

**SOUTHSIDE SCHOOL DISTRICT  
REGULAR MEETING, BOARD OF TRUSTEES  
Wednesday March 8<sup>th</sup>, 2023  
4991 Southside Road, Hollister, CA 95023  
Art Room**

CLOSED SESSION – 5:30 p.m. OPEN SESSION - 6:00 p.m.

AGENDA

- I. Call To Order: 5:30 p.m.
  - a. Roll Call
  - b. Comments from the Public – This is a time for the public to address the Board. (A maximum of 3 minutes will be allotted to each speaker.)
  - c. Recess to Closed Session
- II. Closed Session 5:30 p.m.

Notice is hereby given that a closed session of the Board will be held under the general provisions listed as follows:

a. PERSONNEL - Closed Session Pursuant to Government Code Section 54957 & 54957.6(a)

- 1. Conference with Labor Negotiator - Certificated “Sunshine Letter”

- III. Regular Session 6:00pm

- a. Roll Call

Present:

Michael Ruth

Julia Otterlei

Julie Corrigan

Laura Forth

Julio Salazar

-Absent:

- b. Report any action taken in closed session

- c. Pledge of Allegiance

- d. Approval of the Agenda

e. Comments from the Public – This is a time for the public to address the Board. A maximum of 3 minutes will be allotted to each speaker.

#### IV. Discussion/Action Items

##### a. Officers' Reports

##### 1. Superintendent/Principal

- a. Multiuse room roof update
- b. Additional Targeted Support and Improvement (ATSI)
- c. Community Solutions: Parent workshop on Drug awareness and prevention 3/7 6-7pm
- d. 8<sup>th</sup> grade camp 4/17-4/19

##### 2. Board Member Comments

##### 3. Board President

##### 4. Parent Club

#### V. Consent Items

These items are considered routine and may be enacted by the board in one motion. There is no discussion on these items prior to the motion unless a specific item is removed from the consent list.

- a. Regular Board Meeting Minutes February 1<sup>st</sup>, 2023 as presented.
- b. Special Meeting of the Board Minutes January 24<sup>th</sup>, 2023
- c. Warrants report dated 2/1/23-2/28/23 through date range, as presented.
- d. Surplus items February 2023

#### VI. Discussion/Action Items

- a. Annual Financial Report for Period Ending June 30, 2022 (ACTION)

Rationale: Local educational agencies (LEAs) are required to file two reports during a fiscal year (interim reports and year ending reports) on the status of the LEA's financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31. Year ending audit reports are required to demonstrate the responsibility to appropriate accounting standards and practices. County superintendents are to report to the Superintendent of Public Instruction and the State Controller the certification for all districts in their county within 75 days after the close of the reporting period. The interim reports must include a certification of whether or not the LEA is able to meet its financial obligations. The certifications are classified as positive, qualified, or negative. A positive certification is

assigned when the district will meet its financial obligations for the current and two subsequent fiscal years. A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years. A negative certification is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year. In addition, the Superintendent of Public Instruction may reclassify the certification of any county office of education or reclassify a certification based on an appeal of a school district in accordance with the above standards. (<https://www.cde.ca.gov/fg/fi/ir/interimstatus.asp>)

**Recommendation:** The board approve the Annual Financial Report for Period Ending June 30, prepared by Eide Bailey, LLP, Certified Public Accountants retained by the San Benito County office of Education. The report reflects the financial statements of each major fund, and the aggregate remaining fund information for the year ending June 30, 2022, for the Southside School District.

**Recommended Motion:** That the Board of Education review and approve the Annual Financial Report for Period Ending June 30, 2022.

**Budget Source:** TBD

b. Second Interim Report March 2023 (ACTION)

**Rationale:** Local educational agencies (LEAs) are required to file two reports during a fiscal year (interim reports) on the status of the LEA's financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31. County superintendents are to report to the Superintendent of Public Instruction and the State Controller the certification for all districts in their county within 75 days after the close of the reporting period. The interim reports must include a certification of whether or not the LEA is able to meet its financial obligations. The certifications are classified as positive, qualified, or negative. A positive certification is assigned when the district will meet its financial obligations for the current and two subsequent fiscal years. A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years. A negative certification is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year. In addition, the Superintendent of Public Instruction may reclassify the certification of any county office of education or reclassify a certification based on an appeal of a school district in accordance with the above standards. (<https://www.cde.ca.gov/fg/fi/ir/interimstatus.asp>)

**Recommendation:** The board approve the Second Interim Report prepared by Shannon Hansen, the Director of Business Services for the San Benito County office of Education and reflects the overall fiscal status and three-year projections for Southside school

**Recommended Motion:** That the Board of Education review and approve the Second Interim Report as presented.

Budget Source: N/A

c. Quarterly Investment of Funds report ending December 31<sup>th</sup>, 2022 (ACTION)

Recommendation: The submitted report was prepared by the County Treasurer and reflects the overall pool of funds invested of which Southside school is a part of.

Recommended Motion: That the Board of Education review and accept the Quarterly Investment of Funds Report ending December 31<sup>st</sup>, 2022.

Rationale: The report and subsequent quarterly reports are required to go to the board for review and acceptance and should be documented as an action item in the board minutes.

Budget Source: N/A

VII. Closing Items

a. The next Regular Meeting of the Board is Wednesday April 12<sup>th</sup>, 2023, at 6:00 pm.

b. Adjournment

PUBLIC COMMENTS –

Individuals wishing to address the Board on a non-agenda item may do so during the Comments from the Public. However, no action may be taken on an item, which is not on the agenda. The public is welcomed to address the Board on agenda items and may do so at the time it is presented. Guidelines for Comments from the Public will be as follows: A maximum of 5 minutes will be allotted to each speaker with a maximum of 20 minutes to a subject area.

No disruptive conduct will be permitted at any Southside School Board of Trustees meeting.

