

Hanford Elementary School District

REGULAR BOARD MEETING AGENDA

Wednesday, January 27, 2016

HESD District Office Board Room

714 N. White Street, Hanford, CA

OPEN SESSION

5:30 p.m.

- Call to Order
- Members Present
- Pledge to the Flag

CLOSED SESSION

- **Conference with Legal Counsel** – Existing Litigation (GC 54956.9 (a))

OPEN SESSION

- Take action on Closed Session Items

1. PRESENTATIONS, REPORTS AND COMMUNICATIONS

(In order to insure that members of the public are provided an opportunity to address the Board on agenda items or non-agenda items that are within the Board's jurisdiction, agenda items may be addressed either at the public comments portion of the agenda, or at the time the matter is taken up by the Board. A person wishing to be heard by the Board shall first be recognized by the President and identify themselves. Individual speakers are allowed three minutes to address the Board. The Board shall limit total time for public input on each item to 20 minutes.)

- a) Public comments
- b) Board and staff comments
- c) Requests to address the Board at future meetings
- d) Review Dates to Remember

2. CONSENT ITEMS

(Items listed are considered routine and may be adopted in one motion. If discussion is required, a particular item may be removed upon request by any Board member and made a part of the regular business.)

- a) Accept warrant listings dated January 8, 2016 and January 15, 2016
- b) Approve minutes of Regular Board Meeting January 13, 2016
- c) Approve interdistrict transfers as recommended
- d) Approve donation of \$161.90 from Box Top Education to Jefferson Charter Academy
- e) Approve donation of \$250.00 from San Joaquin Valley Air Pollution Control Districts to MLK School
- f) Approve donation of \$150.00 from Edison International and \$17.91 from Savemart Share Program to Simas School

- *Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection at the superintendent's Office located at 714 N. White Street, Hanford, CA during regular business hours.*
- *Any individual who requires disability-related accommodations or modifications, including auxiliary aides and services, in order to participate in the Board meeting should contact the Superintendent in writing.*

3. INFORMATION ITEMS

- a) Receive for information quarterly reports regarding Williams Uniform Complaints (Terry)
- b) Receive for information the following revised Exhibit: (Terry)
 - E 0420.41 – Charter School Oversight
- c) Receive for information the following deleted Board Policy: (Terry)
 - BP 0520.4 – Quality Education Investment Schools
- d) Receive for information the following revised Board Policy: (Terry)
 - BP 3312 – Contracts

4. BOARD POLICIES AND ADMINISTRATION

- a) Consider approval of Consolidated Application for Funding Categorical Aid Programs (Winter Release) (Carlton)
- b) Consider approval of the following revised Board Policy and Administrative Regulation: (Endo)
 - BP/AR 3311 – Bids
- c) Consider approval of the following revised Board Policy and Administrative Regulation: (Endo)
 - BP/AR 3554 – Other Food Sales
- d) Consider approval of the following revised Board Policy: (Endo)
 - BP 3350 – Travel Expenses

5. PERSONNEL (Martinez)

- a) Employment
 - Temporary Employees/Substitutes/Yard Supervisors
 - Nicholas Carrillo Jr., Substitute Custodian II, effective 1/11/16
 - Aaron Johnston, substitute Custodian I and Groundskeeper I, effective 1/14/16
 - Cecelia Richards, Substitute Yard Supervisor, effective 1/11/16; Short-term Yard Supervisor – 1.0 hr., Roosevelt, effective 1/11/16 to 3/18/16
 - Maribel Santiago, Substitute Yard Supervisor, Translator: Oral Interpreter and Written Translation, effective 1/11/16
- b) Resignations
 - Guadalupe Gonzalez, Yard Supervisor – 1.25 hrs., Hamilton, effective 1/29/16
- c) Retirements
 - Helen Kissling, Teacher, Monroe, effective 6/3/16
 - Cathy Morrisseau, Teacher, Simas, effective 6/3/16
- d) More Hours
 - Grace Perez, Yard Supervisor, from 1.5 hr. to 2.0 hrs., Hamilton, effective 1/11/16
- e) Decrease In Hours
 - Guadalupe Gonzalez, Yard Supervisor, from 1.75 hrs. to 1.25 hrs., Hamilton, effective 1/11/16
 - Daniela Meza, Yard Supervisor, from 2.5 hrs. to 1.5 hrs., Roosevelt, effective 1/11/16

