in the contract documents.

A **mandatory bidder conference** will be conducted on September 5, 2013 at 10:00 AM, beginning in Room 305 of the District Office address noted above. Vendors wishing to submit a bid to the District are required to attend. Arrive early! Parking may not be readily available!

Sealed bids must be delivered to the Glendale Unified School District, Procurement & Contract Services Department, 223 North Jackson Street, Room 305, Glendale, CA 91206 no later than 2:00 PM on September 27, 2013.

Companies interested in bidding should request appropriate bid documents from the Procurement & Contract Services Department, (818) 241-3111, ext. 477.

No bidder may withdraw their bid for a period of ninety (90) days after the date set for the opening of bids. **The District reserves the right to reject any and all bids or to waive irregularities in any bid.**

Refer to the formal bid documents and specifications for additional information, terms, and conditions.

The District is an “Equal Opportunity” employer. Qualified Disabled Veteran Business Enterprises (DVBE) are encouraged to participate in this project.

**Mike C. Lee**

Mike C. Lee, Controller, Business Services  
Glendale Unified School District, Glendale, Los Angeles County, California

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**Bidder Information – Bid No. P-13 13/14**  
**Apple Computer Products, Services, and Related Items**

1. Bid documents may be obtained at 223 North Jackson Street, Glendale, CA 91206, Room 305, (818) 241-3111 ext. 477.

2. The only legal publication used by the District is the *Glendale News Press*. We do not advertise in the Dodge Green Sheet, CMD, or any publication other than the Glendale News Press. We are not responsible for the accuracy of any information that we did not specifically authorize. If you have questions about what was printed in any publication other than those authorized by the District, please contact those publications directly.

3. All requests for clarification must be made in writing to Gilda Keshishyan, Purchasing Agent, Procurement & Contract Services, 223 N. Jackson Street, Glendale, CA 91206. Questions may be faxed to (818) 247-8254 or emailed to GKeshishyan@gusd.net.

All requests for pre-bid clarification must be submitted no later than September 23, 2013 at 2:00 PM.

4. The following items must be complete and included with your bid package:

a) Pages 21 - 31 of the "Forms".

5. All issued addenda must be acknowledged on Page 23 of the "Bid Forms". Failure to list all addenda will be grounds for rejection of your bid.

6. For purposes of the bid submittal, the time stamp clock in the Procurement & Contract Services Department, Room 305, of the Glendale Unified School District will be considered the official time.

7. Questions regarding the bid documents may be addressed to Gilda Keshishyan.  
Phone number: (818) 241-3111, ext. 477.

8. Sealed bids must be delivered to the Glendale Unified School District, Procurement and Contract Services Department, 223 North Jackson Street, Room 305, Glendale, CA 91206 no later than 2:00 PM on September 27, 2013.

9. Bids shall be written in ink or by typewriter before submission. Bids are to be verified, as they cannot be corrected after bids are opened.

10. Despite potential future financial consequences resulting from changes in the law, Vendor has indicated its willingness and commitment to provide such services to the District on the terms hereafter set forth in this Agreement.

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**BID NO. P-13 13/14**  
**CLOSING DATE – September 27, 2013**  
**TIME – 2:00 PM**

<p style="text-align: center;"><b>NOTICE OF MANDATORY PRE-BID CONFERENCE</b></p>
--------------------------------------------------------------------------------------

The District has scheduled a Mandatory Pre-Bid Conference to answer any questions and explain details regarding the bidding requirements and specifications. This conference will give bidding vendors the opportunity to fully acquaint themselves with the bid documents.

***Any vendor interested in bidding is required to attend this conference!***

Location: Room 305  
223 North Jackson Street  
Glendale, CA 91206

Date: September 5, 2013

Time: 10:00 AM Sharp. No One Admitted After This Time.

**Please note that parking at this location is limited! Plan to arrive early.**

Questions may be directed to Gilda Keshishyan, Purchasing Agent, Procurement & Contract Services,  
Glendale Unified School District, 223 N. Jackson Street, Glendale, CA, 91206.

Apple Computer Products, Services, and Related Items



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## BID OVERVIEW

It is anticipated that the Board of Education will award contract(s) for this bid at its regular meeting scheduled for October 15, 2013.

*Thank You for your interest!*

Mike C. Lee  
Controller, Business Services, Glendale Unified School District  
223 N. Jackson Street, Glendale, CA, 91206

## BID AWARD CONSIDERATIONS

Pursuant to Section 20103.8 of the California Public Contracts Code, the following method, as indicated by a check mark in the box associated with the statement, shall be used to determine the order of bidders, from lowest to highest. Please note that this method is used to calculate the bids and does not address issues of responsiveness or responsibility:

- The lowest bid shall be the lowest bid price on the base contract without consideration of the prices on the additive or deductive items.**
- The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation as being used for the purpose of determining the lowest bid.**
- The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items taken in order from a specifically identified list of those items, depending upon available funds as identified in the solicitation.**
- The lowest bid shall be determined in a manner that prevents any information that would identify any of the bidders from being revealed to the public entity before ranking of all bidders from lowest to highest has been determined.**

When no box is marked, the default value of the bid award shall be the lowest bid price on the base contract only, without consideration of the prices on the additive or deductive items.

Apple Computer Products, Services, and Related Items

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## **INFORMATION FOR BIDDERS**

### **1. PREPARATION OF BID FORM**

The District invites bids on the forms attached to be submitted at such time and place as it stated in the Notice to Bid. All blanks in the bid form must be appropriately completed. All bids shall be submitted in sealed envelopes bearing on the outside the name of the bidder, bidders address, the bid number, and the name of the project for which the bid is submitted. It is the sole responsibility of the bidder to see that their bid is received no later than the time stated. Any bid received after the scheduled closing time for receipt of bids will be returned to the bidder unopened.

### **2. ERRORS AND CORRECTIONS**

No erasures permitted. Mistakes may be crossed out and corrections made adjacent but must be initialed in ink by person signing bid. Verify your bids before submission as they cannot be withdrawn or corrected after being opened, or withdrawn specified time period has elapsed.

### **3. SUBSTITUTIONS AND SAMPLES**

All items bid must conform to the specifications set forth in these bid documents. The District reserves the right to reject all bids that do not conform to the specifications. When bidding on brands other than those specified, the Bidder must state on the bid the brand, quality, model number, or other trade designation on each item bid other than "as specified". See the attached documents for requirements regarding samples and/or detailed specification sheets. At a minimum, descriptive technical literature fully describing the claimed "or equal" product must be attached to the bid. Suitability and valuation of "equals" rests in the sole discretion of the District. Where samples are requested they must be furnished free. Samples will be returned at bidder's expense provided a request accompanies the samples and provided further that samples are not destroyed by tests.

### **4. SALES TAX**

Do not include California State Sales or Use Taxes in unit prices. This tax will be added and paid for by the District. Do not include or add Federal Excise Tax as the District is exempt.

### **5. BID SUBMITTAL TIME**

For purposes of the bid submittal, the time stamp clock in the Procurement & Contract Services Department, Room 305, of the Glendale Unified School District will be considered the official time.

### **6. ACCEPTANCE OF BIDS**

The District reserves the right to reject any or all bids, or to waive any irregularities or informalities in any bids or in the bidding process.

### **7. BID SIGNATURES**

All bids must show the firm name and must be signed by a responsible officer or employee fully authorized to bind the organization to the terms and conditions herein. Obligations assumed by such signature must be fulfilled.

## **8. CANCELLATION FOR INSUFFICIENT OR NON-APPROPRIATED FUNDS**

The bidder hereby agrees and acknowledges that monies utilized by the District to purchase the items bid is public money appropriated by the State of California or acquired by the District from similar public sources and is subject to variation. The District fully reserves the right to cancel this bid at any time and/or to limit quantities of items due to non-availability or non-appropriation of sufficient funds.

## **9. REQUIRED DELIVERY DATES (RDD)**

Actual delivery of the equipment or services shall be coordinated with the District. Upon award of bid, supplier shall keep sufficient stocks of product and service material to insure prompt delivery and service schedules. There shall be no minimum quantities required in order for the District to place orders for needed items. **Bid all items F. O. B., Destination.**

## **10. ORDERING PROCEDURES**

A Purchase Order will be issued for each order. Vendors will be required to itemize all costs incurred for each order according purchase order.

## **11. EVALUATION AND AWARD OF BID**

The award of Bid, if made by the District, will be made by individual line item or groups of line items to the lowest-priced responsible bidder (for each item or group) who is fully responsive to the terms of this solicitation. The District may consider prompt payment discounts (only terms of 2%/20 days or better will be considered) in determining lowest net cost.

## **12. BIDDER'S PAST PERFORMANCE**

A Bidder may be ruled "Non-Responsible" based upon Bidder's unacceptable past performance with the District. Unacceptable performance may include, but not be limited to constant: late/non deliveries, partial deliveries, delivery of wrong materials, products not meeting specifications, providing incorrect prices, invoicing problems, servicing problems, defaulted by other governmental agency/school district, etc.

## **13. PRICING**

The pricing structure for this bid is based on the current government and educational price list for Apple Computer Corporation products which is published several times each year. In the event of a general price decrease the District reserves the right to revoke the bid award unless the decrease is passed on to the District. Prices shall be as set forth on the applicable Apple price list in effect on the date District's order is accepted by Apple.

## **14. MULTI-YEAR EXTENSIONS**

Pursuant to Education Code, Sections 17596 and 81644, this bid may be extended (by mutual consent expressed in writing) for four (4) additional one year increments (total potential bid life of five (5) years from Board of Education award).

## **15. NO MINIMUM OR MAXIMUM QUANTITIES, ORDER CHARGES, OR LIMITATIONS UPON NUMBER OF ORDERS**

Bidders shall not specify minimum or maximum quantities or charges for specific order types. Unlimited orders shall be allowed to the awarding district at prices quoted.

**16. ANTI-DISCRIMINATION**

It is the policy of the District that in connection with all work performed, there be no discrimination against any prospective or active employee engaged in the work because of race, color, ancestry, national origin, religious creed, sex, age, sexual orientation, or marital status. The Vendor agrees to comply with applicable Federal and California laws including, but not limited to, the California Fair Employment and Housing Act, beginning with Government Code Section 12900, and Labor Code Section 1735.

**17. STANDARD COMMERCIAL USE (Products Only)**

The vendor, whether manufacturer, supplier, distributor or retailer, hereby certifies that the products offered under this bid have been placed in regular commercial use for a period of at least three (3) years and that adequate spare parts exist in the marketplace for the items sold. Submit all requests for deviations to this clause as an "or equal" deviation.

**18. NO SMOKING**

Smoking is not permitted on any District property. All vendors and their employees shall adhere to this regulation.

**19. ERASURES**

The bid submitted must not contain any erasures, interlineations, or other corrections unless such correction is suitably authenticated by affixing in the margin immediately opposite the correction the initials or surnames of the persons signing the bid.

**20. WITHDRAWAL OF BIDS**

Any bidder may withdraw his bid either personally by written request or by telegraphic request at any time prior to the scheduled closing time for the receipt of bids.

**21. MATERIAL SAFETY DATA SHEETS**

The Supplier shall submit to Glendale Unified School District Material Safety Data Sheets, upon receipt of goods, if applicable for items awarded hereunder.

**22. TECHNOLOGY CLAUSE**

As technology advances, it is understood that improved or enhanced products may supersede existing products in both price and performance and yet be essentially similar. This request for bids seeks to address the rapid advances in technology by allowing functionally similar or identical products that may be introduced in the future, during the term of this bid, to be included under the general umbrella of compatible product lines and are thus specifically included in this bid document.

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**0200 – FORMS**



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# FORMS

ALL FORMS IN THIS SECTION MUST BE SUBMITTED IN THEIR ENTIRETY WITH APPROPRIATE SIGNATURES AND INFORMATION. ANY OMISSIONS ARE GROUNDS FOR BIDS TO BE DECLARED “NON-RESPONSIVE” AND INCOMPLETE.

## **FORMS Section Content**

Bid Form (1)  
Bid Form (2)  
Piggyback Clause Form (3)  
Deviations Form (4)  
Non-Collusion Declaration (5)  
Reference List

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## BID FORM (1)

Bid Number: **P-13 13/14 – Apple Computer Products, Services, and Related Items**  
Closing Date: **September 27, 2013**  
Time: **2:00 PM**

**Please fill out the price for each item listed in the specifications of this bid to the right of the item.**

The undersigned hereby proposes and agrees to furnish and deliver the goods or services as quoted in accordance with the terms, conditions, specifications, and prices herein quoted. Bid is subject to cash discount of \_\_\_\_\_ % \_\_\_\_\_ days.

Notice of acceptance or request for additional information should be addressed to the undersigned at the address stated below.

**Please sign and date this page:**

**Vendor Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Authorized Agent (Signature):** \_\_\_\_\_

**Authorized Agent (Print):** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Authorized Agent (Title):** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City, State, Zip Code:** \_\_\_\_\_

**Fax Number:** \_\_\_\_\_ **E-Mail:** \_\_\_\_\_

This form must be completed and submitted with your bid package.

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## BID FORM (2)

**Bid No. P-13 13/14 – Apple Computer Products, Services, and Related Items**

**Closing Date and Time – September 27, 2013, 2:00 PM**

**TO: Glendale Unified School District**, acting by and through its Governing Board, herein called “**District**”:

1. Pursuant to, and in compliance with your Notice for Bids and the other documents relating thereto, the undersigned bidder, having familiarized themselves with the terms of the contract, the local conditions affecting the performance of the contract and the cost of the work at the place where the work is to be done, and with the contract documents, specifications, addendum, and all other related documents, hereby proposes and agrees to perform, within the time stipulated, the contract, including all of its component parts, and everything required to be performed, and to provide and furnish any and all of the labor, materials, tools, expendable equipment and all utility and transportation services necessary to perform the contract and the work required in connection with Bid Number P-13 13/14 all in strict conformity with the specifications and other contract documents, including all noted addenda numbers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ on file in the office of the Administrator, Business Services for the District.
2. It is understood that the District reserves the right to reject this bid and that this bid shall remain open and not be withdrawn for the period specified in the **Notice of Bid**.
3. It is understood and agreed that if written notice of the acceptance of this bid is mailed, telegraphed, or delivered to the undersigned after the opening of the bid, and within the time this bid is required to remain open, or at any time thereafter before this bid is withdrawn, the undersigned will execute and deliver to the District a Contract Agreement in the form attached hereto in accordance with the bid as accepted within five (5) days after receipt of notification of award, and that the work under the contract shall be commenced by the undersigned bidder, if awarded the contract, on the date to be stated in the District’s Notice to the Vendor to Proceed, and shall be completed by the Vendor in the time specified in the contract documents.
4. The names of all persons interested in the foregoing proposal as principals are as follows:

\_\_\_\_\_  
\_\_\_\_\_

**Note:** If bidder is a corporation, the legal name of the corporation shall be set forth above together with the signature of authorized officers or agents and the document shall bear the corporate seal; if bidder is a partnership, the true name of the firm shall be set forth above together with the signature of the partner or partners authorized to sign contracts on behalf of the partnership, if bidder is an individual, his signature shall be placed above.

This form must be completed and submitted with your bid package.

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**PIGGYBACK CLAUSE FORM (3)**

**Bid No. P-13 13/14 – Apple Computer Products, Services, and Related Items**

For the term of the agreement and any mutually agreed extensions pursuant to this request for bids, **at the option of the vendor**, other school districts and community college districts, any public corporation or agency, including any county, city, town or public corporation or agency within the State of California, may purchase, or lease-purchase, the identical item(s) at the same price and upon the same terms and conditions pursuant to sections 20118 (K-12) and 20652 (Community Colleges) of the Public Contract Code.

The Glendale Unified School District waives its right to require such other districts and offices to draw their warrants in the favor of the District as provided in said Code sections.

**Acceptance or rejection of this clause will not affect the outcome of this bid.**

Piggyback option granted \_\_\_\_\_ (Please initial)

Piggyback option not granted \_\_\_\_\_

<p><b><u>Exclusions:</u></b></p>
----------------------------------

**Specifications and/or bid sheets are attached.**

This form must be completed and submitted with your bid package.



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## NON-COLLUSION DECLARATION (5)

The undersigned declares:

I am the \_\_\_\_\_ of \_\_\_\_\_, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_[date], at \_\_\_\_\_[city], \_\_\_\_\_[state].

\_\_\_\_\_  
Signature

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

**Bid No. P-13 13/14 – Apple Computer Products, Services, and Related Items**

This form must be completed and submitted with your bid package.

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## Reference List

**Bid No. P-13 13/14 – Apple Computer Products, Services, and Related Items**

**Vendor Name:** \_\_\_\_\_

**Bid No.: P-13 13/14**

Owner:
Contact:
Phone number:
Description of Goods or Services:

Owner:
Contact:
Phone number:
Description of Goods or Services:

Owner:
Contact:
Phone number:
Description of Goods or Services:

Owner:
Contact:
Phone number:
Description of Goods or Services:

Owner:
Contact:
Phone number:
Description of Goods or Services:

This form must be completed and submitted with your bid package.

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**0300 - BID SPECIFICATIONS**

Bid No. P-13 13/14

Apple Computer Products, Services, and Related Items



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# P R O P O S A L



Apple Computer Products, Services,  
and Related Items  
Bid Number P-13 13/14



Submitted By  
**Apple Inc.**  
September 27, 2013



September 25, 2013

Glendale Unified School District  
Procurement Contract Services  
Mike C. Lee, Controller  
223 North Jackson Street  
Glendale, CA 91206

Dear Mr. Lee,

Thank you for the opportunity to respond to Glendale's Bid Number P-13 13/14 for Apple Computer Products, Services and Related Items. Apple's response is attached.

It's been over 30 years since Apple first entered classrooms and campuses, launching a revolution in teaching and learning. The revolution endures today as Apple continues to transform the education landscape with highly mobile technologies such as iPad 2, the App Store, podcasting, and iTunes U. Apple's digital learning solutions are specifically designed to spark curiosity, creativity, and participation in today's 21st-century "digital kids" and their teachers. We look forward to integrating these engaging, innovative solutions into your learning environment.

Please send bids and award notices to:

Apple Inc.  
Bids Management  
12545 Riata Vista Circle, MS 198-9BID  
Austin, TX 78727  
Fax 512-532-0866  
[bids@apple.com](mailto:bids@apple.com)

Please contact me with any questions about Apple's bid response.

Sincerely,

A handwritten signature in black ink that reads "Karen Darr".

Karen Darr  
Sr. Project Manager  
Apple Inc.  
512-674-8754  
[bids@apple.com](mailto:bids@apple.com)



# Table of Contents

<b>COMPLETED BID FORMS .....</b>	<b>1</b>
Bid Form (1) .....	2
Bid Form (2) .....	3
Piggyback Clause Form (3) .....	4
Deviations Form (4) .....	5
Non-Collusion Declaration (5).....	6
Reference List.....	7
<b>COMPLETE PRICING FORMS .....</b>	<b>8</b>
Accessories.....	9
Hardware.....	11
<b>TERMS OF AGREEMENT .....</b>	<b>13</b>
Additional Contractual Documents.....	13



## Completed Bid Forms

The following completed forms and included in this section of Apple's response.

- Bid Form (1)
- Bid Form (2)
- Piggyback Clause Form (3)
- Deviations Form (4)
- Non-Collusion Declaration (5)
- Reference List

## BID FORM (1)

Bid Number: **P-13 13/14 – Apple Computer Products, Services, and Related Items**  
Closing Date: **September 27, 2013**  
Time: **2:00 PM**

**Please fill out the price for each item listed in the specifications of this bid to the right of the item.**

The undersigned hereby proposes and agrees to furnish and deliver the goods or services as quoted in accordance with the terms, conditions,\* specifications, and prices herein quoted. Bid is subject to cash discount of       N/A       %       N/A       days.

Notice of acceptance or request for additional information should be addressed to the undersigned at the address stated below.

### Please sign and date this page:

Vendor Name: Apple Inc. Date: 9/25/2013

Authorized Agent (Signature): Vanessa Boenig

Authorized Agent (Print): Vanessa Boenig Phone: 800-800-2775

Authorized Agent (Title): Manager, Austin Bids and Contracts

Street Address: 12545 Riata Vista Circle, MS 198-9BID

City, State, Zip Code: Austin, TX 78727

Fax Number: 512-532-0866 E-Mail: bids@apple.com

This form must be completed and submitted with your bid package.