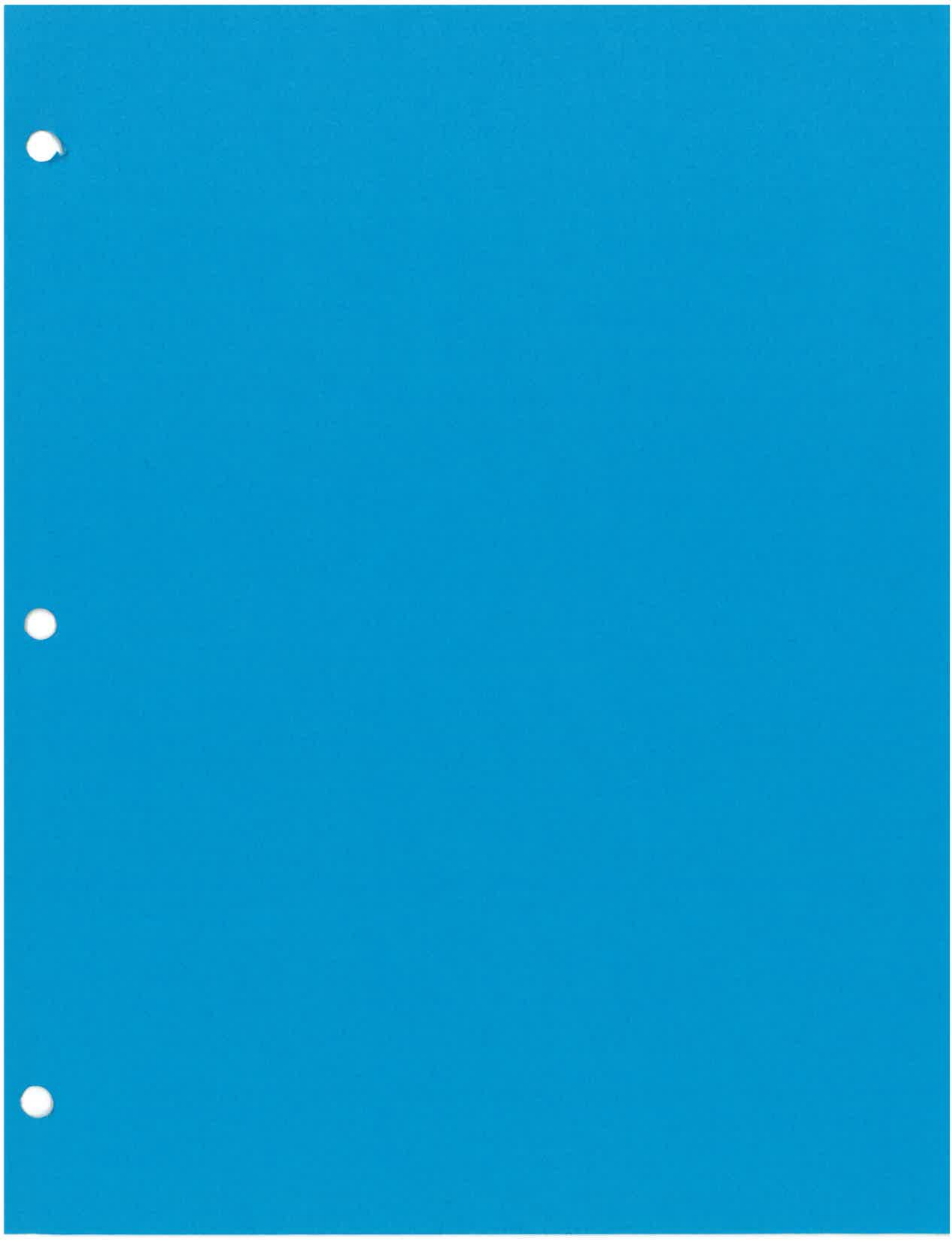
AGENDA ITEMS –

Individuals wishing to have an item appear on the agenda must submit the request in writing to the Superintendent/Principal two weeks prior to the regularly scheduled meeting. The Board President and Superintendent/President will determine what items will be included in the agendas. Regular meetings are held the first Wednesday of each month.

Items listed under the Consent Agenda are considered routine and are acted on by the Board of Trustees as one motion. It is understood that the Administration recommends approval on all consent items. Each item on the Consent Agenda approved by the Board

of Trustees shall be deemed to have been considered in full and adopted as recommended.

In compliance with the Americans with Disabilities Act, if you need special assistance to access the Board meeting room or to otherwise participate at this meeting, including auxiliary aids or services, please contact Southside School at (831) 637-4439 x 100. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Board meeting.



**SOUHSIDE SCHOOL DISTRICT BOARD OF TRUSTEES**  
**4991 Southside Rd. Hollister, CA 95023**  
**REGULAR MEETING: Wednesday, February 1<sup>st</sup>, 2023**  
**In-Person Meeting**

**MINUTES**

**ITEM I – Call to Order: 5:30pm**

- a. Meeting called to order at 5:30pm by Mr. Michael Ruth**

**Roll Call:**

**Board Members Present:**

- Michael Ruth
- Laura Forth
- Julie Corrigan
- Julia Otterlei
- Julio Salazar

**Board Members Absent:**

- b. Comments from public –**  
**c. Recess to Closed Session**

**ITEM II – Closed Session 5:30pm**

Notice is hereby given that a closed session of the Board will be held under the general provisions listed as follows:

- a. Personnel – Closed Session Pursuant to Government Code Section 54957 & 54957.6(a)**
1. Conference with Labor Negotiator – Certificated “Sunshine Letter”

**ITEM III**

- a. Roll Call – Closed Session ended at 5:50pm regular session started at 5:57pm**

**Present:**

- Michael Ruth
- Laura Forth
- Julie Corrigan
- Julia Otterlei
- Julio Salazar

**Absent:**

- b. The Board directed Mr. Schilling to negotiate with the SEA.**
- c. Approval of the Agenda – Laura Forth made the motion to approve the agenda with a change to the next Board Meeting. Mr. Schilling to email possible dates to the Board and was seconded by Julio Salazar and carried the following vote: Yes – 5; No/Absent/Abstain – 0**
- d. Comments from the public – Mrs. Howard shared with the Board that the staff is happy with the new agreement from Go Guardian that Mr. Schilling was able to get back this year.**

- e. Mrs. Radon shared with the Board that every 1<sup>st</sup> grader in her class has improved on their IXL Diagnostic test and received a certificate. The next diagnostic test will be in May.

**ITEM IV. – DISCUSSION / ACTION ITEMS**

**a. Officers' Report**

**1. Superintendent/Principal –**

- a. Mr. Schilling shared with the Board that the documentation for the Compliance Monitoring has been completed.
  - b. Mr. Schilling shared with the Board that the Parent workshop on Drug Awareness & Prevention has been rescheduled for the second time. New date TBA.
  - c. Mr. Schilling shared with the Board that he and Mrs. Abercrombie met with the Graduation Committee and 8<sup>th</sup> grade Graduation has been moved to Swank Farms. Graduation will be held on June 6<sup>th</sup>, 2023, at 4pm.
- 2. Board Member comments – No comments**
- 3. Board President comments – No comments**
- 4. Parent Club –Mrs. Waterman shared with the Board that the Father / Daughter Dance that was held on 1/28/2023 was successful. Movie Night has been pushed out to springtime. The Rabbit Run packets will go out sometime in February. Parent Club will be hosting a Parent Night Out at Paine's on 3/17/2023. Each class will be creating a project or putting a basket together to raffle off. Tickets will be sold outside afterschool on Friday's. Parents will accept Zelle, cash and checks.**

**ITEM V – CONSENT ITEMS**

These items are considered routine and may be enacted by the board in one motion. There is no discussion on these items prior to the motion unless a specific item is removed from the consent list.

- a. Regular Board Meeting Minutes January 11<sup>th</sup>, 2023 as presented.
- b. Warrants report dated 1/4/23-1/31/23 through date range, as presented.

Laura Forth made the motion to approve the Regular Board Meeting Minutes dated 1.11.23 with the spelling corrections on ITEM IV 1.a , and the Warrants dated 1/4/23 and was seconded by Julie Corrigan and carried the following vote: Yes –5; No/Absent/Abstain – 0

**ITEM VI – DISCUSSION/ACTION ITEMS**

**a. School Accountability Report Card (SARC) (ACTION)**

**Rationale:** Since November 1988, state law has required all public schools receiving state funding to prepare and distribute a SARC. A similar requirement is also contained in the federal No Child Left Behind (NCLB) Act. The purpose of the report card is to provide parents and the community with important information about the school. The SARC is an



effective way for the school to report on its progress in achieving goals. The public may also use a SARC to evaluate and compare schools on a variety of indicators.

**Recommendation Motion:** That the Board of Education review and approve the SARC as presented.

Julie Corrigan made the motion to approve the School Accountability Report Card with the corrections on page 20 and was seconded by Laura Forth and carried the following vote: Yes –4; No/Absent/Abstain – 1

**b. Contract for the Roof Repair for the Southside Multi-purpose Room (ACTION)  
Second Reading**

**Rationale:** The Southside multi-purpose room roof is in ill repair and requires immediate attention to address the poor condition of the roof. Based upon the California Governor’s declaration from 12/27/22, the district is not bound to consider three competitive bids for the work to be completed. This is the statement for the County office of education.

“We reviewed the attached Governor’s Proclamation of a State of Emergency regarding severe winter storms beginning December 27, 2022 (“Emergency Proclamation”). Section 3 of the Emergency Proclamation authorizes the suspension of bidding requirements by local governments under this emergency. As such, in our opinion, the YCOE can authorize the District to move forward with the emergency procurement without bidding based on the Emergency Proclamation, subject to ratification of the emergency construction contract by the District’s Board.”

Construction Contractors have submitted bids for the work and the board is urged to consider the contracts for work.

The board is considering contact proposals from:

Legacy Roofing  
Dilbeck Construction  
Alta – Cal Roofing

**Recommended Motion:** Approve a construction contract from one of the contractor bids submitted to the district.

Laura Forth made the motion to approve the Contract with Alta-Cal Roofing with clarifications on the project and was seconded by Julio Salazar and carried the following vote: Yes – 5; No/Absent/Abstain – 0

Clarifications include: Counter Flashing – is this included in the bid?  
Roof Hatch – Needs replacement and what is the additional cost?  
Vents – Are the current metal vents being reused or replaced?  
HVAC unit – Is the sub-contractor being used to seal the duct penetrations?