f) Leave of Absence

- Kearsten Hymer, Teacher, Kennedy, effective 1/11/16 to 2/12/16, baby bonding
- Patricia Edmond, Yard Supervisor – 3.0 hrs., Lincoln, effective 2/2/16 to 3/14/16, medical (Extended)

g) Volunteers

<u>Name</u>	<u>School</u>
Antonio Garcia Jr.	Simas
Christina Barrientos	Washington
Janet Puga	Washington
Unique Tellez	Richmond/Kennedy

6. FINANCIAL (Endo)

- a) Consider approval of audit report for 2014-15
- b) Consider declaration of surplus property

CLOSED SESSION

- **Public Employment/Appointment** (GC 54957)

ADJOURN MEETING

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: Karen McConnell

DATE: January 11, 2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: January 27, 2016 (CLOSED SESSION)

ITEM: Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9(a))

PURPOSE: Approval/ratification of January 28, 2016 Final Settlement Agreement and General Release in Parent on behalf of Student v. Hanford Elem. School District & Kings County Office of Education, OAH Case No. 2015120191.

FISCAL IMPACT: As Described in Agreement

RECOMMENDATIONS: Approve

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: David Endo

DATE: 01/15/2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/27/2016

ITEM: Approval of warrants

PURPOSE: The administration is requesting the approval of the warrants listed on the registers dated: 01/08/16 and 01/15/16.

FISCAL IMPACT: See attached.

RECOMMENDATIONS: Approve the warrants.

Warrant Register For Warrants

Dated 01/08/2016

Warrant Number	Vendor Number	Vendor Name	Amount
12508912	184	BUREAU OF EDUCATION & RESEARCH	\$956.00
12508913	263	DOUGLAS CARLTON	\$288.70
12508914	331	CLASSIC CHARTER <i>Other Services</i>	\$3,186.00
12508915	6021	CMEA	\$255.00
12508916	4417	CARIN DE LA TORRE	\$180.00
12508917	556	JOY GABLER	\$61.00
12508918	1393	GAS COMPANY	\$1,736.40
12508919	5541	JOANN GRAHAM	\$85.68
12508920	622	CHERYL GUILBEAU	\$56.93
12508921	632	CITY OF HANFORD <i>Water/Sewer</i>	\$9,977.62
12508922	1889	HIDDEN TREASURE GOLD MINE TOUR	\$644.00
12508923	779	KEENAN & ASSOC./CPIC <i>Health & Welfare</i>	\$5,400.00
12508924	778	KEENAN & ASSOC./MED. EYE SERV. <i>Health & Welfare</i>	\$10,330.28
12508925	6197	KATHLEEN LUIS	\$42.92
12508926	2903	JAIME MARTINEZ	\$89.00
12508927	2243	MATSON ALARM	\$562.00
12508928	2491	MID-COUNTY FIRE EXTINGUISHER	\$309.93
12508929	1071	ORIENTAL TRADING CO. INC.	\$351.87
12508930	1915	POSTMASTER	\$225.00
12508931	6546	RED LION HOTEL ANAHEIM RESORT	\$243.24
12508932	2646	JILL RUBALCAVA	\$61.00
12508933	1367	SISC III <i>Health & Welfare</i>	\$539,050.00
12508934	1392	SOUTHERN CALIFORNIA EDISON CO. <i>Electricity</i>	\$23,485.50
12508935	1404	STANISLAUS FOUNDATION - ADMIN <i>> Other Services</i>	\$2,623.75
12508936	1403	STANISLAUS FOUNDATION - DENTAL <i>> Other Services</i>	\$33,961.51
12508937	2188	SUPPLYWORKS	\$197.65
12508938	5946	THE HARTFORD	\$1,115.68
12508939	2138	THE TREE HOUSE	\$322.39
12508940	1554	SONIA VELO	\$453.60
12508941	6568	WESTIN SAN DIEGO	\$269.35
12508942	5867	STEPHANIE ZANIN	\$44.80