\* as amended by Apple's bid response

**BID FORM (2)**

**Bid No. P-13 13/14 – Apple Computer Products, Services, and Related Items**


**Closing Date and Time – September 27, 2013, 2:00 PM**

**TO: Glendale Unified School District, acting by and through its Governing Board, herein called “District”:**

1. Pursuant to, and in compliance with your Notice for Bids and the other documents relating thereto, the undersigned bidder, having familiarized themselves with the terms of the contract, the local conditions affecting the performance of the contract and the cost of the work at the place where the work is to be done, and with the contract documents, specifications, addendum, and all other related documents, hereby proposes and agrees to perform, within the time stipulated, the contract, including all of its component parts, and everything required to be performed, and to provide and furnish any and all of the labor, materials, tools, expendable equipment and all utility and transportation services necessary to perform the contract and the work required in connection with Bid Number P-13 13/14 all in ~~strict~~ conformity with the specifications and other contract documents ~~including~~ all noted addenda numbers 1, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ on file in the office of the Administrator, Business Services for the District.
2. It is understood that the District reserves the right to reject this bid and that this bid shall remain open and not be withdrawn for the period specified in the **Notice of Bid** ~~★~~
3. It is understood and agreed that if written notice of the acceptance of this bid is mailed, telegraphed, or delivered to the undersigned after the opening of the bid, and within the time this bid is required to remain open, or at any time thereafter before this bid is withdrawn, the undersigned will execute and deliver to the District a Contract Agreement in the form attached hereto in accordance with the bid as accepted ~~within five (5) days~~ after receipt of notification of award, and that the work under the contract shall be commenced by the undersigned bidder, if awarded the contract, on the date to be stated in the District’s Notice to the Vendor to Proceed, and shall be completed by the Vendor in the time specified in the contract documents.
4. The names of all persons interested in the foregoing proposal as principals are as follows:

A. SOON AS  
COMMERCIALY  
REASONABLE

APPLE INC.  
\_\_\_\_\_

  
Christina M. Quezada

~~Contract Operations Manager~~ SEP 12 2013

**Note:** If bidder is a corporation, the legal name of the corporation shall be set forth above together with the signature of authorized officers or agents and the document shall bear the corporate seal; if bidder is a partnership, the true name of the firm shall be set forth above together with the signature of the partner or partners authorized to sign contracts on behalf of the partnership, if bidder is an individual, his signature shall be placed above.

★ AS AMENDED BY  
APPLE'S BID RESPONSE.

This form must be completed and submitted with your bid package.







## NON-COLLUSION DECLARATION (5)

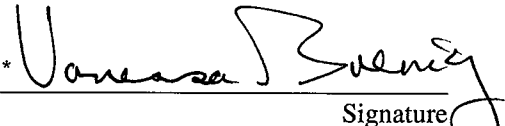
The undersigned declares:

I am the Manager of Austin Bids & Contracts, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 9/25/2013 [date], at Austin [city], Texas [state].

  
\_\_\_\_\_  
Signature

Vanessa Boenig  
\_\_\_\_\_

Print Name

\* to the best of my knowledge and belief

**Bid No. P-13 13/14 – Apple Computer Products, Services, and Related Items**

This form must be completed and submitted with your bid package.

## Reference List

**Bid No. P-13 13/14 – Apple Computer Products, Services, and Related Items**

**Vendor Name:** Apple, Inc.

**Bid No.: P-13 13/14**

<b>Owner:</b> El Monte Union High School District
<b>Contact:</b> Cathi Eredia
<b>Phone number:</b> 626-258-4582
<b>Description of Goods or Services:</b> Apple, Inc. computer hardware, software, iPads and peripherals.

<b>Owner:</b> Norwalk Unified School District
<b>Contact:</b> Tim Scholefield
<b>Phone number:</b> 562-868-0431 ext. 2139
<b>Description of Goods or Services:</b> Apple, Inc. computer hardware, software, iPads and peripherals.

<b>Owner:</b> Oxnard Union Elementary School District
<b>Contact:</b> Dan Kubilos
<b>Phone number:</b> 805-297-7041
<b>Description of Goods or Services:</b> Apple, Inc. computer hardware, software, iPads and peripherals.

<b>Owner:</b> Monrovia Unified School District
<b>Contact:</b> Jason Buchanan
<b>Phone number:</b> 626-471-2015
<b>Description of Goods or Services:</b> Apple, Inc. computer hardware, software, iPads and other peripherals.

<b>Owner:</b> Coast Unified School District
<b>Contact:</b> Henry Danielson
<b>Phone number:</b> 805-927-3880
<b>Description of Goods or Services:</b> Apple, Inc. computer hardware, software, iPads and other peripherals.

This form must be completed and submitted with your bid package.



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Completed Pricing Forms

**Displays:**

Product	Screen	Code	Price
Apple Thunderbolt Display	27"	MC914LL/B	
Apple Cinema Display	27"	MC007LL/A	

Prices shall be as set forth on the applicable Apple price list in effect on the date Purchaser's order is accepted by Apple. Please refer to the link below for Apple's Price List. For additional pricing information, please refer to Section 2B of the Enclosed Apple Education/State and Local Government Purchase Agreement. <http://apple.com/education/store>

**Desktop Accessories:**

Product	NA1	Code	Price
Apple Keyboard		MB110LL/B	
Apple Wireless Keyboard		MC184LL/B	
Apple Mouse		MB112LL/B	
Apple Magic Mouse		MB829LL/A	
Magic Trackpad		MC380LL/A	
Apple Remote		MC377LL/A	

**Notebook Accessories:**

Product	NA1	Code	Price
Power Adapter 85W (15"MBP) MagSafe 1		MC556LL/B	
Power Adapter 60W (13"MBP) MagSafe 1		MC461LL/A	
Power Adapter 45W (MacBook Air) MagSafe 1		MC747LL/A	

Power Adapter 85W (15"MBP) MagSafe 2	MD506LL/A
Power Adapter 60W (13"MBP) MagSafe 2	MD565LL/A
Power Adapter 45W (MacBook Air) MagSafe 2	MD592LL/A
MagSafe 1 to MagSafe2 Adapter	MD504ZM/A
Mini Displayport/Thunderbolt to VGA Adapter	MB572Z/B
Mini Displayport/Thunderbolt to DVI Adapter	MB570Z/B
Mini Displayport/Thunderbolt to Dual-DVI	MB571Z/A
Thunderbolt to Ethernet Adapter	MD463ZM/A

**Mobile Accessories/Cables:**

Product	NA1	Code	Price
iPod/iPad/iPhone Lightning Cable		MD818ZM/A	
iPod/iPhone Charger (5W)		MD810LL/A	
iPad Charger (12W)		MD836LL/A	
Lightning to 30-pin Adapter		MD823ZM/A	
Lightning to 30-pin Cable (0.2M)		MD824ZM/A	
Lightning to VGA Adapter		MD826ZM/A	
Lightning Digital AV Adapter		MD825ZM/A	
<b>Prices Should Not include AppleCare</b>			

Prices shall be as set forth on the applicable Apple price list in effect on the date Purchaser's order is accepted by Apple. Please refer to the link below for Apple's Price List. For additional pricing information, please refer to Section 2B of the Enclosed Apple Education/State and Local Government Purchase Agreement.

<http://apple.com/education/store>

**Mac Minis:**

Product	Clock	Processor	Memory	HDD	OS	Code	Price
iMac Mini	2.5	Dual-Core i5	4Gb	500Gb 7200RPM	10.8	BH916LL/A	
iMac Mini	2.3	Quad-Core i7	4Gb	1TB 7200RPM	10.8	BH917LL/A	
iMac Mini (Server)	2.3	Quad-Core i7	4Gb	2x1TB 7200RPM	10.8 + Server	BH918LL/A	

**iMacs:**

Product	Clock	Processor	Memory	HDD	Screen Size	Code	Price
iMac	3.3	Dual-Core i	4Gb	500Gb	21.5"	BJ286LL/A	
iMac	2.7	Quad-Core i5	8Gb	1TB 5400RPM	21.5"	BH714LL/A	
iMac	2.9	Quad-Core i5	8Gb	1TB 5400RPM	21.5"	BH715LL/A	
iMac	2.9	Quad-Core i5	8Gb	1TB 7200RPM	27"	BH716LL/A	
iMac	3.2	Quad-Core i5	8Gb	1TB 7200RPM	27"	BH717LL/A	

**MacBook Pros:**

Product	Clock	Processor	Memory	HDD	Screen Size	Code	Price
Macbook Pro	2.5	Dual-Core i5	4Gb	500GB 5400RPM	13.3"	BH619LL/A	
Macbook Pro 5-pack	2.5	Dual-Core i5	4Gb	500GB 5400RPM	13.3"	BH625LL/A	
Macbook Pro	2.9	Dual-Core i7	8Gb	750GB 5400RPM	13.3"	BH618LL/A	
Macbook Pro	2.3	Quad-Core i7	4Gb	500GB 5400RPM	15.4"	BH620LL/A	
Macbook Pro with Retina Display	2.5	Dual-Core i5	8Gb	128GB Flash (SSD)	13.3"	BJ075LL/A	
Macbook Pro with Retina Display	2.6	Dual-core i5	8Gb	256GB Flash (SSD)	13.3"	BJ248LL/A	
Macbook Pro with Retina Display	2.4	Quad-Core i7	8Gb	256GB Flash (SSD)	15.4"	BJ250LL/A	
Macbook Pro with Retina Display	2.7	Quad-Core i7	16Gb	512GB Flash (SSD)	15.4"	BJ251LL/A	

**Mac Pros:**

Product	Clock	Processor	Memory	HDD	Graphics	Code	Price
Mac Pro		3.2 Quad-Core	6Gb	1TB 7200RPM	AMD 5770	BH597LL/A	
Mac Pro		2.4 12-Core	12Gb	1TB 7200RPM	AMD 5770	BH599LL/A	
Mac Pro Server		3.2 Quad-Core	8Gb	2x1TB 7200RPM	AMD 5770	BH600LL/A	

Prices Should include AppleCare



\* Prices shall be as set forth on the applicable Apple price list in effect on the date Purchaser's order is accepted by Apple. Please refer to the link below for Apple's Price List. For additional pricing information, please refer to Section 2B of the Enclosed Apple Education/State and Local Government Purchase Agreement.

<http://apple.com/education/store>

Product	Capacity	NA1	NA2	NA3	Code (Black)	Code (White)	Price
iPad (4th Generation) Wi-Fi	16				MD510LL/A	MD513LL/A	
iPad (4th Generation) Wi-Fi	32				MD511LL/A	MD514LL/A	
iPad (4th Generation) Wi-Fi	64				MD512LL/A	MD515LL/A	
iPad (4th Generation) Wi-Fi	128				ME392LL/A	ME393LL/A	
iPad (4th Generation) Verizon	16				MD522LL/A	MD525LL/A	
iPad (4th Generation) Verizon	32				MD523LL/A	MD526LL/A	
iPad (4th Generation) Verizon	64				MD524LL/A	MD527LL/A	
iPad (4th Generation) Verizon	128				ME406LL/A	ME407LL/A	
iPad Mini Wi-Fi	16				MD528LL/A	MD531LL/A	
iPad Mini Wi-Fi	32				MD529LL/A	MD532LL/A	
iPad Mini Wi-Fi	64				MD530LL/A	MD533LL/A	
iPad Mini Verizon	16				MD540LL/A	MD543LL/A	
iPad Mini Verizon	32				MD541LL/A	MD544LL/A	
iPad Mini Verizon	64				MD542LL/A	MD545LL/A	

**iPods:**

Product	Capacity	Code (Silver)	Code (Blue)	Code (Slate)	Code (Pink)	Code (Yellow)	Price
iPod Touch (5th Generation)	16	ME643LL/A	N/A	N/A	N/A	N/A	
iPod Touch (5th Generation)	32	MD720LL/A	MD717LL/A	MD723LL/A	MC903LL/A	MD714LL/A	
iPod Touch (5th Generation)	64	MD721LL/A	MD718LL/A	MD724LL/A	MC904LL/A	MD715LL/A	

**Apple TVs:**

Product	NA1	NA2	NA3	NA4	NA5	Code	Price
Apple TV						MD199LL/A	

**Mac Minis:**

Product	Clock	Processor	Memory	HDD	OS	Code	Price
Mac Mini		2.5 Dual-Core i5	4Gb	500Gb 7200RPM	10.8	MD387LL/A	
Mac Mini		2.3 Quad-Core i7	4Gb	1TB 7200RPM	10.8	MD388LL/A	
Mac Mini (Server)		2.3 Quad-Core i7	4Gb	2x1TB 7200RPM	10.8 + Server	MD389LL/A	

**iMacs:**

Product	Clock	Processor	Memory	HDD	Screen Size	Code	Price
iMac		3.3 Dual-Core i	4Gb	500GB	21.5"	ME699LL/A	
iMac		2.7 Quad-Core i5	8Gb	1TB 5400RPM	21.5"	MD093LL/A	
iMac		2.9 Quad-Core i5	8Gb	1TB 5400RPM	21.5"	MD094LL/A	
iMac		2.9 Quad-Core i5	8Gb	1TB 7200RPM	27"	MD095LL/A	
iMac		3.2 Quad-Core i5	8Gb	1TB 7200RPM	27"	MD096LL/A	

**MacBook Pros:**

Product	Clock	Processor	Memory	HDD	Screen Size	Code	Price
Macbook Pro		2.5 Dual-Core i5	4Gb	500GB 5400RPM	13.3"	MD101LL/A	
Macbook Pro 5-pack		2.5 Dual-Core i5	4Gb	500GB 5400RPM	13.3"	BH624LL/A	
Macbook Pro		2.9 Dual-Core i7	8Gb	750GB 5400RPM	13.3"	MD102LL/A	
Macbook Pro		2.3 Quad-Core i7	4Gb	500GB 5400RPM	15.4"	MD103LL/A	

Macbook Pro with Retina Display	2.5 Dual-Core i5	8Gb	128GB Flash (SSD) 13.3"	MD212LL/A			
Macbook Pro with Retina Display	2.6 Dual-core i5	8Gb	256GB Flash (SSD) 13.3"	ME662LL/A			
Macbook Pro with Retina Display	2.4 Quad-Core i7	8Gb	256GB Flash (SSD) 15.4"	ME664LL/A			
Macbook Pro with Retina Display	2.7 Quad-Core i7	16Gb	512GB Flash (SSD) 15.4"	ME665LL/A			
<b>Mac Pros:</b>							
Product	Clock	Processor	Memory	HDD	Graphics	Code	Price
Mac Pro		3.2 Quad-Core	6Gb	1TB 7200RPM	AMD 5770	MD770LL/A	
Mac Pro		2.4 12-Core	12Gb	1TB 7200RPM	AMD 5770	MD771LL/A	
Mac Pro Server		3.2 Quad-Core	8Gb	2x1TB 7200RPM	AMD 5770	MD772LL/A	

Prices Should Not include AppleCare



## Terms of Agreement

For the purposes of Apple Inc.'s response to this Bid, the terms below will be defined as follows:

**"Terms of Agreement":** Collectively, any and all documents, agreements, contracts, exceptions, and clarifications referred to in the Terms and Conditions Summary below

**"Bid":** Glendale USD's Bid for Apple Computer Products, Services, and Related Items

**"Proposal":** The entirety of Apple's response to Glendale USD's Bid for Apple Computer Products, Services, and Related Items.

**"Apple":** Apple Inc.

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## Terms and Conditions Summary

Apple agrees to furnish products and services to Glendale USD in accordance with the terms and conditions of the documents listed below. In the event of a conflict among these documents, the following order of precedence shall apply:

1. The Apple Education/State & Local Government Purchase Agreement;
2. The Apple Professional Services Agreement;
3. Apple's Terms of Agreement, including Exceptions and Clarifications;
4. Microsoft Office Agent Authorization Letter Agreement in the event Apple is engaged to provide imaging;
5. In the event Glendale USD request samples, Apple's Hardware Loan Agreement which can be found at <http://seed.apple.com/docs/hlatemplate.pdf>; and,
6. Glendale USD's Bid.

The terms and conditions of Apple's Proposal and these Terms of Agreement collectively represent the terms and conditions that will govern Glendale USD's purchases as a result of bid award. With the exception of the provisions included in these Terms of Agreement, the Bid shall have no force or effect on such purchases.

Apple's submission of this Proposal does not constitute Apple's acceptance of all terms and conditions of the Bid. Instead, Apple's submission of this Proposal is in strict compliance with these Terms of Agreement.

The submission of a purchase order to Apple for the products and/or services offered in this Proposal shall constitute full and binding acceptance of the Proposal and these Terms of Agreement. Apple will accept purchase order(s) provided, however, that the sole purpose of such purchase order(s) shall be to provide information needed to complete the order process and the preprinted terms of such purchase order(s) shall be of no force or effect.

Apple's Proposal is valid for 30 days from the date of submission.

Please note that all products sold by Apple are subject to availability. Apple makes every effort to deliver orders in a timely manner, but cannot be held liable for or guarantee delivery dates.

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### Exceptions and Clarifications

Words/phrases in **bold** are to be added; those ~~stricken through~~ are to be deleted.

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**Provision:** Page 13, 8. Cancellation For Insufficient Or Non-Appropriated Fund. Entire provision.

**Response:** Apple accepts this provision with the requirement that Glendale USD shall promptly notify Apple of insufficient funds as soon as practical in order to minimize work done and/or services provided for which there is no funding.

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**Provision:** Page 14, 9. Required Delivery Dates (RDD). Entire provision.

**Response:** Apple accepts this provision provided the following change is made: Actual delivery of the equipment or services shall be coordinated with the District. Upon award of bid, supplier shall keep sufficient stocks of product and service material to insure prompt delivery and services schedules. There shall be no minimum quantities required in order for the District to place orders for needed items. Bid all items F. O. B. ~~Destination.~~ **Origin.**

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**Provision:** Page 15, 22. Technology Clause. As technology advances, it is understood that improved or enhanced products may supersede existing products in both price and performance and yet be essentially similar. This request for bids seeks to address the rapid advances in technology by allowing functionally similar or identical products that may be introduced in the future, during the term of this bid, to be included under the general umbrella of compatible product lines and are thus specifically included in this bid document.

**Response:** Apple accepts this provision with the following assumption: In addition to functionally similar or identical products, any new product categories shall also be available for purchase as soon as they are listed on the then current authorized Apple Price List.

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## Additional Contractual Documents

- Education/State and Local Government Purchase Agreement
- Apple Professional Services Agreement
- Piggyback Amendment
- Piggyback Consent Form
- Microsoft Office Agent



## Education/State & Local Government Purchase Agreement

This Education/State & Local Government Purchase Agreement is made between Apple Inc., a California corporation located at 1 Infinite Loop, Cupertino, CA 95014 ("Apple") and:  
Institution Legal Name ("Purchaser"): \_\_\_\_\_

Institution DBA (if different from Legal Name): \_\_\_\_\_

Address: \_\_\_\_\_

City, ST, Zip: \_\_\_\_\_

### 1. Definitions

**A. "Agreement"** means, collectively, this Education/State & Local Government Purchase Agreement, any addenda or amendments hereto that reference this Education Purchase Agreement and that are mutually executed by the parties, and any terms that are incorporated herein by specific reference, excluding the terms of any purchase orders.

**B. "Apple Products"** mean Services, hardware and software products manufactured, distributed or licensed under the Apple brand name that Purchaser has paid to acquire or has properly licensed from Apple for its own use, but excluding third party software and all other third party products. Apple Product consisting of software is referred to as "Apple Software".

**C. "Limited Warranty"** means and is limited to Apple's standard limited warranty that is set forth in the documentation that accompanies an Apple Product purchased under this Agreement.

**D. "Products"** mean, collectively, Services, Apple Products and other products that are sold or licensed by Apple to Purchaser for Purchaser's own use.

**E. "Services"** mean, collectively, the standard, price-listed service, support and/or training products sold under the Apple Inc. brand name that Purchaser has paid to acquire.

### 2. Purchases from Apple

**A. Limited Billing Service Account.** Apple will provide Purchaser a limited billing service account to use when placing service orders such as Customer Installable Parts (CIPs) and mail-in or on-site repairs. Purchaser may be asked to submit a purchase order when placing a service order. Purchaser acknowledges that Apple does not provide service CIP or repair pricing on an Apple price list; Apple will quote current pricing to Purchaser prior to processing any purchase order, and Purchaser will have the option to either accept or decline the quoted prices. In the event Purchaser accepts the quoted pricing, Apple will process the purchase order under the terms of this Agreement; should Purchaser decline the quoted prices, Apple will not process the purchase order.

**B. Price.** Prices shall be as set forth on the applicable Apple price list in effect on the date Purchaser's order is accepted by Apple. Apple reserves the right to accept or decline any order, in whole or in part. Apple may cancel any accepted order prior to shipment. Unless Purchaser notifies Apple otherwise, Apple may make partial shipments of Purchaser's orders. Apple will not be liable for any failure to ship complete orders. Purchaser will be invoiced separately for each partial shipment and will pay each invoice when due, without regard to subsequent deliveries. Apple will allocate its available inventory and make deliveries (including partial shipments) in its sole discretion and without liability to Purchaser. Prices include standard freight and insurance

using an Apple-selected carrier. All applicable local sales or use taxes, duties and other imposts, if any, due on account of purchases hereunder shall be paid by Purchaser. Proof of tax exempt status must be on file at Apple's Support Center for any order to be treated as a tax-exempt transaction.

**C. Delivery.** Title and risk of loss to all Products will pass to Purchaser upon shipment from Apple's shipping location. For Products shipped pursuant to Apple's standard practices in all but the last week of every Apple fiscal quarter during the term of this Agreement, Apple will issue credits or replace Products returned due to damage in transit or that are lost in transit. For Products shipped pursuant to Apple's standard practices in the last week of every Apple fiscal quarter during the term of the Agreement, Apple will not issue credits or replace Products returned due to damage in transit or that are lost in transit. Instead, Apple will provide third-party insurance for damaged or lost Products with Purchaser named as the loss payee. When not shipping Products pursuant to Apple's standard practices but instead shipping via a carrier selected by Purchaser, Apple will not issue credits or replace Products returned due to damage in transit or that are lost in transit. Shipping charges for orders that are shipped under Purchaser's instructions will be added to Apple's invoice, or shipped freight collect, at Apple's option.