**VII. Closing Items**

- a. The next Regular Meeting of the Board is Wednesday March 8<sup>th</sup>, 2023 , at 6:00 pm.
- b. Adjournment

Laura forth made the motion to adjourn the meeting at 6:50pm and was seconded by Julie Corrigan and carried the following vote: Yes –5; No/Absent/Abstain – 0

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John Schilling, Superintendent/Principal  
Southside School District

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Michael Ruth, Board President  
Southside School District, Board of Trustee

**SOUHSIDE SCHOOL DISTRICT BOARD OF TRUSTEES**  
**4991 Southside Rd. Hollister, CA 95023**  
**SPECIAL MEETING: Tuesday, January 24<sup>th</sup>, 2023**  
**In-Person Meeting**

**MINUTES**

**ITEM I – Call to Order: 5:30pm**

- a. Meeting called to order at 5:30pm by Mr. Michael Ruth**

**Roll Call:**

Board Members Present:

- Michael Ruth
- Julie Corrigan
- Laura Forth
- Julia Otterlei

Board Members Absent:

Julio Salazar

- b. Comments from public –**  
**c. Recess to Closed Session**

**ITEM II – Closed Session 5:35pm**

Notice is hereby given that a closed session of the Board will be held under the general provisions listed as follows:

- a. Personnel – Closed Session Pursuant to Government Code Section 54957 & 54957.6(a)**

**ITEM III**

- a. Closed Session – The Board directed Mr. Schilling to negotiate with the SEA.**
- b. Roll Call – Closed Session ended at 6:06pm regular session started at 6:00pm**
- |                  |                |
|------------------|----------------|
| <b>Present:</b>  | <b>Absent:</b> |
| • Michael Ruth   | Julio Salazar  |
| • Julie Corrigan |                |
| • Laura Forth    |                |
| • Julia Otterlei |                |
- c. Closed Session – The Board directed Mr. Schilling to negotiate with the SEA.**
- d. Approval of the Agenda – Julia Otterlei made the motion to approve the agenda and was seconded by Julie Corrigan and carried the following vote: Yes – 4; No/Absent/Abstain – 0**
- e. Comments from the public – None**

**ITEM IV. – DISCUSSION / ACTION ITEMS**

**a. Officers' Report -**

1. Superintendent / Principal – Nothing to report.
2. Board Member comments – No comments
3. Board President comments – No comments
4. Parent Club – No comments

**ITEM V – DISCUSSION/ACTION ITEMS**

**a. Contract for the Roof Repair for the Southside Multi-purpose Room (ACTION)**

**Recommendation:** That the board review and approve the contract bids for the roof work on the multi-purpose room.

**Recommended Motion:** Approve a construction contract from one of the contractor bids submitted to the district.

**Rationale:** The Southside multi-purpose room roof is in ill repair and requires immediate attention to address the poor condition of the roof. Based upon the California Governor's declaration from 12/27/22, the district is not bound to consider three competitive bids for the work to be completed. This is the statement for the County office of education.

“We reviewed the attached Governor's Proclamation of a State of Emergency regarding sever winter storms beginning December 27, 2022 (“Emergency Proclamation”). Section 3 of the Emergency Proclamation authorizes the suspension of bidding requirements by local governments under this emergency. As such, in our opinion, the YCOE can authorize the District to move forward with the emergency procurement without bidding based on the Emergency Proclamation, subject to ratification of the emergency construction contract by the District's Board.”

Construction Contractors have submitted bids for the work and the board is urged to consider the contracts for work.

The board is considering contact proposals from:

- Legacy Roofing
- Dilbeck Construction

**No action was taken.** The Board asked Mr. Schilling to get more information from the Contractors such as warranty, how will it affect the cafeteria, scheduled date and time for this job, how long will it take, and will the contractors request the permits if they are needed.

**VI. Closing Items**

- a. The next Regular Meeting of the Board is Wednesday February 1<sup>st</sup>, 2023 , at 6:00 pm.
- b. Adjournment

Laura Forth made the motion to adjourn the meeting at 6:22pm and was seconded by Julie Corrigan and carried the following vote: Yes -4; No/Absent/Abstain - 0

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John Schilling, Superintendent/Principal  
Southside School District

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Michael Ruth, Board President  
Southside School District, Board of Trustee

Report title:

With account detail: N

Date issued range: 02/01/2023 - 02/28/2023

Warrant number range: -

Sort by: Warrant #

Warrant Number	Reference Number	Issue Date	Payee and Purpose	Expenditure
11	00405184 FO230062	02/01/2023	BARNES, ALLISON S. TEACHING ARTIST	2,100.00
11	00405185 FO230010	02/01/2023	U.S. BANK EQUIPMENT FINANCE PURCHASES FY 22-23	70.40
11	00405338 FO230022	02/03/2023	CDE FOOD DISTRIBUTION SECTION NUTRITION PURCHASES FY 22-23	111.15
11	00405339 FO231028	02/03/2023	COUNTY RESTAURANT SUPPLY MILK COOLERS FY 2022-2023	9,923.05
11	00405340 FO230013	02/03/2023	GOLD STAR FOODS INC NUTRITION PURCHASES FY 2022-23	707.65
11	00405341 FO230018	02/03/2023	P & R PAPER SUPPLY COMPANY INC NUTRITION PURCHASE FY 22-23	974.37
11	00405342 FO230002	02/03/2023	PACIFIC GAS & ELECTRIC SERVICES FY 2022-2023	3,475.09
11	00405343 FO230015 FO230015	02/03/2023	PRODUCERS DAIRY FOODS INC NUTRITION PURCHASES FY 22-23 NUTRITION PURCHASES FY 22-23	446.01
11	00405344 FO230016 FO230016 FO230016	02/03/2023	SAFEWAY INC. NUTRITION PURCHASES FY 22-23 NUTRITION PURCHASES FY 22-23 NUTRITION PURCHASES FY 22-23	89.70
11	00405345 FV300031	02/03/2023	SAN BENITO COUNTY ELECTIONS CONSULTING/OPERATING EXPEND	400.00
11	00405346 FO230011	02/03/2023	THE DANIELSEN COMPANY PURCHASES FY 2022-2023	942.58
11	00405347 FO230008 FO230008	02/03/2023	TORO PETROLEUM CORP PURCHASES FY 2022-2023 PURCHASES FY 2022-2023	168.00

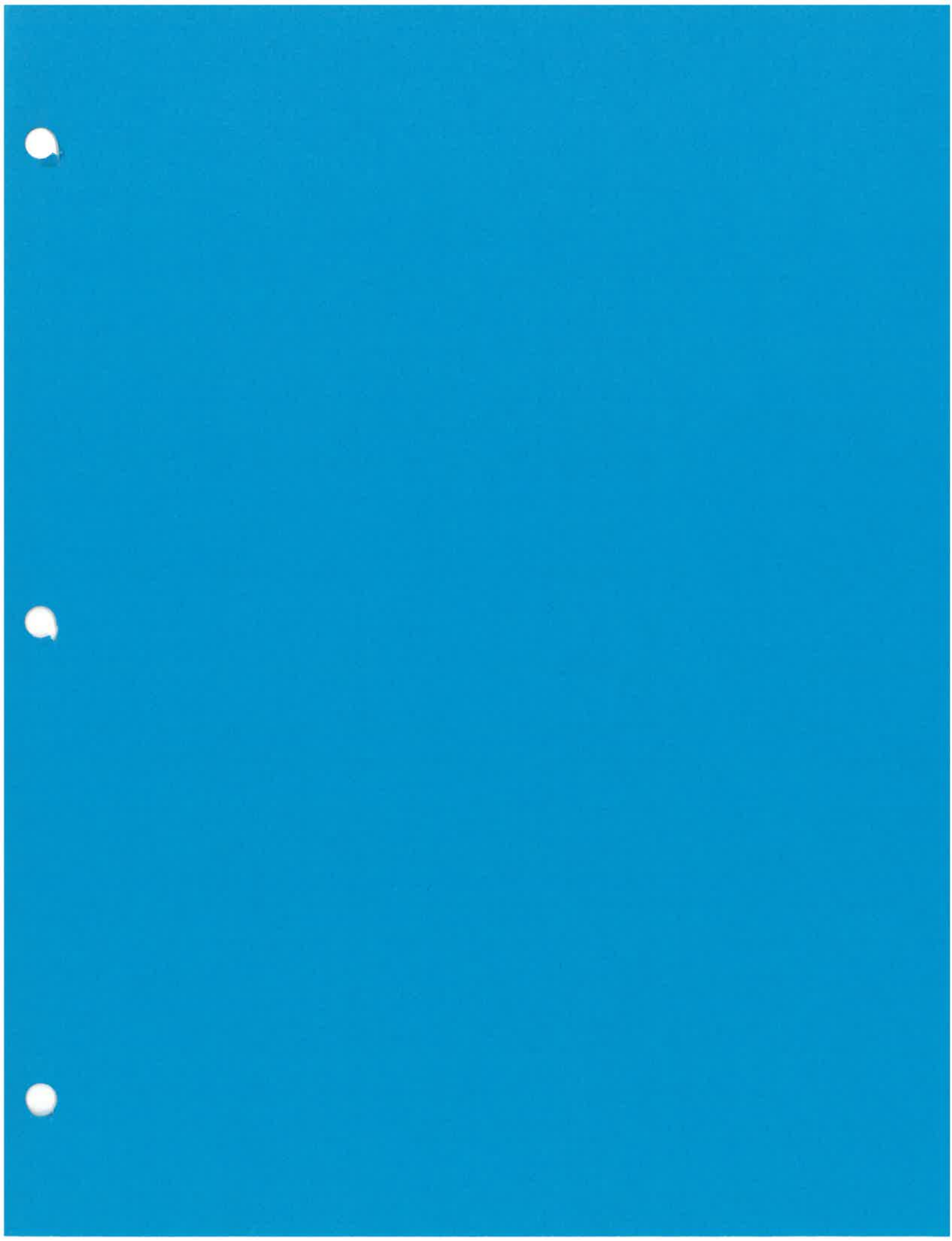
Warrant Number	Reference Number	Issue Date	Payee and Purpose	Expenditure
11	00405348		02/03/2023 WATSONVILLE COAST PRODUCE INC	
	PO230014		PURCHASES FY 2022-2023	
	PO230014		PURCHASES FY 2022-2023	
	PO230014		PURCHASES FY 2022-2023	615.05
			Sub total:	615.05
11	00405442		02/07/2023 SISC	
	PV300032		ACCTS PAYABLE-MEDCAL PAYMT	
	PV300032		VISION INSURANCE	
	PV300032		DENTAL INSURANCE	
	PV300032		MEDICAL INSURANCE	
	PV300032		MEDICAL INSURANCE	
			Sub total:	29,808.70
11	00405443		02/07/2023 SISC FLEX PLAN	
	PV300033		MEDICAL INSURANCE	
			Sub total:	118.18
11	00405821		02/21/2023 AT&T	
	PO230048		SERVICES FY 2022-2023	
	PO230048		SERVICES FY 2022-2023	
			Sub total:	95.31
11	00405822		02/21/2023 CDE FOOD DISTRIBUTION SECTION	
	PO230022		NUTRITION PURCHASES FY 22-23	
			Sub total:	78.00
11	00405823		02/21/2023 CM ANALYTICAL INC	
	PV300034		CONSULTING/OPERATING EXPEND	
			Sub total:	780.00
11	00405824		02/21/2023 ESTRADA, THOMAS A.	
	PO230065		SERVICES FY 2022-2023	
			Sub total:	150.00
11	00405825		02/21/2023 JOHNSON LUMBER COMPANY	
	PO230030		PURCHASES FY 2022-2023	
	PO230030		PURCHASES FY 2022-2023	
	PO230030		PURCHASES FY 2022-2023	
			Sub total:	96.08
11	00405826		02/21/2023 LIMINEX INC	
	PO231031		QUOTE # Q-266437	
			Sub total:	1,280.00
11	00405827		02/21/2023 PACIFIC GAS & ELECTRIC	
	PO230002		SERVICES FY 2022-2023	
			Sub total:	4,004.09
11	00405828		02/21/2023 POSTAL GRAPHICS HOLLISTER INC	
	PO230027		Services/Purchases FY 2022/23	