Total Amount of All Warrants:

\$636,566.80

Credit Card Register For Payments Dated 01/08/2016

Document Number	Vendor Number	Vendor Name	Amount
14014243	91	AUTOMATED OFFICE SYSTEMS® Rentals, Leases & Repairs	\$7,852.56
14014244	126	BEDARD CONTROLS INC. Buildings & Improvements	\$11,290.00
14014245	149	BLICK ART MATERIALS	\$282.94
14014246	2694	CALCHAMBER - ORDERS	\$344.87
14014247	4271	GOLDEN EAGLE CHARTER INC. Other Services	\$4,380.00
14014248	1111	J W PEPPER & SON INC	\$199.62
14014249	994	MOBILE MODULAR MGMT. CORP. Rentals, Leases & Repairs	\$3,900.00
14014250	1058	OFFICE DEPOT	\$460.65
14014251	3849	SCHOLASTIC READING CLUBS	\$124.00
14014252	1637	WOODWIND & BRASSWIND	\$223.11

Total Amount of All Credit Card Payments:

\$29,057.75

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**Credit Card Register For
Payments Dated 01/15/2016**

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1/15/2016 9:00:25AM

Document Number	Vendor Number	Vendor Name	Amount
14014317	3893	ALLIED ELECTRIC MOTOR SERV INC	\$34.17
14014318	82	ASCD	\$1,973.70
14014319	176	BSN SPORTS	\$548.18
14014320	4795	BULLET IMPRESSIONS	\$514.39
14014321	509	EWING IRRIGATION PRODUCTS	\$488.31
14014322	546	FRESNO ENVELOPE AND EMBOSSING	\$93.42
14014323	802	KINGS COUNTY PIPE & SUPPLY	\$182.25
14014324	1002	MORGAN & SLATES INC.	\$426.29
14014325	1121	PERMA-BOUND	\$1,186.93
14014326	1316	SCHOLASTIC CLASSROOM MAGAZINES	\$109.73
14014327	1350	SIGN WORKS	\$301.69
Total Amount of All Credit Card Payments:			\$5,859.06

Grand Total For All Districts:**\$5,859.06**

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Warrant Register For Warrants