**D. Payment.** Purchaser shall be invoiced upon shipment of Products and, provided Purchaser is qualified for credit with Apple, payment of such invoice will be due no later than thirty (30) days from date of invoice. Apple will also charge for any fees due from Purchaser by regulation or statute, including, if applicable, fees due under the California Electronic Waste Recycling Act or similar statutes in other states. Apple reserves the right to change the Authorized Apple Price Lists and Purchaser's credit terms at any time. In addition to Apple's other rights in this Agreement, Apple reserves the right, without liability or obligation to Purchaser, to suspend deliveries in the event of a payment default.

### 3. Limited Warranty

**A.** The sole warranty for and Apple Product purchased hereunder shall be the Limited Warranty. Except for the Limited Warranty, all Apple Products are sold "as is" and without additional warranty or support from Apple.

**B.** All Products, other than Apple Products, are sold "as is" and without warranty or support from Apple, but may be accompanied by a manufacturer's warranty, as more particularly provided in the warranty documentation that accompanies such Products. Upon Purchaser's request, Apple will provide a copy of any manufacturer's warranty accompanying Products offered by Apple under this Agreement. Nothing in this Agreement shall be construed as obligating Apple to provide any warranty-related fulfillment or support for any Products, other than Apple Products.



C. EXCEPT FOR THE LIMITED WARRANTY, APPLE MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR SERVICES, AND TO THE MAXIMUM EXTENT PROVIDED BY LAW, APPLE HEREBY DISCLAIMS SUCH WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

APPLE PRODUCTS ARE NOT INTENDED OR SUITABLE FOR USE IN SITUATIONS OR ENVIRONMENTS WHERE THE FAILURE OR TIME DELAYS OF, OR ERRORS OR INACCURACIES IN, THE CONTENT, DATA OR INFORMATION PROVIDED BY APPLE PRODUCTS COULD LEAD TO DEATH, PERSONAL INJURY, OR SEVERE PHYSICAL OR ENVIRONMENTAL DAMAGE, INCLUDING WITHOUT LIMITATION THE OPERATION OF NUCLEAR FACILITIES, AIRCRAFT NAVIGATION OR COMMUNICATIONS SYSTEMS, AIR TRAFFIC CONTROL, LIFE SUPPORT OR WEAPONS SYSTEMS.

**4. Proprietary Rights.** Purchaser acknowledges that Products often contain not only hardware but also software, including but not limited to, operating systems and applications. Such software may be included in ROMs or other semiconductor chips embedded in hardware, or it may be contained separately on disks or on other media. Such software is proprietary, is copyrighted, and may also contain valuable trade secrets and is protected by patents. Purchaser, as an end user, is licensed to use any software contained in such Products, subject to the terms of the license accompanying the Products, if any, and the applicable patent, trademark, copyright, and other intellectual property, federal and state laws of the United States. Unless Purchaser has obtained Apple's prior written consent, Purchaser, in addition to any obligations or restrictions set forth in any license, which may accompany a Product, shall not copy the software. Purchaser shall not disassemble, decompile, reverse engineer, copy, modify, create derivative works thereof or otherwise change any of the software or its form.

#### **5. Right of Defense.**

A. Subject to the exceptions set forth below and Purchaser's compliance with the notice and defense conditions in Section 5.B below, Apple will defend any proceeding or action brought by a third party against Purchaser to the extent based on a claim that: (1) an Apple Product sold by Apple that Purchaser has paid to acquire infringes a U.S. patent, copyright, trademark or trade secret; or (2) personal injury or tangible property damage suffered by such third party was caused by Apple's gross negligence or willful misconduct during the course of Apple's performance of Services. Notwithstanding anything to the contrary, Apple is not liable for any claims or damages arising out of or related to: (a) any modification of any Apple Product(s), (b) any combination, operation or use of any Apple Product(s) with non-Apple branded Products or other non-Apple-provided programs, data or documentation, (c) Purchaser's violation of any import or export control requirements, regulations, and laws, (d) Purchaser's use or exportation of any Apple Product(s) into any countries identified on any U.S. Government embargoed countries list, (e) use of any Apple Software in a manner not authorized under the applicable Apple end user license agreement (the "EULA"), or (f) Purchaser's, its employees or subcontractors' negligence, acts or omissions. Subject to the foregoing exceptions, Apple's obligation to defend Purchaser against claims covered by 5.A(1) or 5.A(2) above is contingent on Purchaser's compliance with Section 5.B below. THE FOREGOING CONSTITUTES PURCHASER'S SOLE AND

EXCLUSIVE REMEDY AND APPLE'S ENTIRE LIABILITY FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT.

**B. Notice and Defense Conditions.** Purchaser shall promptly notify Apple, in writing, of any claim, demand, proceeding or suit of which Purchaser becomes aware which may give rise to a right of defense pursuant to this section 5 ("Claim"). Notice of any Claim that is a legal proceeding, by suit or otherwise, must be provided to Apple within thirty (30) days of Purchaser's first learning of such proceeding. Notice must be in writing and include an offer to tender the defense of the Claim to Apple. Apple, if it accepts such tender, may take over sole control of the defense of the Claim. That control includes the right to take any and all actions deemed appropriate by Apple to completely and finally resolve the Claim by settlement or compromise. Upon Apple's acceptance of tender, Purchaser will cooperate with Apple with respect to such defense and settlement. If a Claim is settled and to the extent permitted by law, both parties will not publicize the settlement and will make every effort to ensure the settlement agreement contains a non-disclosure provision.

C. In the event of any actual or potential Claim, Apple will be entitled (but not obligated), at its sole option, to: (1) procure for Purchaser the right to continue use of the applicable Apple Product(s), (2) replace the applicable Apple Product(s), (3) modify the applicable Apple Product(s), or (4) refund the amount paid by Purchaser to Apple for the applicable Apple Product, less depreciation.

**6. Limitation of Liabilities and Remedies.** Notwithstanding anything to the contrary, except to the extent prohibited by applicable law, the maximum aggregate liability of Apple for any and all claims and damages arising out of or related to this Agreement, whether arising in contract, warranty, tort, strict liability, statute or otherwise, shall be limited to three hundred thousand U.S. dollars (\$300,000). IN NO EVENT SHALL APPLE BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, CLAIMS FOR LOST BUSINESS PROFITS OR REVENUE, LOSS OF DATA, INTERRUPTION IN USE, UNAVAILABILITY OF DATA, OR THE COST OF THE PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES) OR FOR PUNITIVE OR EXEMPLARY DAMAGES, WHETHER AS A RESULT OR BREACH OF CONTRACT, WARRANTY, TORT, STRICT LIABILITY, STATUTE OR OTHERWISE. The remedies set forth in this Agreement shall be Purchaser's sole and exclusive remedies for any and all claims against Apple, its agents and subcontractors in connection with or related to this Agreement. The parties further agree that the liability cap set forth herein shall not be applied cumulatively or on a per claim basis and nothing shall be construed so as to enlarge that aggregate limit. THE PARTIES AGREE THAT THE ABOVE TERMS REPRESENT A FAIR ALLOCATION OF RISK BETWEEN THE PARTIES

WITHOUT WHICH THEY WOULD NOT HAVE ENTERED INTO THE AGREEMENT.

#### **7. Term and Termination**

**A. Term; Termination.** Unless terminated earlier as provided in this Agreement, the initial term of this Agreement shall be from the date Apple signs it until the following March 31; and unless either party provides written notice of non-renewal to the other party not less than thirty (30) days before the expiration of any then-current term, this Agreement shall automatically renew for additional one (1) year periods. Either party may terminate this Agreement without cause upon thirty (30) days prior written notice.





Either party may terminate this Agreement upon thirty (30) days prior written notice if the other party is in material breach of this Agreement and has failed to cure such breach within thirty (30) days of the date of such notice.

or other governmental approval is required at the time of export, without first obtaining all necessary licenses or other approvals, at Purchaser's sole cost and expense.

**B. Effect of Termination.** The parties agree that upon any notice of termination of this Agreement: (i) the due date of all Apple invoices shall be accelerated so that they become immediately due and payable; (ii) Apple may refuse all or part of any purchase orders received by Apple pursuant to this Agreement after the date of notice of termination; and (iii) Purchaser will cease placing new orders.

**E. Entire Agreement; Modifications.** This Agreement supersedes all previous agreements and representations of, between or on behalf of the parties concerning the subject matter. This Agreement contains all of Apple's and Purchaser's agreements, warranties, understandings, conditions, covenants, and representations concerning the subject matter. In the event of any conflict or inconsistency between the terms of this Agreement and any EULA, the terms of the EULA shall control solely as to the Apple Software covered by that EULA. Neither Apple nor Purchaser will be liable for any agreements, warranties, understandings, conditions, covenants, or representations not expressly set forth or referenced in this Agreement. Any different or additional provisions in purchase orders, invoices or similar documents issued by Purchaser at any time are hereby deemed refused by Apple and such refused provisions will be unenforceable. Except as otherwise provided in this Agreement, no modification to this Agreement will be binding unless in writing and signed by an authorized representative of each party.

**C. Survival.** All defined terms and the following provisions shall survive any termination of this Agreement: Sections 1, 2.D, 3-4, 5.C, 6, 7.B, 7.C and 8.

**8. General**

**A. Governing Law.** If Purchaser is a public institution or agency, this Agreement will be governed and interpreted under the laws of the state in which Purchaser is located. If Purchaser is a private institution, this Agreement will be governed and interpreted under the laws of the State of California, without regard to its conflict of laws provisions (in the event that litigation commences, the parties agree that the venue shall be Santa Clara County, California).

**F. Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and shall have the same force and effect as an original but such counterparts together shall constitute one and the same instrument.

**B. Severability.** If a court of competent jurisdiction holds that any provision of this Agreement is invalid or unenforceable, the remaining portions of this Agreement will remain in full force and effect, and the parties will replace the invalid or unenforceable provision with a valid and enforceable provision that achieves the original intent of the parties and economic effect of the Agreement.

**G. Force Majeure.** Neither party shall be liable for any delay or failure to meet its obligations (except for Purchaser's payment obligations) under this Agreement due to circumstances beyond its reasonable control, including but not limited to war, riot, insurrection, civil commotion, epidemics, labor strikes or lockouts, shortages, factory or other labor conditions, fire, flood, earthquake or storm. Notwithstanding, this provision shall not be construed to relieve Purchaser of its obligations to make payments to Apple pursuant to this Agreement.

**C. Waivers.** A party's waiver of any breach by the other party or failure to enforce a remedy will not be considered a waiver of subsequent breaches of the same or a different kind.

**H. Authority.** Purchaser represents and warrants that it has all right, power and authority under applicable law to enter into and perform this Agreement and that the person signing below has the requisite legal authority to bind Purchaser to the terms of this Agreement.

**D. Export Compliance.** This Agreement is subject to all laws, regulations, order or other limitations on the export and re-export of commodities, technical data and software. Purchaser agrees that it will not export, re-export, resell or transfer any export controlled commodity, technical data or software (1) in violation of such limitations imposed by the United States or any other appropriate nation government authority, or (2) to any country for which an export license

The duly authorized representatives of the parties execute this Agreement as of the Effective Date.

Purchaser

Apple Inc.

SIGNATURE:

SIGNATURE:

PRINT NAME:

PRINT NAME:

TITLE:

TITLE:

DATE:

DEPT:

EFFECTIVE DATE:



## Apple Professional Services Agreement

This Apple Professional Services Agreement ("Agreement") is made between Apple Inc., a California corporation located at 1 Infinite Loop, Cupertino, CA 95014 ("Apple") and:

Company Name ("Customer"): \_\_\_\_\_

Address: \_\_\_\_\_

City, ST, Zip: \_\_\_\_\_

### 1. Definitions

A. "Agreement" means collectively this Apple Professional Services Agreement, any exhibits, addendums, amendments or additions, and any documents or materials incorporated by reference.

B. "Confidential Information" means confidential information disclosed by either party to the other, including but not limited to the terms and conditions of this Agreement, any non-public information relating to the other party's research, development, proprietary technology, product and marketing plans, finances, personnel, business opportunities, and pricing, but not including information that becomes public knowledge except to the extent made public in violation of this Agreement.

C. "Services" means the information technology consulting services that Customer acquires from Apple, as identified in a SOW.

D. "Statement of Work" or "SOW" means a uniquely numbered document detailing the Services that Customer will acquire from Apple, substantially in the format attached hereto as Exhibit A.

### 2. Services

#### A. Statement of Work

This Agreement shall serve as a master agreement for the acquisition of Services from Apple to Customer. It is agreed that when Services are to be performed, the parties shall prepare and execute a SOW. All Services to be performed by Apple shall be documented in a SOW. Each SOW shall set forth, at a minimum, a description of the Services, the duration of the Services, and the fees for the Services. By referencing the number and date of this Agreement, each SOW shall incorporate all terms contained herein. Apple shall have the right to accept or decline any proposed SOW.

#### B. Delivery and Acceptance

Apple shall make reasonable efforts to provide Services on a timely basis, subject to availability of qualified personnel and the difficulty and scope of the Services. However, Apple shall not be liable for its failure to do so, nor will it be in breach of this Agreement solely by reason of such failure. Apple may reassign and substitute personnel at anytime and may provide the same or similar Services to other customers. Services supplied by Apple under this Agreement are provided to assist Customer. Customer, not Apple, will be responsible for determining objectives. Services shall be deemed accepted, on date of delivery or upon conclusion of any agreed acceptance period stated in the SOW, if the Services substantially conform to their description.

### 3. Compensation

#### A. Fees and Expenses

In consideration of Services performed, Customer agrees to pay Apple the fees and expenses specified in the applicable SOW. If no fee is specified, Customer agrees to pay Apple's then current fee rate for each hour of Service performed. Customer may specify in each SOW an authorized limit of fees and expenses for which it shall pay for Services performed, and Apple agrees not to incur additional fees and expenses beyond the limits specified without prior written approval from Customer.

#### B. Invoicing

Provided Customer is eligible for Apple's credit terms, fees and expenses shall be invoiced after Services are performed on a monthly basis unless otherwise specified in the SOW. Fees due for fraction of hours shall be rounded up to the nearest whole number. Any overdue amounts shall be subject to a finance charge at the rate of 1.5% per month commencing on the date such amount becomes overdue, or the highest rate permitted by applicable law, whichever is lower. Customer will pay any tax Apple becomes obligated to pay by virtue of this Agreement exclusive of taxes based on the net income of Apple. Payment of fees and expenses shall be due thirty (30) days from date of Apple's invoice.

4. **Confidentiality.** Neither party will use the other's Confidential Information except as required to achieve the objectives of this Agreement, or will disclose such Confidential Information except to employees, agents or contractors who have a need to know or as required by law. Neither party will make any disclosure or statement of Confidential Information in connection with this Agreement or its subject matter without the other's prior written consent or as required by law.

5. **Ownership.** Any ideas, concepts, inventions, know-how, data-processing techniques, software or documentation developed by Apple personnel (alone or jointly with Customer) in connection with Services provided to Customer ("Apple Information") will be the exclusive property of Apple, except to the extent that such items are a derivative of Customer's property. Apple grants Customer a non-exclusive, royalty-free, non-transferable (without right to sublicense) license to use the software or other proprietary rights in Services developed under this Agreement. Apple may provide Customer with specific, customized or unique suggestions or information as part of the Services developed by Apple, which suggestions or information do not have application to other customers of Apple ("Customer-Owned Information"). Apple will identify all Customer-Owned Information and furnish that information to Customer subject to the qualifications set forth in this Agreement, and Customer will own all of Apple's right, title and interest in the Customer-Owned Information.

6. **Warranty.** Except as expressly represented otherwise in this Agreement, and to the extent not prohibited by law, all Services provided by or on behalf of Apple to Customer under this Agreement are furnished on an "AS-IS" basis, without warranty of any kind, whether express, implied, statutory or otherwise especially as to quality, reliability, timeliness, usefulness, sufficiency and accuracy. ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ALL IMPLIED WARRANTIES OF CONDITION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE DISCLAIMED BY APPLE. NO ORAL OR WRITTEN INFORMATION PROVIDED BY APPLE SHALL CREATE A WARRANTY UNLESS INCORPORATED INTO THIS AGREEMENT.

7. **Limitation of Liability and Remedies.** IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT, STRICT LIABILITY, STATUTE OR OTHERWISE, SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES (INCLUDING LOST BUSINESS PROFITS, LOSS OF DATA, INTERRUPTION IN USE OR UNAVAILABILITY OF DATA) OR FOR PUNITIVE OR EXEMPLARY DAMAGES. IN THE EVENT THAT APPLE SHALL FAIL TO PROVIDE SERVICES IN ACCORDANCE WITH THIS AGREEMENT, APPLE'S



ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY SHALL BE FOR APPLE TO USE ITS REASONABLE EFFORTS TO REPERFORM THOSE SERVICES WITHIN A REASONABLE PERIOD OF TIME; PROVIDED, THAT IN THE EVENT APPLE IS UNABLE TO CORRECT ANY DEFAULT OR BREACH OF THIS AGREEMENT BY IT, APPLE MAY ELECT TO REFUND ALL PAYMENTS ACTUALLY RECEIVED BY IT FROM CUSTOMER FOR THE SERVICES IN QUESTION, IN FULL SATISFACTION OF APPLE'S OBLIGATIONS UNDER THIS AGREEMENT. THE SAID REPERFORMANCE OR REFUND SHALL CONSTITUTE APPLE'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR SUCH DEFAULT OR BREACH. IN NO EVENT SHALL THE AGGREGATE LIABILITY FOR DAMAGES OF APPLE, ITS EMPLOYEES OR AGENTS, EXCEED THE AMOUNTS CUSTOMER ACTUALLY PAID TO APPLE FOR THE SERVICES AT ISSUE UNDER THIS AGREEMENT. TO THE EXTENT NOT PROHIBITED BY LAW, THE LIMITATIONS IN THIS SECTION SHALL APPLY TO PERSONAL INJURY LIABILITY.

**8. Indemnification.** Apple will defend or settle any claim against Customer that a Service delivered under this Agreement (collectively referred to as "Deliverables") infringes a United States patent, utility model, industrial design, copyright, mask work or trademark, provided Customer (i) promptly notifies Apple in writing of the claim, and (ii) cooperates with Apple in and grants Apple sole authority to control the defense and any related settlement. Apple will pay the cost of such defense and settlement and any costs and damages finally awarded against Customer. If such a claim is made or appears likely to be made, Apple may procure the right for Customer to continue using the Deliverable(s), may modify the Deliverable(s), or may replace it. If a court enjoins use of the Deliverable(s) or Apple determines that none of these alternatives is reasonably available, Apple will take back the Deliverable(s) and refund its value. Apple is not liable for any claim of infringement arising from Apple's compliance with any designs, specifications or instructions of Customer, modification of the Deliverable(s) by Customer or a third party, or use of the Deliverable(s) in a way not specified by Apple. These terms state the entire liability of Apple for claims of infringement by Deliverables supplied by Apple.

## **9. Term and Termination**

### **A. Term**

Unless terminated earlier as provided in this Agreement, the initial term of this Agreement shall be from the date Apple signs it until March 31, 2011; and unless either party provides written notice to the contrary to the other party not less than thirty (30) days before the expiration of any renewal term, this Agreement shall be renewed for additional one (1) year periods.

### **B. Termination**

(i) Termination of Agreement. Either party may terminate this Agreement without cause upon thirty (30) days prior written notice. Either party may terminate this Agreement immediately in the event the other is in material breach of this Agreement. In the event notice is given terminating this Agreement, the due date of all Apple invoices shall be accelerated so that they become due and payable as of the date of notice of termination.

(ii) Termination of a SOW. If Apple is not in default of any of its obligations under a SOW, and the performance of Services is stopped through any wrongful act or neglect of Customer, or Customer fails to make payment to Apple when due, Apple may give written notice to Customer of its intent to terminate performance under a SOW or a portion thereof, specifying the grounds thereof. If the Customer fails within ten (10) days to cure the act or neglect specified or to make the payment identified therein as past due, Apple may then terminate performance of Services and recover payment from the Customer for all Services performed prior to the termination date. The Customer may, for its sole convenience, cancel a SOW in whole or in part, by giving Apple ten (10) days written notice

of its intention to do so. In the event of such cancellation, Apple shall be entitled to recover for all Services performed prior to the effective termination, together with its reasonable extra costs incurred by reason of the cancellation.

### **C. Termination for Cause**

Either party may terminate a SOW immediately if the other party has (i) failed to cure any breach of this Agreement and/or the SOW within thirty (30) days of written notice from the non-breaching party, (ii) breached the terms of the section entitled "Confidentiality", or (iii) become insolvent, makes a general assignment for the benefit of creditors or becomes subject to any proceeding under any bankruptcy or insolvency law.

### **D. Survivorship**

Those sections that by their nature survive expiration or termination of this Agreement will survive expiration or termination.