Warrant Number	Reference Number	Issue Date	Payee and Purpose	Expenditure
	PO230027		Services/Purchases FY 2022/23	
			Sub total:	190.00
11	00405829	02/21/2023	PRODUCERS DAIRY FOODS INC	
	PO230015		NUTRITION PURCHASES FY 22-23	
	PO230015		NUTRITION PURCHASES FY 22-23	
			Sub total:	484.92
11	00405830	02/21/2023	RECOLOGY SAN BENITO COUNTY	
	PO230003		SERVICES FY 2022-2023	
			Sub total:	653.37
11	00405831	02/21/2023	SCHOOLS EXCESS LIABILITY FUND	
	PV300035		INSURANCE	
			Sub total:	3,754.36
11	00405832	02/21/2023	SYNCB/AMARON	
	PO230051		PURCHASES FY 2022-2023	
	PO230051		PURCHASES FY 2022-2023	
	PO230057		Maintenance Items FY 2022-2023	
			Sub total:	435.46
11	00405833	02/21/2023	SYSCO - SAN FRANCISCO	
	PO230012		NUTRITION FY 2022-2023	
	PO230012		NUTRITION FY 2022-2023	
			Sub total:	918.84
11	00405834	02/21/2023	YAMANISHI, SUZANNE	
	PO230019		REIMBURSEMENTS FY 22-23	
			Sub total:	82.61
			Total Warrants Issued:	62,872.97
			Total Warrants Canceled:	.00
			Total Warrants (Issued - Canceled):	62,872.97

Monitors	Brand	Model	serial	
	HP	PL766A	CNC7060	7060YG6
	HP	EM889A	CNC	114PPG8
	HP	PL768A	CNC	735NQH7
	HP	EM889A	CNC	110RZN8
	HP	PTM003	3CQ	8281SN5
	HP	PTM003	3CQ	8281TCF
	HP	PTM003	3CQ	8281SNC
	HP	PTM003	3CQ	8281TG3
	HP	PTM003	3CQ	8390SZB
	HP	PTM003	3CQ	8390RY5
	HP	PTM131	CNC	114PPG3
	HP	PTM005	3CQ	8390S8N
	HP	EM889A	3CQ	148C2SX
	HP	PTM003	3CQ	8281SNH
	HP	PTM005	3CQ	8390S8K
	HP	PTM003	3CQ	8281TG2
	HP	PL766A	CNC	735NQNT
	HP	ATm003	CND	8092QL3
	HP	PTM005	3CQ	8390S8S
	HP	PTM005	3CQ	8390S8Z
	HP	STM011	CNC	804QNR6
	HP	PTM005	3CQ	8390S8V
	HP	PL766A	CNC	707PVJ5
	HP	GTG002	CNC	62606DY
	Viewsonic	VA708A	U3B1730	20656
	HP	E201	6CM3	460GZS
	Viewsonic	VA708A	U3B1730	20664
	HP	PL766A	CNC	70135S8
	AudioVox	FPE1505	512101078	13639681
CPU drive desktop	HP	8100 Elite	MXL0491XZF	
	HP	Z230	2UA34412NH	
	HP	8200 Elite	MKL2100YKT	
	HP	800 G1	MXL43829T4	
	HP	800 G1	MXL1311YR3	
	HP	800 G1	MXL1311YR4	
	HP	800 G1	MXL4060F03	
	HP	800 G1	MXL1311YR7	
Printers	HP	LaserJet1320	CNRC67D333	
	HP Color	LaserJet 2600		

ChromeBox	HP	5CD6370	VVY	
	HP	5CD6370	VD1	
	HP	5CD6370	VXS	
	HP	Blank 1	No serial	
	HP	5CD6370	N44	
	HP	5CD6370	W24	
	HP	5CD6370	W81	
	HP	5CD6370	N7F	
	HP	5CD6370	VKS	
	HP	5CD6370	VQN	
	HP	5CD6370	W3N	
	HP	5CD6370	VL3	
	HP	5CD6370	W4L	
	HP	5CD6370	N6J	
	HP	5CD6370	N7K	
	HP	5CD6370	VKR	
	HP	5CD6370	VIP	
	HP	5CD6370	VRF	
	HP	5CD6370	VRN	
	HP	5CD6370	W83	
Chromebooks				
	HP	5CD103	H66M	
	HP	5CD920	02FR	
	HP	5CD103	H680	
	HP	5CD103	H6BJ	
	HP	5CD103	H697	
	HP	5CD737	05B3	
	HP	5CD103	H67R	
	HP	5CD103	H678	
	HP	5CD103	H68V	
	HP	5CD920	026T	
	ACER	628111	2076	
	LENOVO	QCNFA	344A	
	HP	5CD103	H69J	
	Samsung	Hy3A91LF	715365N	
	Samsung	Hy3A91LF	720974M	
Doc Camera	VZ-X	VZX	03A2B0	
	VZ-X	VZX	03A448	





# San Benito County Office of Education

Krystal Lomanto, County Superintendent of Schools

• 460 Fifth Street • Hollister, California 95023 • (831) 637-5393 • FAX (831) 637-0140

## Memorandum

To: John Schilling, Superintendent/Principal – Southside School District  
From: Shannon Hansen, Assistant Superintendent, Business Services  
Re: **Annual Financial Report for Period Ending June 30, 2022**  
Date: March 2, 2023

A handwritten signature in black ink, appearing to be "SH", located to the right of the "Re:" line.

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Please find enclosed a copy of your district's audit for you and for distribution to your board members. Please provide them with a copy of the letter along with a copy of the Annual Financial Statement for period ending June 30, 2022.