Dated 01/15/2016

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Warrant Number	Vendor Number	Vendor Name	Amount
12509333	27	ORTENCIA AGUILAR	\$7.20
12509334	2424	ANDERSON'S	\$401.99
12509335	6145	KYLA BAKER	\$9.00
12509336	5895	PEGGY BELL	\$440.00
12509337	5560	CALIFORNIA ACADEMY OF SCIENCES	\$1,144.80
12509338	5560	CALIFORNIA ACADEMY OF SCIENCES	\$906.30
12509339	5708	CORE BUSINESS INTERIORS - <i>other supplies</i>	\$15,077.03
12509340	6486	CARA CUMMINGS	\$42.61
12509341	6190	CUSTOMINK	\$595.95
12509342	405	DASSEL'S PETROLEUM INC. - <i>fuel</i>	\$4,031.10
12509343	4815	DIGITECH INTEGRATIONS INC.	\$1,574.95
12509344	1948	DOWNING PLANETARIUM CSUF	\$301.50
12509345	5785	EBSCO	\$220.80
12509346	1393	GAS COMPANY - <i>Utilities Gas</i>	\$7,043.55
12509347	4546	GIGGLETIME TOY CO	\$432.55
12509348	601	GOVERNMENT FINANCIAL - <i>other Services</i>	\$2,500.00
12509349	620	GRISWOLD LASALLE COBB DOWD - <i>Prof Svc - Legal</i>	\$2,780.05
12509350	5264	HOUGHTON MIFFLIN HARCOURT	\$1,094.75
12509351	6576	DOMINIQUE HUFFMAN	\$21.00
12509352	1252	JOE ROBINSON CONCRETE <i>Land Improvements</i>	\$3,255.00
12509353	3760	KINGS COUNTY AIR <i>Buildings & Improvements of Bldgs</i>	\$3,461.00
12509354	5828	KINGS COUNTY DEPT OF PUBLIC WO	\$51.73
12509355	3962	KINGS COUNTY GLASS	\$61.81
12509356	808	KINGS WASTE & RECYCLING	\$45.45
12509357	838	LAWRENCE TRACTOR COMPANY	\$978.35
12509358	912	MANGINI ASSOCIATES INC. <i>Land Improvements</i>	\$2,406.54
12509359	2384	NATIONAL GEOGRAPHIC EXPLORER	\$99.00
12509360	4669	NEW MANAGEMENT	\$17.63
12509361	5510	NEWEGG.COM	\$226.42
12509362	6257	ORCHARD SUPPLY HARDWARE <i>Cust, Grnds, Mnto Supplies</i>	\$2,213.50
12509363	1227	RENAISSANCE LEARNING INC. <i>Instructional Consultant</i>	\$10,063.50
12509364	5992	RODRIGUEZ BROS INC	\$329.16
12509365	4511	DOUG ROSE	\$10.97
12509366	5923	SASSER SPECIALTIES	\$475.64
12509367	5079	SCHOOL KIDS HEALTHCARE	\$193.95
12509368	3131	SHERWIN-WILLIAMS CO	\$218.91
12509369	1801	SMART & FINAL STORES (HFD/KIT)	\$65.47
12509370	1880	SOUTH COUNTY SUPPORT SERVICES	\$351.29
12509371	1392	SOUTHERN CALIFORNIA EDISON CO. <i>utilities-elec</i>	\$18,189.37
12509372	3824	STANISLAUS COUNTY OFFICE OF ED	\$26.61
12509373	1403	STANISLAUS FOUNDATION - DENTAL <i>other Services</i>	\$9,054.85
12509374	1405	STAPLES *6252	\$1,278.64
12509375	2188	SUPPLYWORKS	\$49.67
12509376	1477	TIME FOR KIDS	\$636.00
12509377	1521	UNITED REFRIGERATION INC. <i>Maint. Supplies</i>	\$2,486.35
12509378	1525	UNIVERSAL SPECIALTIES INC.	\$467.04
12509379	2157	YOLANDA VIDAL	\$400.00
12509380	4090	VISALIA OVERHEAD DOOR INC	\$672.00

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**Warrant Register For Warrants
Dated 01/15/2016**

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1/15/2016 9:00:30AM

Warrant Number	Vendor Number	Vendor Name	Amount
12509381	1591	WENGER CORPORATION	\$1,689.48
Total Amount of All Warrants:			\$98,100.46

Grand Total For All Districts:**\$98,100.46**

Hanford Elementary School District
Minutes of the Regular Board Meeting
January 13, 2016

Minutes of the Regular Board Meeting of the Hanford Elementary School District Board of Trustees on January 13, 2016 at the District Office Board Room, 714 N. White Street, Hanford, CA.

- Call to Order** Vice-President Hill called the meeting to order at 5:32 p.m. Trustees Garcia, Garner, and Hernandez were present. Trustee Revious was absent.
- Closed Session** Trustees immediately adjourned to closed session for the purpose of:
- Student Discipline pursuant to Education Code section 48918
- Open Session** Trustees returned to open session at 6:06 p.m.
- HESD Managers Present** Dr. Paul J. Terry, Superintendent, and the following administrators were present: Don Arakelian, Doug Carlton, Debra Colvard, David Endo, Javier Espindola, Ramiro Flores, Joy Gabler, Matthew Gamble, David Goldsmith, Lucy Gomez, Gerry Mulligan, Jennifer Pitkin, Jill Rubalcava, Liz Simas and Jason Strickland.
- Expulsion Case #16-08 & #16-09** Trustee Hernandez made a motion to accept the Findings of Fact and expel case #16-08 and 16-09 for the remainder of the 2015-16 school year for violation of Education Code 48900 and/or 48915 as determined by the Administrative Panel at Hearings held January 11, 2016. Parents may apply for Readmission on or after June 3, 2016. Trustee Garner seconded; motion carried 4-0:
- Garcia – Yes
 - Garner – Yes
 - Hernandez – Yes
 - Hill - Yes
- Expulsion Case #16-10** Trustee Hernandez made a motion to accept the Findings of Fact and expel Case #16-10 for the remainder of the 2015-16 school year for violation of Education Code 48900 as determined by the Administrative Panel at a Hearing held January 13, 2016. However, Trustee Hernandez further moved that the Expulsion Order be suspended. The student may attend regular school in probationary status provided that the student complies with a Behavior Conditions Plan through June 3, 2016. Trustee Garner seconded; motion carried 4-0:
- Garcia – Yes
 - Garner – Yes
 - Hernandez – Yes
 - Hill - Yes
- Public Comments** None
- Board and Staff Comments** Superintendent Terry stated the California Teachers Association will have its appreciation dinner on February 11th, invitation to follow.
- Requests to Address the Board** None