## **10. General**

### **A. Governing Law; Venue; Limitation of Claims**

This Agreement will be governed and interpreted under the laws of the State of California, without regard to its conflict of laws provisions. In the event of any dispute or controversy between the parties to this Agreement, the parties shall try to resolve the dispute in a fair and reasonable way. To that end, the parties shall first attempt to resolve such dispute or controversy through one senior management member of each party. If the parties' senior management members are unable to resolve such dispute or controversy within sixty (60) days after the complaining party's written notice to the other party of such dispute or controversy, the parties shall further seek to resolve the dispute or controversy pursuant to non-binding mediation conducted in either Santa Clara County or San Francisco, California. Each party shall bear its own expenses in connection with the mediation, except that Apple shall pay the fees and expenses of the mediator. If the parties are unable to resolve the dispute or controversy within sixty (60) days after commencing mediation, either party may commence litigation in the state or federal courts in Santa Clara County, California (but only such courts). Notwithstanding the foregoing, each party shall have the right to seek equitable relief in order to protect any rights to confidentiality or intellectual property. The parties hereby waive any bond requirements for obtaining equitable relief. To the extent permitted by law, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER OR NOT RELATING TO OR ARISING OUT OF THIS AGREEMENT). ANY LITIGATION ARISING OUT OF ANY DISPUTE OR CONTROVERSY BETWEEN THE PARTIES TO THIS AGREEMENT MUST BE BROUGHT WITHIN ONE (1) YEAR FROM THE FIRST DATE SUCH ACTION COULD HAVE BEEN BROUGHT. IF A LONGER PERIOD IS PROVIDED BY STATUTE, THE PARTIES HEREBY EXPRESSLY WAIVE IT.

### **B. Independent Contractor**

During performance of the Agreement, Apple shall be an independent contractor and not an agent of the Customer. Apple shall supervise the performance of its own services and shall have control of the manner and means by which the Services are performed, subject to compliance with the Agreement and any plans, specifications, schedules, or other items agreed to in a SOW.

### **C. Non-Solicitation of Employees**

During the term of this Agreement, and for one (1) year thereafter, Customer shall not offer employment to, or employ, an employee or contractor of Apple directly involved in Services, or induce such employee or contractor to breach any employment agreement or services contract with Apple. This restriction shall not apply to a Customer making offers of employment through general public advertisements.

### **D. Publicity**



In connection with Apple's promotion of its professional services, including but not limited to, referential listings of customers on its web site, Customer grants to Apple a worldwide non-exclusive royalty free license to publicly use Customer's name and trademark(s) in connection with informing others of Customer's utilization of such services. Apple agrees to make reasonable efforts to adhere to any trademark guidelines that Customer may wish Apple to adopt, as delivered in writing to Apple from time to time.

**E. Force Majeure**

Neither party shall be liable for any delay or failure to meet its obligations under this Agreement due to circumstances beyond its reasonable control, including but not limited to war, riot, insurrection, civil commotion, labor strikes or lockouts, shortages, factory or other labor conditions, fire, flood, earthquake or storm.

**F. Notices**

Any notice under this Agreement, must be in writing and will be deemed given upon the earlier of actual receipt or ten (10) days after being sent by first class mail, return receipt requested, to the address set forth below for Apple and to the address designated on this Agreement by Customer for receipt of notices, or as may be provided by the parties.

Apple Inc.  
Sales Contracts Management  
1 Infinite Loop, M/S 38-2CM  
Cupertino, CA 95014

Either party may give notice of its change of address for receipt of notices by giving notice in accordance with this section.

**G. Assignment**

Apple may use subcontractors to perform Services under this Agreement. Customer may not assign this Agreement without the written approval of Apple. Any attempt by Customer to assign without Apple's approval shall be deemed void.

**H. Severability**

The duly authorized representatives of the parties execute this Agreement as of the dates set forth below.

Customer

Apple Inc.

SIGNATURE:

SIGNATURE:

PRINT NAME:

PRINT NAME:

TITLE:

TITLE:

DATE:

DEPT:

Sales Contracts Management

EFFECTIVE DATE:

If any provision of this Agreement should be held to be unenforceable or invalid for any reason, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining provisions, and the parties will substitute for such provision an enforceable and valid provision, which most closely approximates the intent and economic effect of the unenforceable or invalid provision.

**I. Entire Agreement**

Apple and Customer acknowledge that this Agreement and any associated Statements of Work supersedes and extinguishes all previous agreements and representations of, between or on behalf of the parties with respect to its subject matter. This Agreement contains all of Apple's and Customer's agreements, warranties, understandings, conditions, covenants, and representations with respect to its subject matter. Neither Apple nor Customer will be liable for any agreements, warranties, understandings, conditions, covenants, or representations not expressly set forth or referenced in this Agreement. Apple is deemed to have refused any different or additional provisions in purchase orders, invoices or similar documents, unless Apple affirmatively accepts such provision in writing, and such refused provisions will be unenforceable.

**J. Modifications**

Except as otherwise provided in this Agreement, no modification to this Agreement will be binding unless in writing and signed by an authorized representative of each party.

**K. Customer's Responsibilities and Representations**

Customer shall provide Apple equipment, information, and facilities necessary to perform Services described in the SOW, unless agreed otherwise by the parties.

**L. Counterparts**

This Agreement may be executed in one or more counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and shall have the same force and effect as an original but such counterparts together shall constitute one and the same instrument.



**Exhibit A  
Customer Statement of Work (Sample)**

Apple Inc. ("Apple") and \_\_\_\_\_ ("Customer") have entered into a Professional Services Agreement or a Professional Services Addendum. Apple and Customer agree that Apple will provide Services as described in this Statement of Work in accordance with the terms set forth in the Professional Services Agreement or Professional Services Addendum. This Statement of Work is effective when signed by Customer and Apple.

**I. Introduction**

Project name:

Project number:

Title/Name of SOW:

SOW ID Number:

SOW Effective Date/Start Date:

Business Owners:

- Apple Account Executive:
- Apple Systems Engineer:
- Apple Professional Services Manager:

Bill To Address:

Deliver To Address:

Project Manager(s):

- Apple Project Manager:
- Customer Project Manager:

Project Objective: Project Objective is a short statement condensing what the scope of the project is, it's schedule and resource to be used.

**II. Project Description/Description of Services**

**A. Scope of Statement of Work:**

General description of what the project will and will not include.

**B. Term of Statement of Work:**

Estimated Start Date: [ Enter date]      Estimated Completion Date: [ Enter date]

**III. Development and Implementation Approach**

**A. Basic Approach:**

Methodology or strategy by which an engagement/project will be executed. If the SOW covers multiple releases of functionality, that will be outlined here.

**B. Summary of Services Components and Deliverables:**

Service Components	Deliverables
Example: • 4 hours of instructional service	Example: A 4 hour workshop for School X Content Creators and IS Staff

**C. Project Schedule/Major Milestones:**

**D. Project Organization:**

High-level description of project organization.

**E. Project Roles and Responsibilities:**

**F. Reporting:**

Explanation of how the Project Status will be tracked and reported.

**G. Project Risks and Assumptions:**

Identification of known and/or potential barriers or boundaries as they relate to the work effort covered by this SOW.

**H. Changes of Scope:**

Any modifications or changes to the services outlined in the original signed SOW must be approved in writing by both parties. Such writing may take the form of a Change Request Form presented to Customer by Apple.



IV. Project Resources and Prices:

A) Service Rates, Expenses and Totals:

Part Number	Description	Total
[Enter Part#]	[Enter Description]	\$ [Enter Amount]
[Enter Part#]	[Enter Description]	\$ [Enter Amount]
<b>Total Fees and Expenses</b>		\$ [Enter Amount]

B. Authorized Service Fees and Expenses (if any):

Enter \$ Amount authorized by Institution.

V. Statement of Work Approval Signatures:

Customer

SIGNATURE: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

SAMPLE

Apple Inc.

SIGNATURE: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
EFFECTIVE DATE: \_\_\_\_\_

SAMPLE



**AMENDMENT TO THE EDUCATION/STATE & LOCAL GOVERNMENT PURCHASE AGREEMENT**

THIS AMENDMENT TO THE EDUCATION/STATE & LOCAL GOVERNMENT PURCHASE AGREEMENT ("AMENDMENT") MODIFIES THE EDUCATION/STATE & LOCAL GOVERNMENT PURCHASE AGREEMENT ("AGREEMENT"), DATED ON OR ABOUT \_\_\_\_\_ BETWEEN APPLE INC., A CALIFORNIA CORPORATION LOCATED AT 1 INFINITE LOOP, CUPERTINO, CA 95014 ("APPLE") AND:

COMPANY NAME ("PURCHASER"): \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, ST, ZIP: \_\_\_\_\_

THIS AMENDMENT ENTERED INTO BY THE ABOVE-NAMED PARTIES AMENDS THE AGREEMENT AS FOLLOWS:

**SECTION 1., "DEFINITIONS"**

THE FOLLOWING SECTION 1.F, "ADDITIONAL ELIGIBLE PURCHASERS," IS ADDED TO THE AGREEMENT:

"A. ELIGIBLE PURCHASERS INCLUDE PURCHASER AND ANY SCHOOL DISTRICTS AND THEIR PUBLIC OR PRIVATE NOT-FOR-PROFIT SCHOOL SYSTEMS, BOARDS OF EDUCATION, STATE UNIVERSITIES AND COLLEGES, AND COMMUNITY, VOCATIONAL AND TECHNICAL COLLEGES, STATE, COUNTY OR CITY AGENCY OR DEPARTMENT (INCLUDING FIRE DEPARTMENTS AND LIBRARIES), SPECIAL DISTRICT, PORT AUTHORITY, MUNICIPALITY, TOWNSHIP, OR INDIAN RESERVATION IN THE STATE THAT PURCHASER IS LOCATED. PRODUCTS PURCHASED SHALL BE FOR EACH OF THE ELIGIBLE PURCHASER'S OWN USE IN ITS FACILITIES IN THE UNITED STATES OR IN CONNECTION WITH EDUCATIONAL PURPOSES AND SHALL NOT BE PURCHASED FOR THE PURPOSE OF RESALE TO ANOTHER ENTITY OR INDIVIDUAL. APPLE RESERVES COMPLETE DISCRETION IN MAKING ELIGIBILITY DETERMINATIONS.  
B. THE PURCHASER SHALL BE RESPONSIBLE AND BE LIABLE ONLY FOR PURCHASES MADE DIRECTLY BY IT ON ITS OWN PURCHASE ORDERS AND SHALL NOT BE LIABLE FOR ANY PURCHASES MADE BY OR ACTS OF ANY OTHER ELIGIBLE PURCHASER PURCHASING UNDER THIS AGREEMENT."

UNLESS SPECIFICALLY CHANGED BY THIS AMENDMENT, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT AND APPLY TO ALL TRANSACTIONS CONTEMPLATED BY THIS AMENDMENT. IN THE EVENT OF A CONFLICT BETWEEN THE PROVISIONS OF THE AGREEMENT AND PROVISIONS OF THIS AMENDMENT, THE PROVISIONS OF THIS AMENDMENT WILL PREVAIL.

THE DULY AUTHORIZED REPRESENTATIVES OF THE PARTIES EXECUTE THIS AMENDMENT AS OF THE DATES SET FORTH BELOW.

PURCHASER	APPLE INC.
SIGNATURE: _____	SIGNATURE: _____
PRINT NAME: _____	PRINT NAME: _____
TITLE: _____	TITLE: _____
DATE: _____	DEPT: SALES CONTRACTS MANAGEMENT
	EFFECTIVE DATE: _____



**Piggyback Consent Form ("Consent Form") to the  
Education/State & Local Government Purchase Agreement between  
\_\_\_\_\_ and Apple Inc. ("Apple")**

	<b>"Customer"</b>	<b>"Apple"</b>
Name of Institution:	_____	Apple Inc.
Address:	_____	1 Infinite Loop
City, State, Zip:	_____	Cupertino, CA 95014

Dear Customer,

Thank you for your recent purchase order. After an initial review, we have determined that you do not have a contract with Apple; however, you are an eligible purchaser under the Agreement identified below and attached to this Consent Form.

Name of Agreement:	Education/State & Local Purchase Agreement
Agreement Number:	
Purchaser:	
Date of Agreement:	

Apple may process your current and future purchase orders under the Agreement, provided that you execute this Consent Form. If for some reason the Agreement is not attached to this Consent Form, please immediately request one prior to executing this Consent Form. Apple advises Customer to review all the terms and conditions of the Agreement prior to executing this Consent Form.

By executing this Consent Form, Customer agrees to be bound by the terms and conditions of the Agreement. Customer further agrees that you are responsible and liable for any purchases you make under the Agreement and for any of your actions or inactions pursuant to the terms and conditions of the Agreement.

This Consent Form will terminate on the termination date of the Agreement. Apple may terminate this Consent Form without cause upon thirty (30) days' written notice to Customer. Apple also may terminate this Consent Form immediately upon written notice to Customer, if Customer breaches any terms and conditions of the Agreement or this Consent Form.

Please complete and execute this Consent Form and fax the completed and executed Consent Form to Apple at 800.590.0325 within forty-eight (48) hours from receipt so that we may complete processing your purchase order. Please note that if we do not receive this Consent Form within 48 hours, your purchase order will not be processed.

If you have any questions or comments regarding this Consent Form, please email [austincontracts@apple.com](mailto:austincontracts@apple.com).

Regards,  
Sales Contracts Management  
Apple Inc.

**CUSTOMER**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date





Apple Inc.  
1 Infinite Loop  
Cupertino, CA 95014

Re: Microsoft Office Agent Authorization

Dear Apple Inc.:

The purpose of this letter is to clarify the procedures and responsibilities of Apple Inc. ("Apple") with respect to the duplication of recovery media containing Microsoft Office software for the Institution's computers.

Apple is authorized by the signing Institution, under a Volume License Agreement between Institution and Microsoft, Inc. to produce a set of recovery media for each computer purchased from Apple. The media set will contain an image of the hard drive (including all system, utility and Microsoft Office software) as delivered, and will be used for the purpose of recovery from a loss of data due to corruption or malfunctioning of the hard drive.

Apple is acting as an agent of Institution under the terms of the Microsoft Volume License Agreement referenced below. Apple is responsible for the duplication of the hard drive's image onto a recovery media set. Apple will not place any Apple logo or the name of Apple on the CD label, except as required for proper trademark identification. The media label will read as follows (check one):

- Recovery Media for Mac Computers Only - or -
- Recovery Media for MacBook Computers Only
- Recovery Media for MacBook Pro Computers Only
- Recovery Media for iMac Computers Only
- Recovery Media for Mac Pro Computers Only
- Recovery Media for Mac Mini Computers Only

Microsoft Volume License No. \_\_\_\_\_  
(please attach a copy of your MS License Confirmation Notice)

Effective Dates: From \_\_\_\_\_ To \_\_\_\_\_

License Type (check one)  Open  Select  School  Campus

Contact Name \_\_\_\_\_ Contact Title \_\_\_\_\_

Contact Phone \_\_\_\_\_ Contact Email \_\_\_\_\_



Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the undersigned, authorized to execute this letter agreement on behalf of Institution.

Institution: \_\_\_\_\_

By (print name): \_\_\_\_\_

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

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

Please mail the original form with a copy of your MS License Confirmation Notice to:

Apple Inc.  
Mail Stop 35-3RD  
1 Infinite Loop  
Cupertino, CA 95014

Excerpt from the Minutes of the Glendale Board of Education meeting held on October 15, 2013. It was moved by Mr. Krikorian and seconded by Mrs. Boger that Consent Calendar No. 7 be accepted. The motion was approved unanimously.

GLENDALE UNIFIED SCHOOL DISTRICT

October 15, 2013

CONSENT CALENDAR NO. 7

TO: Board of Education  
FROM: Dr. Richard M. Sheehan, Superintendent  
SUBMITTED BY: Eva Rae Lueck, Chief Business and Financial Officer  
PREPARED BY: Mike C. Lee, Controller  
SUBJECT: **Award of Bid Number P-13 13/14 for Apple Computer Products, Services, and Related Items**

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The Superintendent recommends that the Board of Education award Bid Number P-13 13/14 for Apple Computer products, services, and related items to Apple Computer Corporation and approve purchases, lease-purchases, or leases as needed from Apple Computer Corporation.

Apple Computer Corporation, like Hewlett-Packard, Dell, and other technology companies serving the needs of public education, markets its products directly to educational institutions. School districts purchase products from the manufacturer (Apple), and Apple equipment can be serviced by either Apple or an Apple certified technician.

This bid may be used by school and community college districts throughout California by virtue of its "piggyback" clause (Public Contract Code 20118, 20652) and may be extended for an additional 4 (four) years (total 5 years from award date, through October 15, 2018) by mutual consent of the District and Apple Computer Corporation (Education Code 39644).

The pricing structure for this bid is based on the current government and educational price list for Apple Computer Corporation products which is published several times each year. A "Technology Clause" which allows product and component upgrades that meet the general technical requirements of school districts was included as a part of the bid document.

Equipment will be purchased from general and categorical program funds, as well as Measure S funds.

Bid details are available for review in the Purchasing Department.

**STRATEGIC PLAN GUIDANCE:** "Students will have access to appropriate technology."

I hereby certify that this is a true and exact copy of an excerpt from the Minutes of the Board of Education Meeting held on October 15, 2013.

RECEIVED  
PURCHASING DEPT

2014 SEP -9 AM 8:15

**PROOF OF PUBLICATION  
(2015.5 C.C.P.)**

**STATE OF CALIFORNIA  
County of Los Angeles**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the action for which the attached notice was published. I am a principal clerk of the GLENDALE NEWS-PRESS, which was adjudged a newspaper of general circulation on March 1, 1934 for the City of Glendale, County of Los Angeles, and State of California. Attached to this Affidavit is a true and complete copy as was printed and published on the following date(s):

AUGUST 22 and 29, 2013

**I certify (or declare) under penalty of perjury that the foregoing is true and correct.**

Dated at Los Angeles, California,

This 29<sup>th</sup> day of August, 2013

  
Signature

202 W. 1<sup>st</sup> Street, 10<sup>th</sup> Floor  
Los Angeles, CA 90012

GNP 8-85

**NOTICE OF BID**

**NOTICE IS HEREBY GIVEN** that the Glendale Unified School District ("District") of Los Angeles County, California, acting by and through its Governing Board ("Board"), will receive up to, but not later than, **2:00 PM on September 27, 2013**, sealed bids for the procurement of the following:

**Bid No. P-13 13/14 - Apple Computer Products, Services, and Related Items**

All bids shall be made and presented on a form furnished by the District. Bids shall be received in the office of the Procurement and Contract Services, Room 305, Glendale Unified School District, 223 North Jackson Street, Glendale, CA 91206, (818) 241-3111 ext. 477 and shall be opened and publicly read aloud at the above stated time and place.

Each bid must conform with and be responsive to the bid documents, copies of which are on file and may be obtained from the office of Procurement and Contract Services. Each bid shall be accompanied by the security and all forms referred to in the contract documents.

A **mandatory bidder conference** will be conducted on September 5, 2013 at 10:00 AM, beginning in Room 305 of the District Office address noted above. Vendors wishing to submit a bid to the District are required to attend. Arrive early! Parking may not be readily available!

Sealed bids must be delivered to the Glendale Unified School District, Procurement & Contract Services Department, 223 North Jackson Street, Room 305, Glendale, CA 91206 no later than 2:00 PM on September 27, 2013.

Companies interested in bidding should request appropriate bid documents from the Procurement & Contract Services Department, (818) 241-3111, ext. 477.

No bidder may withdraw their bid for a period of ninety (90) days after the date set for the opening of bids. **The District reserves the right to reject any and all bids or to waive irregularities in any bid.**

Refer to the formal bid documents and specifications for additional information, terms, and conditions.

The District is an "Equal Opportunity" employer. Qualified Disabled Veteran Business Enterprises (DVBE) are encouraged to participate in this project.

**Mike C. Lee** Ad dates: August 22 and 29, 2013  
Mike C. Lee, Controller, Business Services  
Glendale Unified School District, Glendale, Los Angeles County, California

FOUNTAIN VALLEY SCHOOL DISTRICT

**BUSINESS SERVICES DIVISION**

DFS/13-14 - 47

MEMORANDUM

To: Stephen McMahon Assistant Superintendent, Business Services  
From: Scott R. Martin, Director, Fiscal Services  
Date: December 03, 2013  
Subject: **REVIEW and APPROVAL of FINANCIAL AUDIT 2012-13**

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**BACKGROUND**

The 2012-13 Financial Audit, completed by Vavrinek, Trine, Day & Co., LLP, is presented to the Board of Trustees for review and acceptance. The Audit Report includes financial statements, supplemental information, compliance statements, findings and recommendations. The Audit Committee met and discussed the audit on December 5th, 2013 and will make comments to the Board of Trustees. There were no restatements on the financial reports and no findings reported. The audit received an unqualified certification in all areas, the best possible certification.

A copy of the Audit Report is available in the Business Services office for review.

**RECOMMENDATION**

It is recommended that the Board of Trustees receive and accept the 2012-13 Financial Audit.