### What to do Next:

1. Review the Auditor's communication letter.
2. Review and accept the audit at your next board meeting.
3. Record the review of acceptance in your board minutes.
4. Note auditor finding with corrective action included.
5. Retain a copy in the district files.

If you should have any questions, please do not hesitate to contact me. Thank you.

SH:mmr

Enclosure(s)

cc: Krystal Lomanto, Superintendent of Schools, SBCOE  
Michael Ruth, Board President (enclosure included)



February 17, 2023

To the Governing Board  
Southside School District  
Hollister, California

We have audited the financial statements of Southside School District (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated February 17, 2023. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance**

As communicated in our letter dated August 1, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated February 17, 2023.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Notes 1 and Notes 13 to the financial statements. As described in Notes 1 and Notes 13 to the financial statements, the District changed accounting policies related to accounting for lease activities to adopt the provisions of GASB Statement No. 87, Leases. Accordingly, the accounting change has been retroactively applied to the financial statements beginning July 1, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

Governmental Accounting Standards Board (GASB) requires the District to calculate, recognize, and report the costs and obligations associated with pensions in their financial statements. These amounts were all based on the District's proportionate share of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) estimated net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, which were actuarially determined; utilizing projections of future contributions and future earnings, actuarial assumptions such as inflation, salary increases, mortality rates, and investment rate of return and discount rates in the determination of the final balances reported in the CalSTRS and CalPERS audited financial statements. The District's proportionate share was determined by calculating the District's share of contributions to the pension plan relative to the contributions of all participating entities in the plan.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting District's financial statements relate to the Employee Retirement Systems (Note 10).

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following summarizes the current year misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management:

### Governmental Activities:

#### General Fund

Other State Revenue	\$29,817
Receivables	\$29,817
Receivables	\$10,000
Other State Revenue	\$10,000
To correct lottery accrual	
Other State Revenue – EPA	\$99
LCFF	\$13,710
Receivables	\$13,809
To correct EPA	

#### Capital Facilities Fund

Net Increase (Decrease) in the Fair Value of Investments	\$4,065
Fair Market Value Adjustments to Cash in County Treasury	\$4,065
To record FMV adjustment	

#### Special Reserve Fund for Capital Outlay

Net Increase (Decrease) in the Fair Value of Investments	\$4,665
Fair Market Value Adjustments to Cash in County Treasury	\$4,665
To record FMV adjustment	

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### Governmental Activities:

#### General Fund

Net Increase (Decrease) in the Fair Value of Investments	\$17,452
Fair Market Value Adjustments to Cash in County Treasury	\$17,452
To record FMV adjustment	



<b>Non-Major Funds</b>	
Net Increase (Decrease) in the Fair Value of Investments	\$1,633
Fair Market Value Adjustments to Cash in County Treasury To record FMV adjustment	\$1,633
State Revenue	\$803
Receivables To correct state revenue	\$803

**Disagreements with Management**

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

**Circumstances that Affect the Form and Content of the Auditor’s Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor’s report. The following Emphasis of Matter paragraph was added to the Auditor’s Report:

**Emphasis of Matter**

As discussed in Notes 1 and Notes 13 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, Leases, which resulted in a restatement of the net position as of July 1, 2021. Our opinions are not modified with respect to this matter.

**Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated February 17, 2023.

**Management’s Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District’s auditors.

As described in audit finding 2022-001 in the audit report, the Distirct did not record the Fair Market Value adjustment to Cash in County and overstated state revenue.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Governing Board and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Eide Bailly LLP*

Fresno, California



Management  
Southside School District  
Hollister, California

In planning and performing our audit of the financial statements of Southside School District (the District) for the year ended June 30, 2022, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated February 17, 2023, on the government-wide financial statements of the District.

***DISTRICT OFFICE***

**Form 700 Conflict of Economic Interest**

**Observation**

During our audit, we noted that of the six Form 700 Conflict of Economic Interest forms held by the District, one has not been submitted indicating whether a conflict of interest existed or not. Without a submitted form, the District is unable to verify whether a conflict of interest is present between upper management and outside parties the District conducts business with.

**Recommendation**

The District should implement procedures in which all Form 700 Conflict of Economic Interest forms are filed and reviewed for completeness with the site filing officer. Per regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations No. 18110 (a). It shall be the duty of a filing officer pursuant to Government Code Section 81010(b) in connection with the filing of candidate and committee campaign statements pursuant to Chapter 4 or 5 of the Political Reform Act to determine whether required documents have been filed.

We will review the status of the current year comments during our next audit engagement.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fresno, California  
February 17, 2023

What inspires you, inspires us. | [eidebailly.com](http://eidebailly.com)

6051 N. Fresno St., Ste. 101 | Fresno, CA 93710-5280 | T 559.248.0871 | F 559.248.0875 | EOE





# San Benito County Office of Education

Krystal Lomanto, County Superintendent of Schools

460 Fifth Street | Hollister, California 95023 | (831) 637-5393 | FAX (831) 637-0140

**TO:** Southside School District Board of Trustees  
John Schilling, Superintendent/Principal

**FROM:** Shannon Hansen, Assistant Superintendent, Business Services

**DATE:** March 8, 2023

**SUBJECT:** 2022-23 2<sup>nd</sup> Interim Multiyear Projection – SACS Report

A handwritten signature in black ink, appearing to read "Shannon Hansen", positioned to the right of the "FROM:" field.

Please find the following highlights of the 2022-23 2<sup>nd</sup> Interim multiyear projections/assumptions based on the current information available at the time of preparation (source: California County Superintendents Business Advisory Services Committee Common Message):

- Enrollment projected at 224 students, current year projected ADA 202.01; average daily attendance for the past three years 195.83, subsequent projected funded ADA 202.01
- Local Control Funding Formula (LCFF) revenue increases are projected at 8.13% for the 2023-24 fiscal year, and 3.54% for the 2024-25 fiscal year
- Supplemental funds are based on the district's unduplicated pupil count (LCFF Student Groups), currently projected at ninety-nine (99) students and carried forward into the 1<sup>st</sup> and 2<sup>nd</sup> subsequent years
- Federal Categorical Revenues have been held flat for the 1<sup>st</sup> and 2<sup>nd</sup> subsequent years (REAP, Special Education and Title I and II); programs eliminated or reduced: Homeless Direct Services in 2024-25
- State Categorical Revenues have been adjusted/reduced based planned expenditures for ESSER/COVID funding (In-Person Instruction, UPK Planning and Implementation Grant, Kitchen Infrastructure Upgrades and Kitchen Staff Training Grants 2023-24)
- Lottery revenues are projected at \$170 per current year ADA and Restricted Lottery revenues are projected at \$67 per prior year ADA and held flat in future years
- STRS/PERS Retirement rates are 19.10% (STRS) and 25.37% (PERS), rates for the following years are: 2023-24, STRS = 19.10%/PERS = 27.00% (increase of 1.63%; \$4,482) and 2024-25, STRS = 19.10%/PERS = 28.10% (increase of 1.10%; \$3,084); keep in mind, these are compounding numbers increasing year over year

- Contributions to support Special Education services have been identified and carried forward into the 2023-24 and 2024-25 fiscal years
- Minimum reserve required by state law maintained and exceeded in the 1<sup>st</sup> and 2<sup>nd</sup> subsequent years
- Staffing maintained at current levels
- Step and column increases have been included in future years as well as statutory benefit increases
- The Multiyear Projection (MYP) reflects a positive spending program delivery in all three years

Positive certification will occur due to meeting the required level of reserve with the projections utilized at the time of approval.

Please feel free to contact me if you have any questions, 637.5393 x 123.

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2023-24 Projection (C)	% Change (Cols. E-C/C) (D)	2024-25 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
<b>A. REVENUES AND OTHER FINANCING SOURCES</b>						
1. LCFF/Revenue Limit Sources	8010-8089	2,157,260.00	8.58%	2,342,295.00	3.65%	2,427,703.00
2. Federal Revenues	8100-8299	244,275.00	0.00%	244,275.00	(4.25%)	233,882.00
3. Other State Revenues	8300-8599	124,861.76	(52.21%)	59,666.00	0.00%	59,666.00
4. Other Local Revenues	8600-8799	119,869.00	0.00%	119,869.00	0.00%	119,869.00
5. Other Financing Sources						
a. Transfers In	8900-8929	0.00	0.00%	0.00	0.00%	0.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	0.00	0.00%	0.00	0.00%	0.00
6. Total (Sum lines A1 thru A5c)		2,646,265.76	4.53%	2,766,105.00	2.71%	2,841,120.00
<b>B. EXPENDITURES AND OTHER FINANCING USES</b>						
1. Certificated Salaries						
a. Base Salaries				885,210.00		902,641.00
b. Step & Column Adjustment				17,431.00		17,780.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				0.00		0.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	885,210.00	1.97%	902,641.00	1.97%	920,421.00
2. Classified Salaries						
a. Base Salaries				269,525.00		274,915.00
b. Step & Column Adjustment				5,390.00		5,498.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				0.00		0.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	269,525.00	2.00%	274,915.00	2.00%	280,413.00
3. Employee Benefits	3000-3999	617,174.00	1.86%	628,630.00	1.62%	638,818.00
4. Books and Supplies	4000-4999	109,552.00	(16.16%)	91,852.00	(5.10%)	87,172.00
5. Services and Other Operating Expenditures	5000-5999	313,583.76	(7.55%)	289,894.00	(1.97%)	284,182.00
6. Capital Outlay	6000-6999	24,640.00	(100.00%)	0.00	0.00%	0.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	206,477.00	0.00%	206,477.00	0.00%	206,477.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	0.00	0.00%	0.00	0.00%	0.00
9. Other Financing Uses						
a. Transfers Out	7600-7629	100,000.00	0.00%	100,000.00	0.00%	100,000.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments				0.00		0.00
11. Total (Sum lines B1 thru B10)		2,526,161.76	(1.26%)	2,494,409.00	.93%	2,517,483.00
<b>C. NET INCREASE (DECREASE) IN FUND BALANCE</b>						
(Line A6 minus line B11)		120,104.00		271,696.00		323,637.00
<b>D. FUND BALANCE</b>						
1. Net Beginning Fund Balance (Form 011, line F1e)		1,052,441.08		1,172,545.08		1,444,241.08
2. Ending Fund Balance (Sum lines C and D1)		1,172,545.08		1,444,241.08		1,767,878.08
3. Components of Ending Fund Balance (Form 011)						
a. Nonspendable	9710-9719	2,500.00		2,500.00		2,500.00
b. Restricted	9740	170,462.56		170,460.56		170,460.56
c. Committed						
1. Stabilization Arrangements	9750	0.00		0.00		0.00
2. Other Commitments	9760	0.00		0.00		0.00
d. Assigned	9780	150,000.00		150,000.00		150,000.00
e. Unassigned/Unappropriated						

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2023-24 Projection (C)	% Change (Cols. E-C/C) (D)	2024-25 Projection (E)
1. Reserve for Economic Uncertainties	9789	412,448.00		424,050.00		427,972.00
2. Unassigned/Unappropriated	9790	437,134.52		697,230.52		1,016,945.52
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		1,172,545.08		1,444,241.08		1,767,878.08
<b>E. AVAILABLE RESERVES (Unrestricted except as noted)</b>						
1. General Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	412,448.00		424,050.00		427,972.00
c. Unassigned/Unappropriated	9790	437,136.52		697,230.52		1,016,945.52
d. Negative Restricted Ending Balances (Negative resources 2000-9999)	979Z	(2.00)		0.00		0.00
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	0.00		0.00		0.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1 thru E2c)		849,582.52		1,121,280.52		1,444,917.52
4. Total Available Reserves - by Percent (Line E3 divided by Line F3c)		33.63%		44.95%		57.40%
<b>F. RECOMMENDED RESERVES</b>						
1. Special Education Pass-through Exclusions						
For districts that serve as the administrative unit (AU) of a special education local plan area (SELPA):						
a. Do you choose to exclude from the reserve calculation the pass-through funds distributed to SELPA members?	Yes					
b. If you are the SELPA AU and are excluding special education pass-through funds:						
1. Enter the name(s) of the SELPA(s):	San Benito					
2. Special education pass-through funds (Column A: Fund 10, resources 3300-3499, 6500-6540 and 6546 objects 7211-7213 and 7221-7223; enter projections for subsequent years 1 and 2 in Columns C and E)						
		0.00		0.00		0.00
2. District ADA Used to determine the reserve standard percentage level on line F3d (Col. A: Form AI, Estimated P-2 ADA column, Lines A4 and C4; enter projections)						
		202.01		202.01		202.01
3. Calculating the Reserves						
a. Expenditures and Other Financing Uses (Line B11)		2,526,161.76		2,494,409.00		2,517,483.00
b. Plus: Special Education Pass-through Funds (Line F1b2, if Line F1a is No)		0.00		0.00		0.00
c. Total Expenditures and Other Financing Uses (Line F3a plus line F3b)		2,526,161.76		2,494,409.00		2,517,483.00
d. Reserve Standard Percentage Level (Refer to Form 01CSI, Criterion 10 for calculation details)		5%		5%		5%
e. Reserve Standard - By Percent (Line F3c times F3d)		126,308.09		124,720.45		125,874.15
f. Reserve Standard - By Amount (Refer to Form 01CSI, Criterion 10 for calculation details)		75,000.00		75,000.00		75,000.00
g. Reserve Standard (Greater of Line F3e or F3f)		126,308.09		124,720.45		125,874.15
h. Available Reserves (Line E3) Meet Reserve Standard (Line F3g)		YES		YES		YES



NOTICE OF CRITERIA AND STANDARDS REVIEW. This interim report was based upon and reviewed using the state-adopted Criteria and Standards. (Pursuant to Education Code (EC) sections 33129 and 42130)

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
District Superintendent or Designee

NOTICE OF INTERIM REVIEW. All action shall be taken on this report during a regular or authorized special meeting of the governing board.

To the County Superintendent of Schools:

This interim report and certification of financial condition are hereby filed by the governing board of the school district. (Pursuant to EC Section 42131)

Meeting Date: March 08, 2023 Signed: \_\_\_\_\_  
President of the Governing Board

CERTIFICATION OF FINANCIAL CONDITION

- POSITIVE CERTIFICATION**  
As President of the Governing Board of this school district, I certify that based upon current projections this district will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- QUALIFIED CERTIFICATION**  
As President of the Governing Board of this school district, I certify that based upon current projections this district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
- NEGATIVE CERTIFICATION**  
As President of the Governing Board of this school district, I certify that based upon current projections this district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

Contact person for additional information on the interim report:

Name: Shannon Hansen Telephone: 831.837.5393 x 123  
Title: Assistant Superintendent, Business E-mail: shansen@sbcos.org

Criteria and Standards Review Summary

The following summary is automatically completed based on data provided in the Criteria and Standards Review form (Form 01CS). Criteria and standards that are "Not Met," and supplemental information and additional fiscal indicators that are "Yes," may indicate areas of potential concern, which could affect the interim report certification, and should be carefully reviewed.

CRITERIA AND STANDARDS			Met	Not Met
1	Average Daily Attendance	Funded ADA for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.		X
CRITERIA AND STANDARDS (continued)			Met	Not Met
2	Enrollment	Projected enrollment for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	
3	ADA to Enrollment	Projected second period (P-2) ADA to enrollment ratio for the current and two subsequent fiscal years is consistent with historical ratios.	X	
4	Local Control Funding Formula (LCFF) Revenue	Projected LCFF revenue for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.		X
5	Salaries and Benefits	Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures has not changed by more than five percent since first interim.	X	
6a	Other Revenue	Projected operating revenues (federal, other state, other local) for the current and two subsequent fiscal years have not changed by more than five percent since first interim.	X	
6b	Other Expenditures	Projected operating expenditures (books and supplies, services and other expenditures) for the current and two subsequent fiscal years have not changed by more than five percent since first interim.		X
7	Ongoing and Major Maintenance Account	If applicable, changes occurring since first interim meet the required contribution to the ongoing and major maintenance account (i.e., restricted maintenance account).		X
8	Deficit Spending	Unrestricted deficit spending, if any, has not exceeded the standard in any of the current or two subsequent fiscal years.	X	
9a	Fund Balance	Projected general fund balance will be positive at the end of the current and two subsequent fiscal years.	X	
9b	Cash Balance	Projected general fund cash balance will be positive at the end of the current fiscal year.	X	
10	Reserves	Available reserves (e.g., reserve for economic uncertainties, unassigned/unappropriated amounts) meet minimum requirements for the current and two subsequent fiscal years.	X	
SUPPLEMENTAL INFORMATION			No	Yes
S1	Contingent Liabilities	Have any known or contingent liabilities (e.g., financial or program audits, litigation, state compliance reviews) occurred since first interim that may impact the budget?	X	
S2	Using One-time Revenues to Fund Ongoing Expenditures	Are there ongoing general fund expenditures funded with one-time revenues that have changed since first interim by more than five percent?	X	