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**FOUNTAIN VALLEY SCHOOL DISTRICT**

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**ANNUAL FINANCIAL REPORT**

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**JUNE 30, 2013**

# FOUNTAIN VALLEY SCHOOL DISTRICT

## TABLE OF CONTENTS

JUNE 30, 2013

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### ***FINANCIAL SECTION***

Independent Auditors' Report	2
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds - Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
Proprietary Funds - Statement of Net Position	21
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Fund Net Position	22
Proprietary Funds - Statement of Cash Flows	23
Fiduciary Funds - Statement of Net Position	24
Notes to Financial Statements	25

### ***REQUIRED SUPPLEMENTARY INFORMATION***

General Fund - Budgetary Comparison Schedule	54
Schedule of Other Postemployment Benefits (OPEB) Funding Progress	55

### ***SUPPLEMENTARY INFORMATION***

Schedule of Expenditures of Federal Awards	57
Local Education Agency Organization Structure	58
Schedule of Average Daily Attendance	59
Schedule of Instructional Time	60
Reconciliation of Annual Financial and Budget Report With Audited Financial Statements	61
Schedule of Financial Trends and Analysis	62
Combining Statements - Non-Major Governmental Funds	
Combining Balance Sheet	63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	64
Note to Supplementary Information	65

### ***INDEPENDENT AUDITORS' REPORTS***

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	68
Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the OMB Circular A-133	70
Report on State Compliance	72

# FOUNTAIN VALLEY SCHOOL DISTRICT

## TABLE OF CONTENTS

JUNE 30, 2013

---

### *SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

Summary of Auditors' Results	75
Financial Statement Findings	76
Federal Awards Findings and Questioned Costs	77
State Awards Findings and Questioned Costs	78
Summary Schedule of Prior Audit Findings	79



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***FINANCIAL SECTION***

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## INDEPENDENT AUDITORS' REPORT

Governing Board  
Fountain Valley Unified School District  
Fountain Valley, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fountain Valley Unified School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-2013*, issued by the California Education Audit Appeals Panel as regulations. 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.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fountain Valley Unified School District, as of June 30, 2013, 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 required supplementary information, such as management's discussion and analysis on pages 5 through 13, and the budgetary comparison information and other postemployment benefits on pages 54 and 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fountain Valley Unified School District's basic financial statements. The accompanying supplementary information such as the *Schedule of Expenditures of Federal Awards*, as required by the *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133)* and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Schedule of Expenditure of Federal Awards* and other supplementary information 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 *Schedule of Expenditure of Federal Awards* and other supplementary information is 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 December 2, 2013, on our consideration of the Fountain Valley Unified 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 Fountain Valley Unified School District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California  
December 2, 2013



# Fountain Valley School District

10055 Slater Avenue • Fountain Valley, CA 92708 • 714.843.3200 • [www.fvsd.k12.ca.us](http://www.fvsd.k12.ca.us)

This section of Fountain Valley School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013, with comparative information from 2012. Please read it in conjunction with the District's financial statements, which immediately follow this section.

## ***OVERVIEW OF THE FINANCIAL STATEMENTS***

### ***The Financial Statements***

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities separately. These statements include all assets of the District (including land) as well as all liabilities (including long-term obligations). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

*Governmental Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, proprietary, and fiduciary.

The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Proprietary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fiduciary Funds* are prepared using the economic resources measurement focus and the actual basis of accounting.

*Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements* is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Fountain Valley School District.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

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### *FINANCIAL HIGHLIGHTS OF THE PAST YEAR*

- The District enrollment declined modestly during the 20012-13 year. Base revenue declined over budget projections due to the slight decrease in enrollment as well as a Revenue Limit Cost of Living Adjustment (COLA) decrease, a 22.272 percent deficit.
- The District transferred significant funds from Fund 40 to Fund 01, to cover deficit spending. These transfers were made to cover Revenue Limit deficiencies.
- Over the course of the year, reduced revenue from the State impacted the overall budget. However, state funding is projected to improve in subsequent years should the new Local Control Funding Formula become law.

### *REPORTING THE DISTRICT AS A WHOLE*

#### *The Statement of Net Position and the Statement of Activities*

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include *all* assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. Net assets are the difference between assets and liabilities, one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the *overall health* of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

***Governmental Activities*** - Most of the District's services are reported in this category. This includes the education of kindergarten through grade eight, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State and local grants, as well as certificates of participation bonds, finance these activities.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

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### ***REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS***

#### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

***Governmental Funds*** - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

***Proprietary Funds*** - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities - such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

### ***THE DISTRICT AS TRUSTEE***

#### ***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or *fiduciary*, for funds held on behalf of others, like our funds for associated student body activities. The District's fiduciary activities are reported in the *Statement of Fiduciary Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

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### *THE DISTRICT AS A WHOLE*

#### *Net Position*

The District's net position was \$111,202,346 for the fiscal year ended June 30, 2013. Of this amount, \$37,407,334 was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants, grantors, constitutional provisions, and enabling legislation that limit the governing board's ability to use the net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

**Table 1**

	Governmental Activities	
	2013	2012
<b>Assets</b>		
Current and other assets	\$ 59,420,010	\$ 34,306,426
Capital assets	78,631,827	84,138,243
<b>Total Assets</b>	<u>138,051,837</u>	<u>118,444,669</u>
<b>Liabilities</b>		
Current liabilities	9,622,420	3,101,874
Long-term obligations	17,227,071	9,237,194
<b>Total Liabilities</b>	<u>26,849,491</u>	<u>12,339,068</u>
<b>Net Position</b>		
Net investment in capital assets	61,910,718	80,290,458
Restricted	11,884,294	3,403,822
Unrestricted	37,407,334	22,411,321
<b>Total Net Position</b>	<u>\$ 111,202,346</u>	<u>\$ 106,105,601</u>

The \$37,407,334 in unrestricted net position of governmental activities represents the *accumulated* results of all past years' operations.



# FOUNTAIN VALLEY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

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### *Changes in Net Position*

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 15.

**Table 2**

	Governmental Activities	
	2013	2012
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,878,892	\$ 2,956,074
Operating grants and contributions	6,797,101	8,703,828
General revenues:		
Unrestricted Federal and State aid	10,429,576	17,377,538
Property taxes	25,004,358	18,050,563
Other general revenues	15,230,232	8,603,626
<b>Total Revenues</b>	<u>60,340,159</u>	<u>55,691,629</u>
<b>Expenses</b>		
Instruction-related	42,023,696	38,118,164
Pupil services	3,994,909	3,718,072
Administration	3,736,297	3,786,049
Maintenance and operations	4,678,163	5,434,587
Other	810,349	1,285,437
<b>Total Expenses</b>	<u>55,243,414</u>	<u>52,342,309</u>
<b>Change in Net Position</b>	<u>\$ 5,096,745</u>	<u>\$ 3,349,320</u>

### *Governmental Activities*

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was \$55,243,414. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$25,004,358 because the cost was paid by those who benefited from the programs (\$2,878,892) or by other governments and organizations who subsidized certain programs with grants and contributions (\$6,797,101). We paid for the remaining "public benefit" portion of our governmental activities with \$25,659,808 in Federal and State funds and with other revenues, like interest and general entitlements.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

In Table 3, we have presented the cost of each of the District's largest functions - instruction, instruction-related activities, pupil services, administration, maintenance and operations, and other activities, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**

	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 35,936,485	\$ 29,541,365	\$ 31,968,523	\$ 24,216,454
Instruction-related activities	6,087,211	5,303,930	6,149,641	5,177,487
Pupil services	3,994,909	2,039,840	3,718,072	1,467,361
Administration	3,736,297	3,587,236	3,786,049	3,597,224
Maintenance and operations	4,678,163	4,555,694	5,434,587	5,295,366
Other	810,349	539,356	1,285,437	928,515
<b>Total</b>	<b>\$ 55,243,414</b>	<b>\$ 45,567,421</b>	<b>\$ 52,342,309</b>	<b>\$ 40,682,407</b>

### THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$49,168,484, which is an increase of \$18,621,751 from last year (Table 4).

**Table 4**

	Balances and Activity			
	July 1, 2012	Revenues	Expenditures	June 30, 2013
General Fund	\$ 4,897,670	\$ 45,204,471	\$ 45,947,101	\$ 4,155,040
Special Reserve Fund for Capital Outlay Projects	23,688,913	12,405,222	1,359,985	34,734,150
Capital Project Fund for Blended Component Units	-	7,954,199	-	7,954,199
Non-Major Governmental Funds	1,960,150	3,953,331	3,588,386	2,325,095
<b>Total</b>	<b>\$ 30,546,733</b>	<b>\$ 69,517,223</b>	<b>\$ 50,895,472</b>	<b>\$ 49,168,484</b>

# FOUNTAIN VALLEY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

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The primary reasons for changes are the following:

- The General Fund is the District's principal operating fund. The fund balance in the General Fund decreased by \$742,630 which offset the prior year increase.
- The fund balance in the Special Reserve Fund for Capital Outlay Projects increased by \$11,045,237 due to the receipt of payment on the sale of District land.
- Capital Project Component Unit Fund balance of \$7,954,199 represents cash with fiscal agent to be used for the District's solar program.

### *General Fund Budgetary Highlights*

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 28, 2013. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 54.)

### *CAPITAL ASSET AND DEBT ADMINISTRATION*

#### *Capital Assets*

At June 30, 2013, the District had \$78,631,827 in a broad range of capital assets (net of depreciation), including land, buildings, furniture and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of \$5,506,416 or 6.5 percent, from last year (Table 5).

**Table 5**

(Net of Depreciation)	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Land	\$ 6,758,636	\$ 6,983,046
Construction in progress	-	6,602,648
Buildings and improvements	69,733,580	68,741,229
Furniture and equipment	2,139,611	1,811,320
<b>Total</b>	<b><u>\$ 78,631,827</u></b>	<b><u>\$ 84,138,243</u></b>

This year's additions of \$2,248,849 include construction modernization for school sites, vehicles, construction equipment, office equipment, classroom furniture, and equipment such as computers.

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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*Long-Term Obligations*

The District had \$8,680,000 in certificates of participation. Accumulated vacation of \$366,632, capitalized lease obligations of \$8,041,109, and \$167,340 in OPEB obligation are also included:

**Table 6**

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Certificates of participation	\$ 8,680,000	\$ 8,680,000
Compensated absences	366,632	457,550
Capitalized lease obligations	8,041,109	114,001
OPEB obligation, net	167,340	12,734
<b>Total</b>	<u>\$ 17,255,081</u>	<u>\$ 9,264,285</u>

***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES***

In considering the District Budget for the 2013-2014 year, the District Board and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Property tax will be slightly higher in 2013-2014.
2. Revenue limit income: \$31.2 million.
3. The budget will be updated during 2013-14 should the Local Control Funding Formula become law.
4. Interest earnings will increase slightly due to higher fund balances.
5. Federal income will decrease from 2012-2013 due to sequestration.

Expenditures are based on the following forecasts:

	<u>Staffing Ratio</u>	<u>Enrollment</u>
Grades Kindergarten, one and two	28:1	1,783
Grades three through eighth	30:1	4,321

## **FOUNTAIN VALLEY SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013**

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The new items specifically addressed in the budget are:

- The restoration of two furlough days for all classified and certificated staff.
- Federal sequestration.

#### ***CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our citizens, taxpayers, students, and 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 about this report or need any additional financial information, contact the Assistant Superintendent, Business Services, at Fountain Valley School District, 10055 Slater Ave., Fountain Valley, California 92708, or e-mail at: [McMahonS@fvsd.us](mailto:McMahonS@fvsd.us).

# FOUNTAIN VALLEY SCHOOL DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2013

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Deposits and investments	\$ 53,310,177
Receivables	5,968,210
Prepaid expenditures	33,042
Stores inventories	108,581
Capital assets	
Land and construction in process	6,758,636
Other capital assets	99,973,588
Less: Accumulated depreciation	<u>(28,100,397)</u>
Total Capital Assets	<u>78,631,827</u>
<b>Total Assets</b>	<u><u>138,051,837</u></u>
<b>LIABILITIES</b>	
Accounts payable	8,370,612
Interest payable	39,783
Due to other governments	733,896
Deferred revenue	255,949
Claims liabilities	194,170
Long-term obligations	
Current portion of long-term obligations	28,010
Noncurrent portion of long-term obligations	<u>17,227,071</u>
Total Long-Term Obligations	<u>17,255,081</u>
<b>Total Liabilities</b>	<u><u>26,849,491</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	61,910,718
Restricted for:	
Capital projects	8,039,363
Educational programs	1,847,024
Other activities	1,997,907
Unrestricted	<u>37,407,334</u>
<b>Total Net Position</b>	<u><u>\$ 111,202,346</u></u>

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

# FOUNTAIN VALLEY SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services and Sales	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
<b>Governmental Activities:</b>				
Instruction	\$ 35,936,485	\$ 1,564,185	\$ 4,830,935	\$ (29,541,365)
Instruction-related activities:				
Supervision of instruction	2,297,561	287,957	494,736	(1,514,868)
Instructional library, media and technology	792,348	523	65	(791,760)
School site administration	2,997,302	-	-	(2,997,302)
Pupil services:				
Home-to-school transportation	1,085,850	28,462	279,979	(777,409)
Food services	1,210,762	623,087	450,817	(136,858)
All other pupil services	1,698,297	36,214	536,510	(1,125,573)
Administration:				
Data processing	41,878	-	-	(41,878)
All other administration	3,694,419	90,361	58,700	(3,545,358)
Plant services	4,678,163	93,407	29,062	(4,555,694)
Ancillary services	201,142	135,951	16,796	(48,395)
Interest on long-term obligations	362,206	-	-	(362,206)
Other outgo	247,001	18,745	99,501	(128,755)
<b>Total Governmental Activities</b>	<b>\$ 55,243,414</b>	<b>\$ 2,878,892</b>	<b>\$ 6,797,101</b>	<b>(45,567,421)</b>
General revenues and subventions:				
Property taxes, levied for general purposes				25,004,358
Federal and State aid not restricted to specific purposes				10,429,576
Interest and investment earnings				119,988
Special and extraordinary items - Sale of Property				12,095,900
Miscellaneous				3,014,344
<b>Subtotal, General Revenues</b>				<b>50,664,166</b>
<b>Change in Net Position</b>				<b>5,096,745</b>
Net Position - Beginning				106,105,601
Net Position - Ending				<b>\$ 111,202,346</b>

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

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2013**

	<b>General Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Capital Project Fund for Blended Component Units</b>
<b>ASSETS</b>			
Deposits and investments	\$ 6,279,315	\$ 35,736,141	\$ 7,954,199
Receivables	5,678,555	8,661	-
Due from other funds	1,110,323	-	-
Prepaid expenditures	1,199	-	-
Stores inventories	103,744	-	-
<b>Total Assets</b>	<b>\$ 13,173,136</b>	<b>\$ 35,744,802</b>	<b>\$ 7,954,199</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 8,021,876	\$ 10,652	\$ -
Due to other funds	6,375	1,000,000	-
Due to other governments	733,896	-	-
Deferred revenue	255,949	-	-
<b>Total Liabilities</b>	<b>9,018,096</b>	<b>1,010,652</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable	139,943	-	-
Restricted	1,847,024	-	7,954,199
Committed	-	10,528,687	-
Assigned	-	24,205,463	-
Unassigned	2,168,073	-	-
<b>Total Fund Balances</b>	<b>4,155,040</b>	<b>34,734,150</b>	<b>7,954,199</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,173,136</b>	<b>\$ 35,744,802</b>	<b>\$ 7,954,199</b>

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



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<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,553,985	\$ 52,523,640
197,100	5,884,316
6,300	1,116,623
-	1,199
4,837	108,581
<u>\$ 2,762,222</u>	<u>\$ 59,634,359</u>

\$ 326,843	\$ 8,359,371
110,284	1,116,659
-	733,896
-	255,949
<u>437,127</u>	<u>10,465,875</u>

4,837	144,780
2,320,231	12,121,454
27	10,528,714
-	24,205,463
-	2,168,073
<u>2,325,095</u>	<u>49,168,484</u>
<u>\$ 2,762,222</u>	<u>\$ 59,634,359</u>

# FOUNTAIN VALLEY SCHOOL DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2013

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<b>Total Fund Balance - Governmental Funds</b>		\$ 49,168,484
<b>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is:	\$ 106,732,224	
Accumulated depreciation is:	<u>(28,100,397)</u>	
Net Capital Assets		78,631,827
In governmental funds, unmatured interest in long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.		(39,783)
An internal service fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities.		696,899
Long-term obligations at year-end consist of:		
Certificates of participation	(8,680,000)	
Capital leases	(8,041,109)	
Compensated absences (vacations)	(366,632)	
Other postemployment benefits	<u>(167,340)</u>	
Total Long-Term Obligations		<u>(17,255,081)</u>
<b>Total Net Position - Governmental Activities</b>		<u><u>\$ 111,202,346</u></u>

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

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>General Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Capital Project Fund for Blended Component Units</b>
<b>REVENUES</b>			
Revenue limit sources	\$ 30,884,860	\$ -	\$ -
Federal sources	1,936,293	-	-
Other State sources	6,742,610	-	-
Other local sources	4,640,708	84,912	-
<b>Total Revenues</b>	<u>44,204,471</u>	<u>84,912</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
Instruction	29,318,935	-	-
Instruction-related activities:			
Supervision of instruction	1,992,081	-	-
Instructional library, media, and technology	709,367	-	-
School site administration	2,929,831	-	-
Pupil services:			
Home-to-school transportation	862,498	-	-
Food services	-	-	-
All other pupil services	1,698,297	-	-
General administration:			
All other general administration	3,060,179	-	-
Plant services	2,537,266	-	-
Facility acquisition and construction	2,359,548	101,674	-
Ancillary services	201,142	-	-
Other outgo	247,001	-	-
Debt service			
Principal	27,091	-	-
Interest and other	3,865	258,311	-
<b>Total Expenditures</b>	<u>45,947,101</u>	<u>359,985</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,742,630)</u>	<u>(275,073)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,000,000	-	-
Other sources	-	12,320,310	7,954,199
Transfers out	-	(1,000,000)	-
<b>Net Financing Sources (Uses)</b>	<u>1,000,000</u>	<u>11,320,310</u>	<u>7,954,199</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(742,630)</u>	<u>11,045,237</u>	<u>7,954,199</u>
<b>Fund Balances - Beginning</b>	<u>4,897,670</u>	<u>23,688,913</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 4,155,040</u>	<u>\$ 34,734,150</u>	<u>\$ 7,954,199</u>

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

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<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 30,884,860
518,912	2,455,205
155,576	6,898,186
3,278,843	8,004,463
<u>3,953,331</u>	<u>48,242,714</u>
1,700,554	31,019,489
287,643	2,279,724
-	709,367
-	2,929,831
-	862,498
1,119,250	1,119,250
-	1,698,297
107,063	3,167,242
328,870	2,866,136
45,006	2,506,228
-	201,142
-	247,001
-	27,091
-	262,176
<u>3,588,386</u>	<u>49,895,472</u>
<u>364,945</u>	<u>(1,652,758)</u>
-	1,000,000
-	20,274,509
-	(1,000,000)
-	20,274,509
364,945	18,621,751
1,960,150	30,546,733
<u>\$ 2,325,095</u>	<u>\$ 49,168,484</u>

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013**

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<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$ 18,621,751</b>
<b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.	
This is the amount by which depreciation exceed capital outlays in the period.	
Capital outlays	\$ 2,473,259
Depreciation expense	<u>(7,755,265)</u>
Net Expense Adjustment	(5,282,006)
Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.	(7,954,199)
In the Statement of Activities, only the gain on the sale of assets is reported, whereas in the governmental funds, the entire proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the asset sold.	(224,410)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Vacation used was more than the amounts earned by \$90,918.	90,918
Payment of principal on long-term obligations is an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Position and does not affect the Statement of Activities:	
Capital lease payable	27,091

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

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, CONTINUED FOR THE YEAR ENDED JUNE 30, 2013**

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Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on an accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment includes the following balances.

Amortization of the cost of issuance of 2011 refunding COP \$ (100,030)

In the Statement of Activities, Other Postemployment Benefits obligation (OPEB) are measured by an actuarially determined Annual Required Contribution (ARC). In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year amounts contributed towards the OPEB obligation were less than the ARC by \$154,606. (154,606)

An Internal Service Fund is used by the District's management to charge the costs of the insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities. 72,236

**Change in Net Position of Governmental Activities** \$ 5,096,745

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

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013**

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	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Deposits and investments	\$ 786,537
Receivables	83,894
Due from other funds	75
Prepaid expenditures	31,843
<b>Total Current Assets</b>	<b>902,349</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	11,241
Due to other funds	39
Claims liabilities	194,170
<b>Total Current Liabilities</b>	<b>205,450</b>
<b>NET POSITION</b>	
Restricted	696,899
<b>Total Net Position</b>	<b>\$ 696,899</b>

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

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013**

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	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Local and intermediate sources	<u>\$ 5,320,406</u>
<b>OPERATING EXPENSES</b>	
Payroll costs	4,482,215
Supplies and materials	1,027
Other operating cost	<u>766,472</u>
<b>Total Operating Expenses</b>	<u>5,249,714</u>
<b>Operating Gain</b>	<u>70,692</u>
<b>NON-OPERATING REVENUES AND EXPENSES</b>	
Interest income	<u>1,544</u>
<b>Change in Net Position</b>	72,236
<b>Net Position - Beginning</b>	<u>624,663</u>
<b>Net Position - Ending</b>	<u><u>\$ 696,899</u></u>

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



# FOUNTAIN VALLEY SCHOOL DISTRICT

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2013

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from user charges	\$ 5,311,073
Cash payments to employees for services	(4,462,596)
Cash payments to suppliers for goods and services	(775,466)
Net Cash Provided by Operating Activities	<u>73,011</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>1,544</u>
 Net Increase in Cash and Cash Equivalents	74,555
Cash and Cash Equivalents - Beginning	711,982
Cash and Cash Equivalents - Ending	<u>\$ 786,537</u>
 <b>RECONCILIATION OF OPERATING GAIN TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating gain	\$ 70,692
Changes in assets and liabilities:	
Receivables	(9,376)
Due from other funds	43
Prepaid expenditures	243
Accounts payable	(8,197)
Due to other funds	(13)
Claim liabilities	19,619
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 73,011</u>

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

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2013**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Deposits and investments	\$ 48,535
<b>LIABILITIES</b>	
Due to student groups	\$ 48,535

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

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

The Fountain Valley School District (the District) was established in 1898 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K - 8 as mandated by the State and/or Federal agencies. The District operates eight elementary schools and three middle schools.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Fountain Valley School District, this includes general operations, food service, and student related activities of the District.

#### Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit discussed below is reported in the District's financial statements because of its relationship with the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the benefit of the District.

The Fountain Valley School District and School Asset Management, Inc. (the Corporation) financial activity is presented in the financial statements in the Building Fund. The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State on August 20, 1989. The Corporation was formed to hold title to property, collect income from such property and to transfer the income less expenses to the District. The Corporation does not prepare separate audited financial statements.

The Fountain Valley School District Solar Project financial activity is presented in the financial statements within the Capital Projects Fund for Blended Component Units. Proceeds received for the Solar Project are included as long-term obligations in the government-wide financial statements.

#### Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into three broad fund categories: governmental, proprietary, and fiduciary.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

---

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

### Major Governmental Funds

**General Fund** The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

**Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

**Capital Project Fund for Blended Component Units** The Capital Project Fund for Blended Component Units is used to account for capital projects financed by entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

### Non-Major Governmental Funds

**Special Revenue Funds** The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the expenditures for specified purposes and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

**Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

**Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

**Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for State apportionments and the District's contributions for deferred maintenance purposes (*Education Code* Sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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**Capital Project Funds** The Capital Project funds are used to account for and report financial resources that are restricted, committed, or assigned to the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

**Building Fund** The Building Fund exists primarily to account separately for the collection of revenue for the School Asset Management, Inc.

**Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* Sections 17620-17626). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

**County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Proprietary funds are classified as enterprise or internal service. The District has one internal service fund:

**Internal Service Fund** Internal service funds may be used to account for any activity for which services are provided to other funds of the District on a cost-reimbursement basis. The District operates a Self-Insurance Program that is accounted for in an internal service fund.

**Fiduciary Funds** Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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### **Basis of Accounting - Measurement Focus**

**Government-Wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, of the District and for each governmental function, and excludes fiduciary activity. 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, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and 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. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net asset use.

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

**Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

**Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the Statement of Net Position. The Statement of Changes in Net Position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

---

**Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

**Revenues - Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Deferred Revenue** Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

### Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the Statement of Cash Flows.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### **Investments**

Investments held at June 30, 2013, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

### **Prepaid Expenditures**

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when paid.

### **Stores Inventories**

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental type funds and expenses in the proprietary type funds when used.

### **Capital Assets and Depreciation**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial Statement of Net Position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the capital assets of governmental funds.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 20 years.

### **Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the Statement of Net Position.



# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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### Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

### Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as a liability on the fund financial statements when due.

### Deferred Issuance Costs, Premiums and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

### Fund Balances - Governmental Funds

As of June 30, 2013, fund balances of the governmental funds are classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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**Committed** - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

**Unassigned** - all other spendable amounts.

### Spending Order Policy

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

### Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

### Net Position

Net position represents the difference between assets and liabilities. Net position net of 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. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$11,884,294 of restricted net position.

### Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are insurance premiums. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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### Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental columns of the Statement of Activities.

### Estimates

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

### Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

### Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Orange bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

### Changes in Accounting Principles

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The District has implemented the provisions of this Statement for the year ended June 30, 2013.

### **New Accounting Pronouncements**

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement No. 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement No. 4.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Early implementation is encouraged.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of Statement No. 27*. 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 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2013**

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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 plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

Statement No. 67, *Financial Reporting for Pension Plans*, revises existing standards of financial reporting for most pension plans. This Statement and Statement No. 67 establish 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.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of State and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### NOTE 2 - DEPOSITS AND INVESTMENTS

#### Summary of Deposits and Investments

Deposits and investments as of June 30, 2013, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 53,310,177
Fiduciary funds	48,535
Total Deposits and Investments	<u>\$ 53,358,712</u>

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

Cash on hand and in banks	\$ 8,199,158
Cash in revolving	35,000
Investments	45,124,554
Total Deposits and Investments	<u>\$ 53,358,712</u>

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

**Investment 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.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

### General Authorizations

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

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Money Market Mutual Funds	N/A	20%	10%
County Pooled Investment Funds	N/A	None	None

### 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 changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool and money market mutual funds.

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Days to Maturity</u>
County Pool	<u>\$ 45,151,087</u>	300

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Rating June 30, 2013</u>	<u>Fair Value</u>
County Pool	Note Required	AAA/V1	<u>\$ 45,151,087</u>

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of June 30, 2013, the District maintained cash deposits in the amount of \$8,115,681 with various financial institutions. The cash deposits in financial institutions were covered under the FDIC insurance program. As of June 30, 2013, the District's bank balance of \$7,696,699 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2013, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Federal Government					
Categorical aid	\$ 1,023,712	\$ -	\$ 79,641	\$ -	\$ 1,103,353
State Government					
Apportionment	1,978,274	-	-	-	1,978,274
Categorical aid	1,983,929	-	29,291	-	2,013,220
Lottery	500,702	-	-	-	500,702
Local Government					
Interest	990	8,661	586	155	10,392
Other Local Sources	190,948	-	87,582	83,739	362,269
Total	<u>\$ 5,678,555</u>	<u>\$ 8,661</u>	<u>\$ 197,100</u>	<u>\$ 83,894</u>	<u>\$ 5,968,210</u>



# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

### NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$ 6,983,046	\$ -	\$ 224,410	\$ 6,758,636
Construction in process	6,602,648	-	6,602,648	-
Total Capital Assets Not Being Depreciated	<u>13,585,694</u>	<u>-</u>	<u>6,827,058</u>	<u>6,758,636</u>
Capital Assets Being Depreciated				
Buildings and improvements	84,969,539	8,627,793	630,584	92,966,748
Furniture and equipment	6,558,726	448,114	-	7,006,840
Total Capital Assets Being Depreciated	<u>91,528,265</u>	<u>9,075,907</u>	<u>630,584</u>	<u>99,973,588</u>
Less Accumulated Depreciation				
Buildings and improvements	16,228,310	7,635,442	630,584	23,233,168
Furniture and equipment	4,747,406	119,823	-	4,867,229
Total Accumulated Depreciation	<u>20,975,716</u>	<u>7,755,265</u>	<u>630,584</u>	<u>28,100,397</u>
Governmental Activities Capital Assets, Net	<u>\$ 84,138,243</u>	<u>\$ 1,320,642</u>	<u>\$ 6,827,058</u>	<u>\$ 78,631,827</u>

Depreciation expense was charged to governmental functions as follows:

<b>Governmental Activities</b>	
Instruction	\$ 4,833,081
Supervision of instruction	17,837
Instructional library, media, and technology	82,981
School site administration	67,471
Home-to-school transportation	223,352
Food services	91,512
Data processing	41,878
All other general administration	618,095
Plant services	1,779,058
Total Depreciation Expenses Governmental Activities	<u>\$ 7,755,265</u>

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 5 - INTERFUND TRANSACTIONS**

**Interfund Receivables/Payables (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2013, between major and non-major governmental funds, and internal service funds are as follows:

Due From	Due To				Total
	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	
General Fund	\$ -	\$ 1,000,000	\$ 110,284	\$ 39	\$ 1,110,323
Non-Major Governmental Funds	6,300	-	-	-	6,300
Internal Service Fund	75	-	-	-	75
Total	<u>\$ 6,375</u>	<u>\$ 1,000,000</u>	<u>\$ 110,284</u>	<u>\$ 39</u>	<u>\$ 1,116,698</u>

The balance of \$1,000,000 is due to the General Fund from the Special Reserve Fund for Capital Outlay Projects Fund for a temporary loan.

A balance of \$94,783 is due to the General Fund from the Child Development (Non-Major) Fund for indirect costs.

A balance of \$15,501 is due to the General Fund from the Cafeteria (Non-Major) Fund for indirect costs.

All remaining balance resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Operating Transfers**

Interfund transfers for the year ended June 30, 2013, consisted of the following:

Transfer To	Transfer From Special Reserve Fund for Capital Outlay Projects
General Fund	<u>\$ 1,000,000</u>

The Special Reserve Fund for Capital Outlay Projects transferred \$1,000,000 to the General Fund to cover deficit spending.

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2013, consisted of the following:

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Vendor payables	\$ 6,817,327	\$ 10,652	\$ 92,164	\$ 8,230	\$ 6,928,373
Salaries and benefits	1,204,549	-	234,679	3,011	1,442,239
Total	<u>\$ 8,021,876</u>	<u>\$ 10,652</u>	<u>\$ 326,843</u>	<u>\$ 11,241</u>	<u>\$ 8,370,612</u>

**NOTE 7 - DEFERRED REVENUE**

Deferred revenue at June 30, 2013, consisted of the following:

	General Fund
Federal financial assistance	<u>\$ 255,949</u>

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 8 - LONG-TERM OBLIGATIONS**

**Summary**

The changes in the District's long-term obligations during the year consisted of the following:

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Due in One Year
Certificates of participation	\$ 8,680,000	\$ -	\$ -	\$ 8,680,000	\$ -
Compensated absences	457,550	-	90,918	366,632	-
Capital leases	114,001	7,954,199	27,091	8,041,109	28,010
Other postemployment benefits (OPEB)	12,734	619,757	465,151	167,340	-
	<u>\$ 9,264,285</u>	<u>\$ 8,573,956</u>	<u>\$ 583,160</u>	<u>\$ 17,255,081</u>	<u>\$ 28,010</u>

- Payments on the Certificates of Participation are made by the Special Reserve Fund for Capital Outlay Projects.
- Payments for capital leases are made by the General Fund, and Capital Project Fund for Blended Component Units.
- Payments for compensated absences are typically liquidated by the General Fund and Non-Major Governmental Funds.
- Payments for the Other Postemployment Benefits (OPEB) are made by the General Fund.

**Certificates of Participation**

In December 2011, the Fountain Valley School District issued \$8,680,000 in Refunded Certificates of Participation with an interest rate of 2.75 percent. The purpose of the issue was to refund the District's existing 2004 Certificate of Participation. As of June 30, 2013, the principal balance outstanding was \$8,680,000.

The certificates mature through 2020 as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ -	\$ 238,700	\$ 238,700
2015	1,345,000	229,488	1,574,488
2016	1,385,000	192,225	1,577,225
2017	1,425,000	153,794	1,578,794
2018	1,465,000	114,331	1,579,331
2019-2020	3,060,000	95,150	3,155,150
Total	<u>\$ 8,680,000</u>	<u>\$ 1,023,688</u>	<u>\$ 9,703,688</u>

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

### Capital Leases

The District has entered into an agreement to lease various equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

	Busses	Solar Conservation Panels	Total
Balance, July 1, 2012	\$ 123,824	\$ -	\$ 123,824
Additions	-	9,750,161	9,750,161
Payments	30,956	-	30,956
Balance, June 30, 2013	<u>\$ 92,868</u>	<u>\$ 9,750,161</u>	<u>\$ 9,843,029</u>

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Buses	Solar Conservation Panels	Total
2014	\$ 30,956	\$ -	\$ 30,956
2015	30,956	977,418	1,008,374
2016	30,956	823,620	854,576
2017	-	835,730	835,730
2018	-	889,444	889,444
2019-2023	-	2,669,193	2,669,193
2024-2028	-	2,886,551	2,886,551
2029	-	668,205	668,205
Total	<u>92,868</u>	<u>9,750,161</u>	<u>9,843,029</u>
Less: Amount Representing Interest	5,958	1,795,962	1,801,920
Present Value of Minimum Lease Payments	<u>\$ 86,910</u>	<u>\$ 7,954,199</u>	<u>\$ 8,041,109</u>

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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Leased land, buildings, and equipment under capital leases in capital assets at June 30, 2013, include the following:

Buses	\$ 143,110
Additions	7,954,199
Less: Accumulated depreciation	<u>(57,244)</u>
Total	<u>\$ 8,040,065</u>

Amortization of leased buildings and equipment under capital assets is included with depreciation expense.

### **Accumulated Unpaid Employee Vacation**

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2013, amounted to \$366,632.

### **Other Postemployment Benefits (OPEB) Obligation**

The District's annual required contribution for the year ended June 30, 2013, was \$619,615, and contributions made by the District during the year were \$465,151. Interest on the net OPEB obligation and adjustments to the annual required contribution were \$637 and (\$495), respectively, which resulted in an increase to the net OPEB obligation of \$154,606. As of June 30, 2013, the net OPEB obligation was \$167,340. See Note 11 for additional information regarding the OPEB obligation and the postemployment benefits plan.

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 9 - FUND BALANCES**

Fund balances are composed of the following elements:

	General Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Unit	Non-Major Governmental Funds	Total
<b>Nonspendable</b>					
Revolving cash	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
Stores inventories	103,744	-	-	4,837	108,581
Prepaid expenditures	1,199	-	-	-	1,199
<b>Total Nonspendable</b>	<b>139,943</b>	<b>-</b>	<b>-</b>	<b>4,837</b>	<b>144,780</b>
<b>Restricted</b>					
Legally restricted programs	1,847,024	-	-	1,298,008	3,145,032
Capital projects	-	-	7,954,199	85,164	8,039,363
<b>Total Restricted</b>	<b>1,847,024</b>	<b>-</b>	<b>7,954,199</b>	<b>1,383,172</b>	<b>11,184,395</b>
<b>Committed</b>					
Deferred maintenance program	-	-	-	27	27
Capital projects	-	10,528,687	-	-	10,528,687
<b>Total Committed</b>	<b>-</b>	<b>10,528,687</b>	<b>-</b>	<b>27</b>	<b>10,528,714</b>
<b>Assigned</b>					
Capital projects	-	24,205,463	-	937,059	25,142,522
<b>Unassigned</b>					
Remaining unassigned	2,168,073	-	-	-	2,168,073
<b>Total</b>	<b>\$ 4,155,040</b>	<b>\$ 34,734,150</b>	<b>\$ 7,954,199</b>	<b>\$ 2,325,095</b>	<b>\$ 49,168,484</b>

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### NOTE 10 - LEASE REVENUES

The District has property held for lease with an estimated cost of \$9,350,000 and accumulated depreciation of \$735,600. Lease agreements have been entered into with various lessors for terms that exceed one year. None of the agreements contain purchase options. All of the agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but is unlikely that the District will cancel any of the agreements prior to their expiration date. As of June 30, 2013, the District has received \$82,357 in lease revenues.

On May 5, 2011, Fountain Valley School District, a public school district duly organized and existing under Chapter 1 of Division 3 of Title 2 of the *Education Code* of the State of California (District or Seller) and Tri Pointe Homes, LLC, a Delaware limited liability company (Buyer) have agreed to the sale of the Lamb Elementary School property located at 10251 Yorktown Street, Huntington Beach, California, and Wardlow Elementary School property located at 9191 Pioneer Drive, Huntington Beach, California in the amount of \$29,000,000. As of June 30, 2013, the District has received \$18,320,310 related to the sale of the property. The agreement is expected to be completed and finalized by fiscal year 2013-2014.

### NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

#### Plan Description

The Postemployment Benefits Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Fountain Valley School District. The Plan provides medical, vision, and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 67 retirees and beneficiaries currently receiving benefits, and 533 active Plan members.

#### Contribution Information

The contribution requirements of Plan members and the District are established and may be amended by the District and the Teachers Association (FVEA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the District, FVEA, CSEA, and the unrepresented groups. For fiscal year 2012-2013, the District contributed \$465,151 to the Plan, all of which was used for current premiums (100 percent of total premiums, with a cap of \$8,000).



# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2013**

### Annual OPEB Cost and Net OPEB Obligation

The District's annual 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 No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (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 to the Plan:

Annual required contribution	\$ 619,615
Interest on net OPEB obligation	637
Adjustment to annual required contribution	(495)
Annual OPEB cost (expense)	<u>619,757</u>
Contributions made	<u>(465,151)</u>
Increase in net OPEB obligation	154,606
Net OPEB obligation, beginning of year	<u>12,734</u>
Net OPEB obligation, end of year	<u><u>\$ 167,340</u></u>

### Trend Information

Trend information for annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation is as follows:

Year Ended June 30,	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
2010	\$ 668,767	\$ 668,767	100.00%	\$ 12,734
2011	668,767	668,767	100.00%	12,734
2012	619,757	465,151	75.05%	167,340

### Funded Status and Funding Progress

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As of April 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$6,446,736, and the actuarial value of assets was zero, resulting in an UAAL of \$6,446,736.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2013**

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 2013, actuarial valuation, the unprojected unit credit method was used. The actuarial assumptions included a five percent investment rate of return. The UAAL is being amortized at a level dollar method. The remaining amortization period at June 30, 2013, was 30 years.

### **NOTE 12 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The District purchases commercial insurance for property damage with coverage up to a maximum of \$300 million, subject to various policy sublimits generally ranging from \$1 million to \$50 million and deductibles ranging from \$25,000 to \$300,000 per occurrence. The District also purchases commercial insurance for general liability claims with coverage up to \$1 million per occurrence and \$2 million aggregate, with excess liability coverage over \$25 million, all subject to various deductibles up to \$20,000 per occurrence and per employee policy limit, subject to a deductible of \$100,000 per occurrence per claim, up to a maximum of \$1.5 million for 2011. Employee health benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees electing to participate in the plan by paying a monthly premium based on the number of District employees participating in the plan.

### **Property and Liability**

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. During fiscal year ending June 30, 2013, the District contracted with Southern California Regional Liability Excess Fund (ReLiEF) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### Workers' Compensation

The workers' compensation program is administered through self-insurance and the purchase of commercial insurance. The workers' compensation program, for which the District retains risk of loss, is administered by the Self-Insurance Fund. Excess coverage is obtained through the purchase of commercial insurance. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior three years.

### Employee Medical Benefits

The District has contracted with the Orange County Fringe Benefits (OCFB) to provide employee health benefits. OFCB is a shared risk pool comprised of District members in California. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating Districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

### Claims Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

### Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2011 to June 30, 2013:

	<u>Workers'</u> <u>Compensation</u>
Liability Balance, June 30, 2011	\$ 195,977
Claims and changes in estimates	(266,126)
Claims payments	244,700
Liability Balance, June 30, 2012	<u>174,551</u>
Claims and changes in estimates	(241,420)
Claims payments	261,039
Liability Balance, June 30, 2013	<u>\$ 194,170</u>
Assets available to pay claims at June 30, 2013	<u>\$ 902,349</u>

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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### NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

#### CalSTRS

##### Plan Description

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

##### Funding Policy

Active plan members are required to contribute 8.0 percent 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 CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-2013 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ending June 30, 2013, 2012, and 2011, were \$1,848,541, \$1,896,870, and \$1,841,403, respectively, and equal 100 percent of the required contributions for each year.

#### CalPERS

##### Plan Description

The District contributes to the School Employer Pool under the 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 survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. 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 P Street, Sacramento, California 95811.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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### Funding Policy

Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-2013 was 10.923 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2013, 2012, and 2011, were \$1,090,504, \$1,043,319, and \$1,006,083, respectively, and equal 100 percent of the required contributions for each year.

### Alternate Retirement System

The District also contributes to the Public Agency Retirement System (PARS), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

As established by Federal law, all public sector employees who are not members of their employee's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use PARS as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 1.3 percent for part-time classified staff's gross earnings.

### On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$1,162,063 (5.176 percent of the annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures; however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the Annual Financial and Budget Report. These amounts have not been included in the budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule*. These amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves.

# **FOUNTAIN VALLEY SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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### **NOTE 14 - COMMITMENTS AND CONTINGENCIES**

#### **Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2013.

#### **Litigation**

The District is not currently a party to any legal proceedings.

#### **Construction Commitments**

As of June 30, 2013, the District had no construction commitments with respect to unfinished capital projects.

### **NOTE 15 - PARTICIPATION IN JOINT POWERS AUTHORITIES**

The District is a member of the Schools' Excess Liability Fund (SELF) and Orange County Fringe Benefits (OCFB) Joint Powers Authorities (JPAs), and the Southern California Regional Liability Excess Fund (SoCal ReLiEF). The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. Payments for services are paid to the JPAs. The relationships between the District and the JPAs are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one board member to the governing board of each entity.

During the year ended June 30, 2013, the District made payments of \$3,311, \$388,592, and \$232,523 to SELF, OCFB, and SoCal ReLiEF, respectively, for health and welfare benefits and other insurance services. At June 30, 2013, the District had no payables or receivables related to the JPAs.