S3	Temporary Interfund Borrowings	Are there projected temporary borrowings between funds?	X	
S4	Contingent Revenues	Are any projected revenues for any of the current or two subsequent fiscal years contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel taxes, forest reserves)?	X	
S5	Contributions	Have contributions from unrestricted to restricted resources, or transfers to or from the general fund to cover operating deficits, changed since first interim by more than \$20,000 and more than 5% for any of the current or two subsequent fiscal years?		X
<b>SUPPLEMENTAL INFORMATION (continued)</b>			<b>No</b>	<b>Yes</b>
S6	Long-term Commitments	Does the district have long-term (multiyear) commitments or debt agreements?	X	
		• If yes, have annual payments for the current or two subsequent fiscal years increased over prior years' (2021-22) annual payment?	n/a	
		• If yes, will funding sources used to pay long-term commitments decrease or expire prior to the end of the commitment period, or are they one-time sources?	n/a	
S7a	Postemployment Benefits Other than Pensions	Does the district provide postemployment benefits other than pensions (OPEB)?	X	
		• If yes, have there been changes since first interim in OPEB liabilities?	n/a	
S7b	Other Self-insurance Benefits	Does the district operate any self-insurance programs (e.g., workers' compensation)?	X	
		• If yes, have there been changes since first interim in self-insurance liabilities?	n/a	
S8	Status of Labor Agreements	As of second interim projections, are salary and benefit negotiations still unsettled for:		
		• Certified? (Section S8A, Line 1b)		X
		• Classified? (Section S8B, Line 1b)		X
S8	Labor Agreement Budget Revisions	For negotiations settled since first interim, per Government Code Section 3547.5(c), are budget revisions still needed to meet the costs of the collective bargaining agreement(s) for:		
		• Certified? (Section S8A, Line 3)	n/a	
		• Classified? (Section S8B, Line 3)	n/a	
S9	Status of Other Funds	Are any funds other than the general fund projected to have a negative fund balance at the end of the current fiscal year?	X	
<b>ADDITIONAL FISCAL INDICATORS</b>			<b>No</b>	<b>Yes</b>
A1	Negative Cash Flow	Do cash flow projections show that the district will end the current fiscal year with a negative cash balance in the general fund?	X	
A2	Independent Position Control	Is personnel position control independent from the payroll system?		X
A3	Declining Enrollment	Is enrollment decreasing in both the prior and current fiscal years?	X	
A4	New Charter Schools Impacting District Enrollment	Are any new charter schools operating in district boundaries that are impacting the district's enrollment, either in the prior or current fiscal year?	X	
A5	Salary Increases Exceed COLA	Has the district entered into a bargaining agreement where any of the current or subsequent fiscal years of the agreement would result in salary increases that are expected to exceed the projected state funded cost-of-living adjustment?	X	
A6	Uncapped Health Benefits	Does the district provide uncapped (100% employer paid) health benefits for current or retired employees?	X	
A7	Independent Financial System	Is the district's financial system independent from the county office system?	X	
A8	Fiscal Distress Reports	Does the district have any reports that indicate fiscal distress? If yes, provide copies to the COE, pursuant to EC 42127.6(a).	X	
A9	Change of CBO or Superintendent	Have there been personnel changes in the superintendent or chief business official (CBO) positions within the last 12 months?	X	






# San Benito County Office of Education

Krystal Lomanto, County Superintendent of Schools

460 Fifth Street | Hollister, California 95023 | 831. 637.5393 | FAX 831. 637.0140

## Memorandum

**TO:** Krystal Lomanto, County Office of Education.  
Board Presidents, Rural Schools  
Jenny Bernosky, North County Joint Union School District  
Barbara Dill-Varga, Aromas-San Juan Unified School District  
Erika Sanchez, Hollister School District  
John Schilling, Southside School District  
Shawn Tennenbaum, San Benito High School District

**FROM:** Shannon Hansen, Assistant Superintendent, Business Services 

**DATE:** February 10, 2023

**RE:** **Investment of Funds Report Quarter Ending December 31, 2022**

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Enclosed please find the Quarterly Investment of Funds Report for Quarter ending December 31, 2022.

This report is prepared by the Treasurer and reflects the overall pool of invested funds of which schools are a part. This report and subsequent quarterly reports are required to go to your Board for review and acceptance and should be documented as action in your minutes.

If you should have any questions, please call Melinda L. Casillas at 636-4034. Thank you.

### Enclosure(s)

cc: Teacher-Principals  
John Frusetta  
Kate Levesque  
Sheila Maes  
Daniel Ornelas  
Lisa Wiggins  
Beth Wilson



# San Benito County Office of Education

Krystal Lomanto, County Superintendent of Schools

• 460 Fifth Street • Hollister, California 95023 • (831) 637-5393 • FAX (831) 637-0140

## Memorandum

To: John Schilling, Superintendent/Principal – Southside School District  
From: Shannon Hansen, Assistant Superintendent, Business Services  
Re: Annual Financial Report for Period Ending June 30, 2022  
Date: March 2, 2023

A handwritten signature in black ink, appearing to be "SH", located to the right of the "From:" line.

---

Please find enclosed a copy of your district's audit for you and for distribution to your board members. Please provide them with a copy of the letter along with a copy of the Annual Financial Statement for period ending June 30, 2022.

### What to do Next:

1. Review the Auditor's communication letter.
2. Review and accept the audit at your next board meeting.
3. Record the review of acceptance in your board minutes.
4. Note auditor finding with corrective action included.
5. Retain a copy in the district files.

If you should have any questions, please do not hesitate to contact me. Thank you.

SH:mmr

Enclosure(s)

cc: Krystal Lomanto, Superintendent of Schools, SBCOE  
Michael Ruth, Board President (enclosure included)

**MELINDA L. CASILLAS**  
TREASURER, TAX COLLECTOR  
& PUBLIC ADMINISTRATOR  
440 Fifth Street, Room 107  
Hollister, CA 95023



**OFFICE OF THE TAX COLLECTOR**  
(831) 636-4034 • Fax (831) 636-4383  
propertytaxes@cosb.us

**OFFICE OF THE TREASURER  
& PUBLIC ADMINISTRATOR**  
(831) 636-4043 • Fax (831) 636-4014  
treas-pa@cosb.us

## COUNTY OF SAN BENITO

DECEMBER 31, 2022

San Benito County Board of Supervisors,

Attached is the December 2022 San Benito County Treasurer's Office Portfolio Analysis. The Portfolio Analysis contains detailed information regarding the activity of the various banking and investment operations for the month of December 2022.

We had one maturity and we sold 2 investments. It is our policy to hold investments until maturity, and not sell investments, however, with today's rising rates, it sometimes makes sense to liquidate investments that were purchased at very low rates and reinvest in higher rates. We increased the amount of our Invested Pool by \$17,000,000 to be invested in various types of instruments. We have seen our cash pool increase this month due to Property Taxes, a draw-down of a loan, and the Aromas-San Juan school district bond sale.

We deposited \$106,157,467 from our Treasury pool participants and we paid out a total of \$35,317,282 for daily payment operations. We conduct a daily cash flow needs of our treasury and it's participants. We transfer money in and out of our CAMP and LAIF accounts depending on the needs of the treasury each day. CAMP and LAIF are separate accounts used for liquidity purposes. Our Invested Pool is excess money we do not expect to use within a year's time, and we invest the monies for a longer duration. Our investment pool interest rate continues to be more positive.

We processed 97% of the amount due for the 1<sup>st</sup> installment of property taxes by December 31, 2022. We have seen quiet an increase in property taxes due as the number of homes in San Benito County have increased. Secured taxes have increased approximately \$12 Million over last year, and Supplemental taxes have increased approximately \$2.5 Million over last year at this time. I would estimate about 80% of the total property taxes stay within our pool. The schools receive almost 70% of the total property taxes. Thus, our pool has increased.

I have included additional information this month I thought might be of interest to the reader.

**A. LOOK AHEAD:** Unfortunately, in January 2023, San Benito County suffered from flooding. We will be cognizant of the impact this may have on our cash flow and proceed accordingly.

Should you have any further questions, please contact me by phone or email at [mcasillas@cosb.us](mailto:mcasillas@cosb.us).