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***REQUIRED SUPPLEMENTARY INFORMATION***

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**FOUNTAIN VALLEY SCHOOL DISTRICT**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual (GAAP Basis)</b>	<b>Variances -</b>
	<b>Original</b>	<b>Final</b>		<b>Positive</b>
				<b>(Negative)</b>
				<b>Final to Actual</b>
<b>REVENUES</b>				
Revenue limit sources	\$ 31,106,105	\$ 31,132,458	\$ 30,884,860	\$ (247,598)
Federal sources	1,825,677	2,009,518	1,936,293	(73,225)
Other State sources	4,896,289	5,253,212	6,742,610	1,489,398
Other local sources	4,360,621	4,599,231	4,640,708	41,477
<b>Total Revenues</b> <sup>1</sup>	<b>42,188,692</b>	<b>42,994,419</b>	<b>44,204,471</b>	<b>1,210,052</b>
<b>EXPENDITURES</b>				
Current				
Certificated salaries	22,388,557	22,778,843	22,471,189	307,654
Classified salaries	8,962,158	8,830,947	8,849,735	(18,788)
Employee benefits	8,586,329	8,566,182	9,554,103	(987,921)
Books and supplies	1,394,022	1,755,929	1,329,935	425,994
Services and operating expenditures	3,691,939	3,921,736	3,399,092	522,644
Other outgo	111,747	198,610	312,091	(113,481)
Capital outlay	75,117	150,685	-	150,685
Debt service - principal	-	-	27,091	(27,091)
Debt service - interest	-	-	3,865	(3,865)
<b>Total Expenditures</b> <sup>1</sup>	<b>45,209,869</b>	<b>46,202,932</b>	<b>45,947,101</b>	<b>255,831</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,021,177)</b>	<b>(3,208,513)</b>	<b>(1,742,630)</b>	<b>1,465,883</b>
<b>Other Financing Sources</b>				
Transfers in	2,309,701	1,309,701	1,000,000	(309,701)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(711,476)</b>	<b>(1,898,812)</b>	<b>(742,630)</b>	<b>1,156,182</b>
<b>Fund Balance - Beginning</b>	<b>4,897,670</b>	<b>4,897,670</b>	<b>4,897,670</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 4,186,194</b>	<b>\$ 2,998,858</b>	<b>\$ 4,155,040</b>	<b>\$ 1,156,182</b>

<sup>1</sup> On behalf payments of \$1,162,063 are included in the actual revenues and expenditures, but have not been included in the budgeted amounts.



**FOUNTAIN VALLEY SCHOOL DISTRICT**

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING  
PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2013**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Unprojected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
October 1, 2007	\$ -	\$ 6,291,967	\$ 6,291,967	0.0%	\$ 37,420,733	16.8%
April 1, 2013	-	6,446,736	6,446,736	0.0%	38,169,148	16.9%

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*SUPPLEMENTARY INFORMATION*

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**FOUNTAIN VALLEY SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through California Department of Education (CDE):			
Individuals with Disabilities Act (IDEA)			
Special Education (IDEA) Cluster			
Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	\$ 896,453
Local Assistance, Part B, Section 611, Private School	84.027	10115	6,201
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	94,709
Total Special Education (IDEA) Cluster			<u>997,363</u>
No Child Left Behind Act (NCLB)			
Title I, Part A Cluster			
Title I, Part A - Basic Grants Low Income and Neglected	84.010	14329	359,121
Title II, Part A - Improving Teacher Quality Local Grants	84.367	14341	134,030
Title II, Part A - Administrator Training	84.367	14344	3,319
Total Title II, Part A Cluster			<u>137,349</u>
Title III Cluster			
Title III - Limited English Proficient (LEP) Student Program	84.365	14346	55,447
Title III - Immigrant Education Program	84.365	15146	5,048
Total Title III Cluster			<u>60,495</u>
Total U.S. Department of Education			<u>1,554,328</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through CDE:			
Child Nutrition Cluster			
National School Lunch Program	10.555	13524	426,119
Food Distribution	10.555	13524	92,793
Total U.S. Department of Agriculture			<u>518,912</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through California Department of Health Services:			
Medicaid Cluster			
Medi-Cal Billing Option	93.778	10013	328,565
Medical Administrative Activities Program	93.778	10060	156,765
Total U.S. Department of Health and Human Services			<u>485,330</u>
Total Federal Programs			<u>\$ 2,558,570</u>

See accompanying note to supplementary information.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2013

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### ORGANIZATION

The Fountain Valley School District was established in 1898, and consists of an area comprising approximately 7.41 square miles. The District operates eight elementary schools and three middle schools. There were no boundary changes during the year.

### GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Sandra Crandall	President	November 2014
Jimmy Templin	President Pro-Tem	November 2014
Judith Edwards	Clerk	November 2014
Ian Collins	Member	November 2016
Jeanne Galindo	Member	November 2016

### ADMINISTRATION

Marc Ecker, Ph.D.	Superintendent
Steve McMahon	Assistant Superintendent, Business
Scott Martin	Director of Fiscal Services

See accompanying note to supplementary information.

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2013**

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	Final Report	
	Second Period Report	Annual Report
ELEMENTARY		
Kindergarten	631	631
First through third	1,800	1,803
Fourth through sixth	1,980	1,984
Seventh and eighth	1,550	1,550
Home and hospital	1	2
Special education	189	188
Total Elementary	<u>6,151</u>	<u>6,158</u>

See accompanying note to supplementary information.

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2013**

Grade Level	1982-83	Reduced 1982-83	1986-87	Reduced 1986-87	2012-13	Number of Days		Status
	Actual Minutes	Actual Minutes	Minutes Requirement	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	31,500	30,625	36,000	35,000	35,244	176	N/A	Complied
Grades 1 - 3								
Grade 1	47,250	45,938	50,400	49,000	49,338	176	N/A	Complied
Grade 2	47,250	45,938	50,400	49,000	49,338	176	N/A	Complied
Grade 3	47,250	45,938	50,400	49,000	54,630	176	N/A	Complied
Grades 4 - 6								
Grade 4	54,250	52,743	54,000	52,500	54,630	176	N/A	Complied
Grade 5	54,250	52,743	54,000	52,500	54,630	176	N/A	Complied
Grade 6	54,250	52,743	54,000	52,500	54,752	176	N/A	Complied
Grades 7 - 8								
Grade 7	54,250	52,743	54,000	52,500	54,752	176	N/A	Complied
Grade 8	54,250	52,743	54,000	52,500	54,752	176	N/A	Complied

See accompanying note to supplementary information.

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2013.

See accompanying note to supplementary information.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

	(Budget)			
	2014 <sup>1</sup>	2013	2012	2011
GENERAL FUND				
Revenues	\$ 42,554,031	\$ 44,204,471	\$ 45,972,017	\$ 45,078,973
Other sources	2,376,605	1,000,000	2,175,356	1,209,625
Total Revenues and Other Sources	44,930,636	45,204,471	48,147,373	46,288,598
Expenditures	44,870,231	45,947,101	47,361,290	45,830,521
INCREASE (DECREASE)				
IN FUND BALANCE	\$ 60,405	\$ (742,630)	\$ 786,083	\$ 458,077
ENDING FUND BALANCE	\$ 4,215,445	\$ 4,155,040	\$ 4,897,670	\$ 4,111,587
AVAILABLE RESERVES <sup>2</sup>	\$ 1,998,475	\$ 2,168,073	\$ 3,121,837	\$ 3,107,587
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO <sup>3</sup>	4.45%	4.84%	6.75%	6.93%
LONG-TERM OBLIGATIONS	\$ -	\$ 17,255,081	\$ 9,264,285	\$ 11,252,323
K-12 AVERAGE DAILY ATTENDANCE AT P-2	6,142	6,151	6,164	6,117

The General Fund balance has increased by \$43,453 over the past two years. The fiscal year 2013-2014 budget projects a decrease of \$60,405 (1.45 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating surplus in two of the past three years, and anticipates incurring an operating surplus during the 2013-2014 fiscal year. Total long-term obligations have increased by \$6,002,758 over the past two years.

Average daily attendance has increased by 34 over the past two years. A decrease of nine ADA is anticipated during fiscal year 2013-2014.

<sup>1</sup> Budget 2014 is included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances contained with the General Fund.

<sup>3</sup> On behalf payments of \$1,162,063, \$1,125,276, and \$958,074, has been excluded from the calculation of available reserves for the fiscal years ending June 30, 2013, 2012, and 2011, respectively.

See accompanying note to supplementary information.



**FOUNTAIN VALLEY SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013**

	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>	<b>Deferred Maintenance Fund</b>
<b>ASSETS</b>			
Deposits and investments	\$ 1,116,840	\$ 425,036	\$ 27
Receivables	31,468	112,360	-
Due from other funds	4,325	1,975	-
Stores inventories	-	4,837	-
<b>Total Assets</b>	<b>\$ 1,152,633</b>	<b>\$ 544,208</b>	<b>\$ 27</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 216,886	\$ 66,826	\$ -
Due to other funds	94,783	15,501	-
<b>Total Liabilities</b>	<b>311,669</b>	<b>82,327</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable	-	4,837	-
Restricted	840,964	457,044	-
Committed	-	-	27
<b>Total Fund Balances</b>	<b>840,964</b>	<b>461,881</b>	<b>27</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,152,633</b>	<b>\$ 544,208</b>	<b>\$ 27</b>

See accompanying note to supplementary information.

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<b>Building Fund</b>	<b>Capital Facilities Fund</b>	<b>County School Facilities Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 121,446	\$ 890,554	\$ 82	\$ 2,553,985
-	53,272	-	197,100
-	-	-	6,300
-	-	-	4,837
<u>\$ 121,446</u>	<u>\$ 943,826</u>	<u>\$ 82</u>	<u>\$ 2,762,222</u>
\$ 36,282	\$ 6,849	\$ -	\$ 326,843
-	-	-	110,284
<u>36,282</u>	<u>6,849</u>	<u>-</u>	<u>437,127</u>
-	-	-	4,837
85,164	936,977	82	2,320,231
-	-	-	27
<u>85,164</u>	<u>936,977</u>	<u>82</u>	<u>2,325,095</u>
<u>\$ 121,446</u>	<u>\$ 943,826</u>	<u>\$ 82</u>	<u>\$ 2,762,222</u>

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>	<b>Deferred Maintenance Fund</b>
<b>REVENUES</b>			
Federal sources	\$ -	\$ 518,912	\$ -
Other State sources	125,629	29,947	-
Other local sources	2,047,004	633,530	-
<b>Total Revenues</b>	<u>2,172,633</u>	<u>1,182,389</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
Instruction	1,700,554	-	-
Instruction-related activities:			
Supervision of instruction	287,643	-	-
Pupil services:			
Food services	-	1,119,250	-
General administration:			
All other general administration	92,063	15,000	-
Plant services	57,134	-	-
Facility acquisition and construction	1,438	-	-
<b>Total Expenditures</b>	<u>2,138,832</u>	<u>1,134,250</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>33,801</u>	<u>48,139</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	33,801	48,139	-
<b>Fund Balances - Beginning</b>	807,163	413,742	27
<b>Fund Balances - Ending</b>	<u>\$ 840,964</u>	<u>\$ 461,881</u>	<u>\$ 27</u>

See accompanying note to supplementary information.

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<b>Building Fund</b>	<b>Capital Facilities Fund</b>	<b>County School Facilities Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 518,912
-	-	-	155,576
158,906	439,403	-	3,278,843
<u>158,906</u>	<u>439,403</u>	<u>-</u>	<u>3,953,331</u>
-	-	-	1,700,554
-	-	-	287,643
-	-	-	1,119,250
-	-	-	107,063
271,736	-	-	328,870
-	43,568	-	45,006
<u>271,736</u>	<u>43,568</u>	<u>-</u>	<u>3,588,386</u>
(112,830)	395,835	-	364,945
(112,830)	395,835	-	364,945
197,994	541,142	82	1,960,150
<u>\$ 85,164</u>	<u>\$ 936,977</u>	<u>\$ 82</u>	<u>\$ 2,325,095</u>

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2013**

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**NOTE 1 - PURPOSE OF SCHEDULES**

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget 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 financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of Medi-Cal Billing Option funds that in the previous period were recorded as revenues but were unspent. These unspent balances have been expended in the current period. In addition, Medical Administrative Activities Program funds have been recorded in the current period as revenues that have not been expended as of June 30, 2013. These unspent balances are reported as legally restricted ending balances within the General Fund.

Description	<u>CFDA Number</u>	<u>Amount</u>
Total Federal Revenues Reported From the Statement of Revenues, Expenditures, and Changes in Fund Balances:		\$ 2,455,205
Medi-Cal Billing Option	93.778	8,680
Medical Administrative Activities Program	93.778	94,685
Total Schedule of Expenditures of Federal Awards		<u>\$ 2,558,570</u>

**Local Education Agency Organization Structure**

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

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

Average daily attendance (ADA) 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.

# FOUNTAIN VALLEY SCHOOL DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2013

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### **Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirements, whichever is greater, as required by *Education Code* Section 46201.

### **Reconciliation of Annual Financial and Budget Report With Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

### **Schedule of 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.

### **Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances**

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

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***INDEPENDENT AUDITORS' REPORTS***

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

Governing Board  
Fountain Valley Unified School District  
Fountain Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fountain Valley Unified School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Fountain Valley Unified School District's basic financial statements, and have issued our report thereon dated December 2, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fountain Valley Unified 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 Fountain Valley Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Fountain Valley Unified 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fountain Valley Unified 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California  
December 2, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Governing Board  
Fountain Valley Unified School District  
Fountain Valley, California

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

We have audited Fountain Valley Unified School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Fountain Valley Unified School District's (the District) major Federal programs for the year ended June 30, 2013. Fountain Valley Unified 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 Fountain Valley Unified 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 Fountain Valley Unified 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 Fountain Valley Unified School District's compliance.

## Opinion on Each Major Federal Program

In our opinion, Fountain Valley Unified 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 June 30, 2013.

## Report on Internal Control Over Compliance

Management of Fountain Valley Unified 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 Fountain Valley Unified 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 OMB 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 Fountain Valley Unified 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.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California  
December 2, 2013



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board  
Fountain Valley Unified School District  
Fountain Valley, California

### Report on State Compliance

We have audited Fountain Valley Unified School District's compliance with the types of compliance requirements as identified in the *Standards and Procedures for Audit of California K-12 Local Educational Agencies 2012-2013* that could have a direct and material effect on each of the Fountain Valley Unified School District's State government programs as noted below for the year ended June 30, 2013.

### Management's Responsibility

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

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Fountain Valley Unified School District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-2013*. These standards 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 the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Fountain Valley Unified 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. Our audit does not provide a legal determination of Fountain Valley Unified School District's compliance with those requirements.

### Unmodified Opinion on Each of the Other Programs

In our opinion, Fountain Valley Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2013.

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

	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance Accounting:		
Attendance Reporting	6	Yes
Teacher Certification and Misassignments	3	Yes
Kindergarten Continuance	3	Yes
Independent Study	23	No, see below
Continuation Education	10	Not Applicable
Instructional Time:		
School Districts	6	Yes
County Offices of Education	3	Not Applicable
Instructional Materials:		
General Requirements	8	Yes
Ratios of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes
Early Retirement Incentive	4	Not Applicable
Gann Limit Calculation	1	Yes
School Accountability Report Card	3	Yes
Juvenile Court Schools	8	Not Applicable
Class Size Reduction Program (including in charter schools):		
General Requirements	7	Yes
Option One Classes	3	Yes
Option Two Classes	4	Not Applicable
Districts or Charter Schools With Only One School Serving K-3	4	Not Applicable
After School Education and Safety Program:		
General Requirements	4	Not Applicable
After School	5	Not Applicable
Before School	6	Not Applicable
Charter Schools:		
Contemporaneous Records of Attendance	1	Not Applicable
Mode of Instruction	1	Not Applicable
Non Classroom-Based Instruction/Independent Study	15	Not Applicable
Determination of Funding for Non Classroom-Based Instruction	3	Not Applicable
Annual Instruction Minutes Classroom-Based	4	Not Applicable

We did not perform testing for Independent Study program because it did not meet the materiality threshold required for testing.

*Vavrinek, Trine, Day & Co. LLP*

Rancho Cucamonga, California  
December 2, 2013

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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**FOUNTAIN VALLEY SCHOOL DISTRICT**

**SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	<u>No</u>

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Part A - Basic Grants Low Income and Neglected</u>
<u>93.778</u>	<u>Medicaid Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Type of auditors' report issued on compliance for programs:	<u>Unmodified</u>
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**FOUNTAIN VALLEY SCHOOL DISTRICT**

**FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

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None reported.



**FOUNTAIN VALLEY SCHOOL DISTRICT**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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None reported.

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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None reported.

**FOUNTAIN VALLEY SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

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There were no audit findings reported in the prior year's schedule of financial statement findings.

Fountain Valley School District  
**BUSINESS SERVICES DIVISION**  
DFS/13-14 - 46

MEMORANDUM

TO: Stephen McMahon, Assistant Superintendent, Business Services  
FROM: Scott R. Martin, Director, Fiscal Services  
SUBJECT: **Approval of 2013-14 First Interim Report**  
DATE: December 2, 2013

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**BACKGROUND**

School districts are required to complete two interim financial reports during a fiscal year, one as of October 31 and one as of January 31. The Interim Reports are filed with the County Department of Education and the State Controller's Office. School districts must conduct a review of their interim reports in accordance with state-adopted Criteria and Standards. Two critical areas are cash balance and fund balance. The second part of the summary review includes specified additional information intended to assist governing boards and county offices in better understanding the status of the District budget. This supplemental information includes the status of negotiations, reserves and any multi-year commitments that have occurred since the budget was adopted.

**Beginning Balance**

The unaudited beginning balance for July 1, 2013 is \$4,155,041.

***Income Assumptions***

1. Local Control Funding Formula

The budget has been updated as of the first interim report to reflect the District's transition to the new Local Control Funding Formula (LCFF). The LCFF replaces the revenue limit. The LCFF was calculated using an average daily attendance (ADA) of 6,150, an implementation percentage of 11.78% and a cost of living adjustment of 1.565%. It is projected that the conversion to the LCFF model will result in an additional \$1.6 million for the District during the 2013-14 fiscal year. The majority of this new funding has been allocated to restoring furlough days and hiring new teachers.

The methodology used for enrollment projections is based on the population and births in conjunction with historical enrollment and an analysis of District trends. The District also uses Decision Insite to assist in enrollment projections. As of the First Interim Report, the projected ADA has decreased by 20.13 from budgeted

ADA, which has been factored into the projected year end total anticipated LCFF. The projected total LCFF for 2013-14 is \$36,366,136.

2. Federal Income

The adopted budget includes estimates based on entitlements for 2013-14 program funding for all federal programs. Contracted programs are budgeted as received during the year.

Sequestration of federal funds continues to be an important topic for school districts. The current budget as well as multiyear projections includes a 5.2% reduction for sequestration. No new funding is expected.

All federal program revenues have been adjusted for carryover. General Fund revenue is projected to be \$2,057,186.

3. Other State Income

Under the new LCFF categorical program funding as well as Class Size Reduction funding have been eliminated. Funding for categorical programs is now unrestricted and included in the total LCFF funding. Class size reduction has been replaced by a Grade Span Grant of \$723 per pupil (to be phased in over eight years) and is also included within the total LCFF.

After factoring in changes to Other State Revenue for the LCFF, the remaining balance is mainly comprised of funding for Common Core implementation, Lottery funds and Mandate Block Grant funding. Lottery is projected at \$126 per annual ADA using. The restricted portion of Lottery funding is estimated at \$31 per annual ADA. The Mandate Block Grant is expected to be funded at a rate of \$28 per ADA.

All State program revenues have been adjusted for carryover and deferred revenues. Revenue is projected to be \$2,464,647.

4. Other Local Income

Other local income is derived from various sources: lease income, surplus sales, donations, contract fees and miscellaneous income. Lease income is used to partially fund the Routine Maintenance program but this program is still considered a Tier III program.

Other local income is projected to be \$4,475,746.

### ***Expenditure Assumptions***

#### 1. Salary Increases

Step, column and longevity increases for certificated, classified, confidential and management employees have been included in the salary accounts for the First Interim budget. Salaries for certificated, classified, psychologists, confidential and management employees include the restoration of five furlough days.

#### Benefits

Employee benefit rates are as follows: STRS 8.25%, PERS 11.442%, Social Security 6.20%, PARS 1.30%, Medicare 1.45%, Unemployment Insurance .05%, and Workers' Compensation 2.13%. Health and Welfare costs are allocated \$8,000 per employee for classified working six hours or more, \$8,000 per certificated prorated at percentage of hours and \$4,000 for employees working part-time. The remainder of costs is borne by employees through payroll deduction.

#### Retirement Package

The District covers the cost of health and welfare for 67 retired employees until age 65. The cost does not exceed the cap at the time of the employee's retirement. The cost is recorded in the general fund object code 3700.

#### 2. Other Expenditures

Object codes 4000 through 7000 reflect typical expenditures in supplies and equipment. Transfers from another fund are used to cover planned program costs and salary adjustments.

### **Ending Balance**

The projected ending balance for June 30, 2014, is \$4,130,325. The state requires a reserve for economic uncertainties of 3% of expenditures \$1,410,451. Restricted balance \$1,711,517, Assigned balance \$135,641, Stores \$100,000 and Revolving Fund \$35,000, and undesignated amount of \$737,716.

All other funds are projected to end the year with a positive fund and cash flow balance.



PLEASE NOTE:

A copy of the **2013-14 First Interim Report**  
for the Fountain Valley School District  
is available for review at the District Office.

Please contact the Superintendent's office at 714.843.3255.