Sincerely,

Cc: Joe Paul Gonzalez, San Benito County Clerk, Recorder, Elections, Auditor  
Krystal Lomanto, San Benito County Office of Education Superintendent

**SAN BENITO COUNTY  
TREASURER'S DEPARTMENT  
PORTFOLIO ANALYSIS  
AS OF DECEMBER 31, 2022**

**PORTFOLIO SUMMARY**

INVESTMENT TYPE	# of Investments	Par Value	Book Yield	% W/N	Portfolio Type	TOTAL Portfolio Investment %	Policy Investment %	In Compliance? **
Certificates of Deposits	1	\$ 1,600,000	1.04%	0.5%		0.4%	90%	YES
Treasury Notes	35	\$ 83,275,000	1.18%	46.5%		22.0%	No Limit	YES
Asset Backed Securities	14	\$ 15,808,000	3.28%	8.8%		4.2%	20%	YES
Collateral Mortgage Obligations	1	\$ 1,925,000	1.58%	1.1%		0.5%		YES
Agencies	15	\$ 32,945,000	0.74%	16.4%		8.7%	80% per Agency	YES
Corporate Bonds	25	\$ 42,952,000	2.73%	24.0%		11.4%	90%	YES
Money Market	1	\$ 411,088	2.86%	0.2%		0.1%	20%	YES
<b>Total Chandler Portfolio</b>	<b>92</b>	<b>\$ 178,916,088</b>		<b>100.0%</b>		<b>47.4%</b>		
CAMP	1	\$ 109,221,916	3.21%	54.3%		28.9%	20%	YES
LAIF	1	\$ 66,000,000	1.84%	33.2%		17.5%	75,000	YES
River City Bank***	1	\$ 584,296	1.48%	0.3%		0.2%	10%	YES
Wells Fargo	1	\$ 22,989,411	N/A	11.6%		6.1%	No Limit	YES
<b>Total Operating Accounts</b>	<b>4</b>	<b>\$ 198,794,623</b>		<b>100.0%</b>		<b>52.6%</b>		
<b>Total SBC Treasury Portfolio</b>	<b>96</b>	<b>\$ 377,710,711</b>	<b>2.03%</b>			<b>100%</b>		

**DIVERSIFICATION AND MATURITY INFORMATION**

DAYS TO MATURITY ANALYSIS	# of Investments	Par Value	%
Overnight	5	\$ 199,206,011	53%
1st Quarter 2023	2	\$ 2,800,000	1%
2nd Quarter 2023	4	\$ 7,250,000	2%
3rd Quarter 2023	4	\$ 6,000,000	2%
4th Quarter 2023	6	\$ 14,000,000	4%
1st Quarter 2024	4	\$ 8,400,000	2%
2nd Quarter 2024	5	\$ 10,050,000	3%
3rd Quarter 2024	4	\$ 8,000,000	2%
4th Quarter 2024	3	\$ 6,500,000	2%
1st Quarter 2025	10	\$ 13,710,000	4%
2nd Quarter 2025	5	\$ 9,285,000	2%
3rd Quarter 2025	11	\$ 18,620,000	5%
4th Quarter 2025	5	\$ 8,250,000	2%
1st Quarter 2026	3	\$ 7,500,000	2%
2nd Quarter 2026	5	\$ 9,867,000	3%
3rd Quarter 2026	4	\$ 8,890,000	2%
4th Quarter 2026	3	\$ 3,300,000	1%
1st Quarter 2027	3	\$ 5,535,000	2%
2nd Quarter 2027	4	\$ 7,545,000	2%
3rd Quarter 2027	3	\$ 12,110,000	3%
4th Quarter 2027	3	\$ 8,225,000	2%
<b>Total</b>	<b>96</b>	<b>\$ 377,351,011</b>	<b>100%</b>
		<b>\$ (360,000)</b>	

**ACCRUED INTEREST**

INVESTMENT CATEGORY	ACCUAL BASIS	% EARNED IN PORTFOLIO INVESTMENT
Certificates of Deposits	\$ (6,108)	-0.5966%
Commercial Paper**		
Money Market	\$ 995	0.0913%
Corporate Bonds	\$ 101,211	9.8865%
Asset Backed Securities	\$ 53,989	3.3201%
Collateral Mortgage Obligations	\$ 3,451	0.9571%
Agencies	\$ 18,839	1.8402%
Treasury Notes	\$ 83,629	8.1691%
River City Bank	\$ 966	0.0943%
CAMP	\$ 661,805	64.6466%
LAIF	\$ 125,040	12.2118%
	<b>\$ 1,023,727</b>	<b>100%</b>

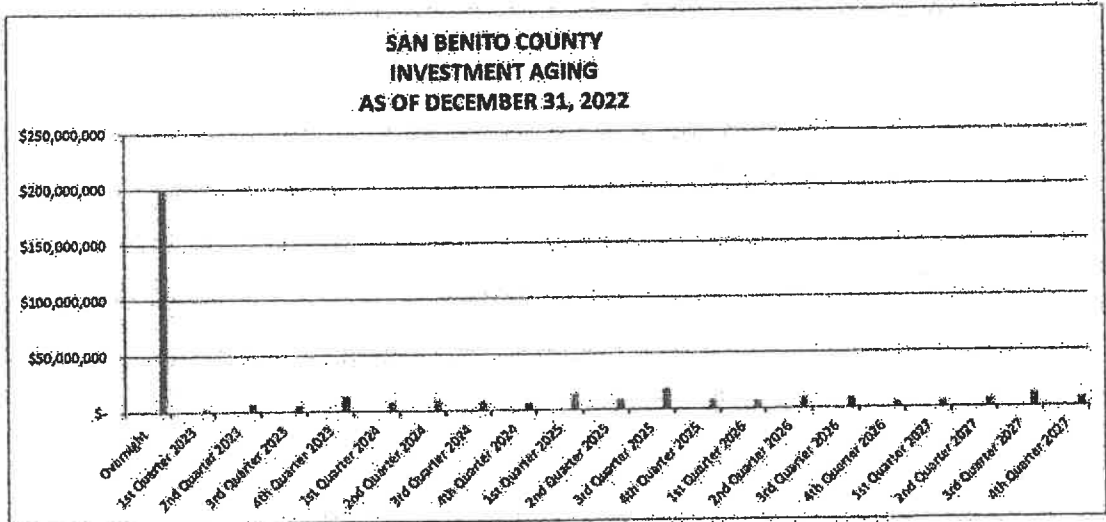
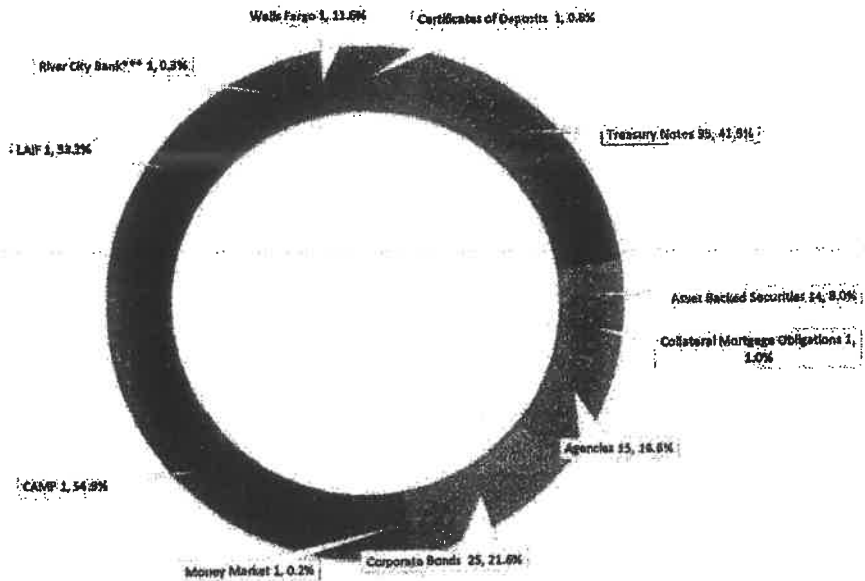
QUARTER WEIGHTED AVG INTEREST EARNED 2.3700%  
FYTD 22/23 WEIGHTED AVG INTEREST EARNED 1.9000%

I HEREBY CERTIFY FUNDS ARE AVAILABLE TO MEET THE EXPENDITURES OF THE POOL'S PARTICIPANTS FOR THE NEXT SIX MONTHS.  
I HEREBY CERTIFY THE ABOVE INFORMATION IS CORRECT AS OF THE DATE SIGNED.

*Melinda L. Castillo*  
Melinda L. Castillo, Treasurer/Tax Collector/Public Administrator

2/16/2023  
Date

**SAN BENITO COUNTY  
TREASURER'S INVESTMENT PORTFOLIO  
AS OF DECEMBER 31, 2022**



**SAN BENITO COUNTY  
ACCRUED INTEREST EARNED  
DECEMBER 2022**