FOUNTAIN VALLEY SCHOOL DISTRICT  
Curriculum/Instruction

*MEMORANDUM*

**TO:** Marc Ecker, Superintendent  
**FROM:** Anne Silavs, Assistant Superintendent, Instruction  
**SUBJECT:** *CONTRACT FOR SERVICES BETWEEN MARILYN FRIEND, PH.D., AND THE FOUNTAIN VALLEY SCHOOL DISTRICT FOR ON-SITE COACHING AND SUPPORT FOR CO-TEACHING*  
**DATE:** December 3, 2013

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**BACKGROUND INFORMATION:**

Over the past two years, each of the District's three middle schools have endeavored to implement a "co-teaching" model, which involves collaboration between general and special education teachers to support students with special needs and those who are academically at-risk. In support of these efforts, co-teaching teams have attended training at the Orange County Department of Education provided by Marilyn Friend, Ph.D., during the 2011-2012 and 2012-2013 school years. While each school continues to make progress with this initiative, our middle school teachers would benefit from individualized, expert coaching to increase their capacity to effectively implement this instructional model. A contract with Dr. Friend to provide on-site support would meet this identified need.

Consultant expenses and related substitute costs would be covered using set-aside funds as part of the District's plan to address disproportionate representation in Special Education.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the contract between Marilyn Friend, Ph.D., and the Fountain Valley School District for on-site support and coaching for co-teaching.



CONSULTING AGREEMENT

THIS AGREEMENT IS MADE AND ENTERED INTO THIS 13th DAY OF December, 2013 BETWEEN Dr. Marilyn Friend, Inc. , HEREINAFTER REFERRED TO AS "CONSULTANT" AND THE FOUNTAIN VALLEY SCHOOL DISTRICT, HEREINAFTER REFERRED TO AS "DISTRICT".

WHEREAS, THE DISTRICT IS IN NEED OF SPECIAL SERVICES AND ADVICE IN FINANCIAL, ECONOMIC, ACCOUNTING, ENGINEERING OR ADMINISTRATIVE MATTERS; AND

WHEREAS, SUCH SERVICES AND ADVICE ARE NOT AVAILABLE AT NO COST FROM PUBLIC AGENCIES; AND

WHEREAS, CONSULTANT IS SPECIALLY TRAINED, EXPERIENCE AND COMPETENT TO PROVIDE THE SPECIAL SERVICES AND ADVICE REQUIRED; AND

WHEREAS, SUCH SERVICES ARE NEEDED ON A LIMITED BASIS:

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. SERVICES TO BE PROVIDED BY CONSULTANT:

Middle school on-site coaching for Co-Teaching on January 7, 8, and 9, 2014. See attached Exhibit "A" regarding approved expenses for travel including but not exclusive of hotel, car rental, air and meals. Travel expenses, not to exceed \$1800, will be in addition to the consultant's daily rate and will be added to the contract price indicated below.

2. THE CONSULTANT WILL COMMENCE PROVIDING SERVICES UNDER THIS AGREEMENT ON January 7, 2014 AND WILL DILIGENTLY PERFORM AS REQUIRED AND COMPLETE PERFORMANCE BY January 9, 2014. THE CONSULTANT WILL PERFORM SAID SERVICES AS AN INDEPENDENT CALLING AND NOT AS AN EMPLOYEE OF THE DISTRICT. CONSULTANT SHALL BE UNDER THE CONTROL OF THE DISTRICT AS TO THE RESULT TO BE ACCOMPLISHED AND NOT AS TO THE MEANS OR MANNER BY WHICH SUCH RESULT IS TO BE ACCOMPLISHED.

3. THE DISTRICT WILL PREPARE AND FURNISH TO THE CONSULTANT UPON REQUEST SUCH INFORMATION AS IS REASONABLY NECESSARY TO THE PERFORMANCE OF THE CONSULTANT TO THIS AGREEMENT.

4. THE DISTRICT SHALL PAY THE CONSULTANT \$3500 PER DAY FOR 3 DAYS, FOR A TOTAL CONTRACT PRICE OF \$10,500 FOR SERVICES RENDERED PURSUANT TO THIS AGREEMENT.

5. THE DISTRICT MAY AT ANY TIME FOR ANY REASON TERMINATE THIS AGREEMENT AND COMPENSATE CONSULTANT ONLY FOR SERVICES RENDERED TO THE DATE OF TERMINATION. WRITTEN NOTICE BY THE DISTRICT SUPERINTENDENT SHALL BE SUFFICIENT TO STOP FURTHER PERFORMANCE OF SERVICES BY CONSULTANT. THE NOTICE SHALL BE DEEMED GIVEN WHEN RECEIVED OR NO LATER THAN THREE (3) DAYS AFTER THE DAY OF MAILING, WHICHEVER IS SOONER.

6. CONSULTANT AGREES TO AND SHALL HOLD HARMLESS AND INDEMNIFY THE DISTRICT, ITS OFFICERS, AGENTS AND EMPLOYEES FROM EVERY CLAIM OR DEMAND MADE AND EVERY LIABILITY OR LOSS, DAMAGE OR EXPENSE OF ANY NATURE WHATSOEVER, WHICH MAY BE INCURRED BY REASON OF: (A) LIABILITY FOR DAMAGES FOR DEATH OR BODILY INJURY TO PERSON, INJURY TO PROPERTY, OR ANY OTHER LOSS, DAMAGE OR EXPENSE SUSTAINED BY THE CONSULTANT OR ANY PERSON, FIRM OR CORPORATION EMPLOYED BY THE CONSULTANT UPON OR IN CONNECTION WITH THE SERVICES CALLED FOR IN THIS AGREEMENT EXCEPT FOR LIABILITY FOR DAMAGES REFERRED TO ABOVE WHICH RESULT FROM THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE DISTRICT, ITS OFFICERS, EMPLOYEES OR AGENTS; (B) ANY INJURY TO OR DEATH OF PERSONS OR DAMAGE TO PROPERTY SUSTAINED BY ANY PERSONS, FIRM OR CORPORATION, INCLUDING THE DISTRICT, ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THE SERVICES COVERED BY THIS AGREEMENT, WHETHER SAID INJURY OR DAMAGE OCCURS EITHER ON OR OFF SCHOOL DISTRICT PROPERTY, EXCEPT FOR LIABILITY FOR DAMAGES WHICH RESULT FROM THE SOLE NEGLIGENCE OR WILLFULL MISCONDUCT OF THE DISTRICT, ITS OFFICERS, EMPLOYEES OR AGENTS. THE CONSULTANT, AT CONSULTANT'S EXPENSE, COST AND RISK, SHALL DEFEND ANY AND ALL ACTIONS, SUITS OR OTHER PROCEEDING THAT MAY BE BROUGHT OR INSTITUTED AGAINST THE DISTRICT, ITS OFFICERS, AGENTS OR EMPLOYEES ON ANY SUCH CLAIM, DEMAND OR LIABILITY AND SHALL PAY OR SATISFY ANY JUDGEMENT THAT MAY BE RENDERED AGAINST THE DISTRICT, ITS OFFICERS, AGENTS OR EMPLOYEES IN ANY ACTION, SUIT OR OTHER PROCEEDINGS AS A RESULT THEREOF.

7. THIS AGREEMENT IS NOT ASSIGNABLE WITHOUT WRITTEN CONSENT OF THE PARTIES HERETO.

8. CONSULTANT SHALL COMPLY WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS, REGULATIONS AND ORDINANCES INCLUDING WORKER'S COMPENSATION.

9. CONSULTANT, IF AN EMPLOYEE OF ANOTHER PUBLIC AGENCY, CERTIFIES THAT CONSULTANT WILL NOT RECEIVE SALARY OR REMUNERATION, OTHER THAN VACATION PAY, AS AN EMPLOYEE OF ANOTHER PUBLIC AGENCY FOR THE ACTUAL TIME IN WHICH SERVICES ARE ACTUALLY BEING PERFORMED PURSUANT TO THIS AGREEMENT.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED.

(MUST BE SIGNED PRIOR TO DISTRICT SIGNATURE)

CONSULTANT: \*

Marilyn Friend

(CONSULTANT SIGNATURE)  
26 Rosebay Lane

(ADDRESS)  
Greensboro, NC 27455

(CITY, STATE, ZIP CODE)  
11, 15, 13

(DATE)

(BOARD APPROVAL REQUIRED PRIOR TO SIGNATURE)

FOUNTAIN VALLEY SCHOOL DISTRICT:

BY  
DIRECTOR, BUSINESS SERVICES

(DATE)  
December 12, 2013

(DATE OF BOARD APPROVAL)

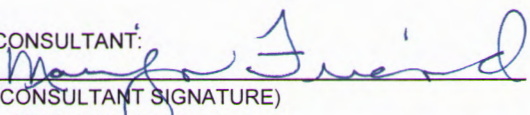
DISTRIBUTION: Forward three (3) copies of contract (signed by Consultant) to Business Services for signature. Only one (1) copy of fully executed contract will be returned to Consultant.

**Exhibit A**

*Dr. Friend's Estimated Travel Expenses*

Item	Estimated Expense
Hotel (4 nights @ 165/night)	675
Meals (3 days @ 50/day)	150
Airfare (RT GSO-SNA)	700
Car rental/gas	400
Parking (GSO)	75
<b>TOTAL</b>	<b>\$2000</b>

CONSULTANT:

  
(CONSULTANT SIGNATURE)

26 Rosebay Lane

(ADDRESS)

Greensboro, NC 27455

(CITY, STATE, ZIP CODE)

11, 15, 13

(DATE)

FOUNTAIN VALLEY SCHOOL DISTRICT:

BY \_\_\_\_\_

FVSD Representative

(DATE)

December 12, 2013

(DATE OF BOARD APPROVAL)



# FOUNTAIN VALLEY SCHOOL DISTRICT

10055 Slater Ave. • Fountain Valley, CA 92708 • 714.843.3200 • [www.fvsd.k12.ca.us](http://www.fvsd.k12.ca.us)

**DATE:** December 2, 2013

**TO:** **Anne Silavs, Assistant Superintendent, Instruction**

**FROM:** Abby Wright, Director, Support Services

**SUBJECT: Board Item for December 12, 2013 Board Meeting  
Mileage Reimbursement to Parents**

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On October 17, 2013, Non-Public School contract #850095-2669 was Board approved. In conjunction with this Non-Public School contract, Fountain Valley School District will reimburse parents for transporting their child to and from school on a daily basis. The parents will be reimbursed only for the days the child attends school, this excludes, holidays and any day(s) the child is out of school for any reason. Mileage will be reimbursed for the period of September 4, 2013 thru June 19, 2014. Amount not to exceed \$3,000.

**RECOMMENDATION:**

Approval by the Board of Trustees is recommended to approve the above mentioned mileage reimbursement to the parents.

/sb

2013/2014

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION

CONFIDENTIAL MEMO

To: FVSD Board Members  
From: Patrick J Middleton, Fiscal/MIS Manager  
West Orange County Consortium for Special Education  
Date: November 19, 2013  
Subject: **Non-Public Agency Contract Addendums**

Board Meeting Date: December 12, 2013

Under current consortium budget agreements, any unfunded cost of NPS/NPA placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contract/addendum be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Student's Name	Non-Public School/Agency	100% Contract/ Addendum	Effective Dates
706384-2672	Cornerstone Therapies	500.00	July 01, 2013 to June 30, 2014

Approved by the FVSD Board of Trustees  
December 12, 2013

---

Marc Ecker, Ph.D.  
Superintendent

2013/2014

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION

CONFIDENTIAL MEMO

To: FVSD Board Members  
From: Patrick J Middleton, Fiscal/MIS Manager  
West Orange County Consortium for Special Education  
Date: November 19, 2013  
Subject: **Non-Public School Contract Addendums**

Board Meeting Date: December 12, 2013

Under current consortium budget agreements, any unfunded cost of NPS/NPA placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contract/addendum be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Student's Name	Non-Public School/Agency	100% Contract/ Addendum	Effective Dates
850094-2669	Del Sol School	3,850.00	October 14, 2013 to June 30, 2014

Approved by the FVSD Board of Trustees  
December 12, 2013

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Marc Ecker, Ph.D.  
Superintendent



ADDENDUM TO AGREEMENT FOR NONPUBLIC NONSECTARIAN SCHOOL/AGENCY SERVICES  
INDIVIDUAL SERVICE CONTRACT

This ADDENDUM to the SERVICE CONTRACT is made and entered into this 12th of December, 2013 between the Fountain Valley School District, County of Orange and Del Sol School for  
(Local Education Agency) (Nonpublic School or Agency)  
850094-2669 born on \_\_\_\_\_, who is a resident of Fountain Valley School District of  
(Name of Student) (Date of Birth) (Local Education Agency)  
Orange County.

**ORIGINAL CONTRACT - September 04, 2013 to June 30, 2014**

SERVICES AS PROVIDED IN ORIGINAL CONTRACT	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Original Cost
1. Behavior Intervention ( 6hrs/day )	NPS	60 Minutes	37.50	1,110.00	41,625.00
2. Language and Speech Therapy ( 2x20min/wk )	NPS	60 Minutes	110.00	25.00	2,750.00
<b>TOTAL ORIGINAL CONTRACT COST</b>					<b>44,375.00</b>

**ADDENDUM CONTRACT - October 14, 2013 to June 30, 2014**

SERVICES ADDED BY THIS ADDENDUM	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Addendum Cost
2. Language and Speech Therapy ( 2x20min/wk )	NPS	60 Minutes	110.00	-20.00	-2,200.00
3. Language and Speech Therapy ( 3x30min/wk )	NPS	60 Minutes	110.00	55.00	6,050.00
<b>TOTAL ADDENDUM CONTRACT COST</b>					<b>3,850.00</b>

**AMENDED CONTRACT**

SERVICES AS PROVIDED IN AMENDED CONTRACT	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Amended Cost
1. Behavior Intervention ( 6hrs/day )	NPS	60 Minutes	37.50	1,110.00	41,625.00
2. Language and Speech Therapy ( 2x20min/wk )	NPS	60 Minutes	110.00	5.00	550.00
3. Language and Speech Therapy ( 3x30min/wk )	NPS	60 Minutes	110.00	55.00	6,050.00
<b>TOTAL AMENDED CONTRACT COST</b>					<b>48,225.00</b>

This AMENDED Service shall begin on October 14, 2013 and shall terminate at 5:00 p.m. on June 30, 2014 unless sooner terminated as provided herein.

-CONTRACTOR-

-DISTRICT-

Del Sol School  
(Name of Nonpublic School/Agency)

Fountain Valley School District  
(Name of School District)

\_\_\_\_\_  
(Contracting Officer's Signature) Date

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type Name and Title)

Marc Ecker, Ph.D.  
(Type Name of Superintendent) Date

2013/2014

HBUHSD Contract No. 2672  
Please refer to this number on correspondence, invoices, etc.

ADDENDUM TO AGREEMENT FOR NONPUBLIC NONSECTARIAN SCHOOL/AGENCY SERVICES  
INDIVIDUAL SERVICE CONTRACT

This ADDENDUM to the SERVICE CONTRACT is made and entered into this 12th of December, 2013 between the Fountain Valley School District, County of Orange and Cornerstone Therapies for (Local Education Agency) (Nonpublic School or Agency)  
706384-2672 born on \_\_\_\_\_, who is a resident of Fountain Valley School District of (Name of Student) (Date of Birth) (Local Education Agency) of Orange County.

**ORIGINAL CONTRACT - July 01, 2013 to June 30, 2014**

SERVICES AS PROVIDED IN ORIGINAL CONTRACT	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Original Cost
1. Physical Therapy - School/Clinic ( 2x60min/wk )	NPA	60 Minutes	100.00	80.00	8,000.00
<b>TOTAL ORIGINAL CONTRACT COST</b>					8,000.00

**ADDENDUM CONTRACT - July 01, 2013 to June 30, 2014**

SERVICES ADDED BY THIS ADDENDUM	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Addendum Cost
2. Evaluation Report Writing/Phone Consult/IEP Attendance ( PT Eval )	NPA	60 Minutes	100.00	5.00	500.00
<b>TOTAL ADDENDUM CONTRACT COST</b>					500.00

**AMENDED CONTRACT**

SERVICES AS PROVIDED IN AMENDED CONTRACT	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Amended Cost
1. Physical Therapy - School/Clinic ( 2x60min/wk )	NPA	60 Minutes	100.00	80.00	8,000.00
2. Evaluation Report Writing/Phone Consult/IEP Attendance ( PT Eval )	NPA	60 Minutes	100.00	5.00	500.00
<b>TOTAL AMENDED CONTRACT COST</b>					8,500.00

This AMENDED Service shall begin on July 01, 2013 and shall terminate at 5:00 p.m. on June 30, 2014 unless sooner terminated as provided herein.

-CONTRACTOR-

-DISTRICT-

Cornerstone Therapies  
(Name of Nonpublic School/Agency)

Fountain Valley School District  
(Name of School District)

\_\_\_\_\_  
(Contracting Officer's Signature) Date

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type Name and Title)

Marc Ecker, Ph.D.  
(Type Name of Superintendent) Date

2013/2014

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION

CONFIDENTIAL MEMO

To: FVSD Board Members  
From: Patrick J Middleton, Fiscal/MIS Manager  
West Orange County Consortium for Special Education  
Date: November 19, 2013  
Subject: **Non-Public Agency Contracts**

Board Meeting Date: December 12, 2013

Under current consortium budget agreements, any unfunded cost of NPS/NPA placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contract/addendum be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Student's Name	Non-Public School/Agency	100% Contract/ Addendum	Effective Dates
613414-2709	Cornerstone Therapies	960.00	November 18, 2013 to June 30, 2014

Approved by the FVSD Board of Trustees  
December 12, 2013

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Marc Ecker, Ph.D.  
Superintendent



INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES  
 (Education Code 56365 et seq.)

All terms and conditions of the current Master Contract for Nonpublic, Nonsectarian School Agency (NPS/NPA), hereinafter referred to as the Master Contract, previously executed by the parties hereto, are incorporated herein by reference. The CONTRACTOR will implement the Individualized Education Program (IEP), and will request an IEP review prior to any change in the service program.

Date: 11-19-13 Local Education Agency: Fountain Valley School District  
 Nonpublic School/Agency: Cornerstone Therapies  
 Pupil Name: 613414-2709 DOB \_\_\_\_\_  
 Last, First Middle \_\_\_\_\_ : \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Street \_\_\_\_\_  
 Sex: \_\_\_\_\_ Grade: \_\_\_\_\_ Residential Setting (Indicate Home, Foster, JCS or LCI): Home  
 (K - 8 or 9 - 12) If LCI, indicate number: \_\_\_\_\_

Parent/Guardian: \_\_\_\_\_ Home Phn: \_\_\_\_\_ Cell Phn: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Street \_\_\_\_\_ City \_\_\_\_\_ Zip \_\_\_\_\_

CONTRACT TERMS:

1. The pupil's teacher/service provider will hold the following credential/license: Licensed Speech Pathologist, Licensed Physical Therapist, Occupational Therapist
2. The class size for the pupil will not exceed N/A, and/or therapist/pupil ratio will be 1:1
3. The length of the instructional program will be N/A per day, Monday through Friday. (Nonpublic school only)
4. AUTHORIZED educational services as specified in the IEP shall be provided by the CONTRACTOR up to the amount specified.

A. BASIC EDUCATION PROGRAM (Applies to nonpublic schools only):

Number of days                      x Per Diem                      TOTAL BASIC EDUCATION COSTS

B. DESIGNATED INSTRUCTION AND SERVICES/RELATED SERVICES:

SERVICES	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Maximum Total Cost for Contracted Period
1. Assessments/Testing/Evaluations (RATE)	NPA	60.00 Minutes	225.00	2.00	450.00
OT Eval					
2. Assessments/Testing/Evaluations (RATE)	NPA	60.00 Minutes	85.00	6.00	510.00
OT Eval					

Maximum Total Related Services Costs (B) 960.00

Maximum Total Basic Education and Related Services Costs (A + B) \_\_\_\_\_

Maximum Per Diem for Basic Education \_\_\_\_\_

Please refer to this number on correspondence, invoices, etc.

INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES  
(Education Code 56365 et seq.)

All terms and conditions of the current Master Contract for Nonpublic, Nonsectarian School Agency (NPS/NPA), hereinafter referred to as the Master Contract, previously executed by the parties hereto, are incorporated herein by reference. The CONTRACTOR will implement the Individualized Education Program (IEP), and will request an IEP review prior to any change in the service program.

Other Provisions (attachments as necessary):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The parties hereto have executed this contract by and through their duly authorized agents or representatives.

This contract is effective on: November 18, 2013  
and terminates on 5:00 p.m. on: June 30, 2014  
unless sooner terminated as provided herein.

-CONTRACTOR-

-DISTRICT-

Cornerstone Therapies  
(Name of Nonpublic School/Agency)

Fountain Valley School District  
(Name of School District)

\_\_\_\_\_  
(Contracting Officer's Signature) Date

\_\_\_\_\_  
(Signature) Date

\_\_\_\_\_  
(Type Name and Title)

Marc Ecker, Ph.D.  
(Type Name of Superintendent)

18700 Beach Blvd., Suite 120, Huntington Beach, CA 92648  
(Address)

714-962-6760                      714-962-5961  
(Telephone Number)              (FAX Number)

33-0921156  
(Federal I.D. or Social Security Number)

APPROVED BY THE GOVERNING BOARD ON \_\_\_\_\_