Dates to Remember

Vice-President Hill reviewed dates to remember: Stricker Classic XVI – January 15th at 3:30 p.m.; Holiday – January 18th; Hoop Classic XXII – January 22nd at 6:00 p.m.; Round-Robin Basketball – January 23rd at 8:30 a.m.; Mat Classic XX – January 27th at 5:00 p.m.; Regular Board Meeting – January 27th at 5:30 p.m.; League Wrestling Tourney – January 30th p.m.

CONSENT ITEMS

Trustee Hernandez made a motion to take consent items “a” through “c” together. Trustee Garcia seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

Trustee Hernandez then made a motion to approve consent items “a” through “c”. Trustee Garcia seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

The items approved are as follows:

- a) Warrant listings dated 11/30/15, 12/04/15, 12/11/15, 12/18/15, 12/28/15, and 1/4/16.
- b) Minutes of Regular Board Meeting December 9, 2015.
- c) Interdistrict transfers as recommended.

INFORMATION ITEMS

Facility Master Plan

Gerry Mulligan, Director of Facilities and Operations, presented Ken Reynold from School Works, Inc. to present for information a follow-up from September's 10-year Facility Master Plan presentation. The presentation displayed the projected progress and growth per school site. Each school site was broken down by portable use, permanent replacement projects, and projected budget per project. Ken stated these funds can come from State bonds and the remaining cost the school district will need to cover, but the district's financial advisor can help come up with different ways the district can cover its cost.

BP/AR 3311

David Endo, Chief Business Official, presented for information the following revised Board Policy and Administrative Regulation:

- BP/AR 3111 – Bids

BP/AR 3554

David Endo, Chief Business Official, presented for information the following revised Board Policy and Administrative Regulation:

- BP/AR 3554 – Other Food Sales

BP/AR 3350

David Endo, Chief Business Official, presented for information the following revised Board Policy and Administrative Regulation:

- BP/AR 3350 – Travel Expenses

BOARD POLICIES AND ADMINISTRATION

Educator Effectiveness Funding – HESD Trustee Garcia made a motion to approve Educator Effectiveness Funding for Hanford Elementary School District with the change of Visual/Performing Arts and Physical Education added to the proposed expenditures. Trustee Hernandez seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

Educator Effectiveness Funding – Jefferson Trustee Hernandez made a motion to approve Educator Effectiveness Funding for Jefferson Charter Academy. Trustee Garcia seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

Mangini Associates, Inc. Contract Trustee Garner made a motion to approve the consultant agreement with Mangini Associates, Inc. for architectural services for the Data Center remodel. Trustee Hernandez seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

Mangini Associates, Inc. Contract Trustee Garcia made a motion to approve consultant contract with Mangini Associates, Inc. for architectural services for the new shade structure for John F. Kennedy Jr. High School. Trustee Hernandez seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

PERSONNEL

Trustee Hernandez made a motion to take Personnel items “a” through “e” together. Trustee Garcia seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

Trustee Garcia then made a motion to approve Personnel items “a” through “e”. Trustee Hernandez seconded; the motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

***Item "a" –
Employment***

The following items were approved:

Classified Temporary Employment

- Torrey Edwards, Teacher, Temporary, Lincoln, effective 1/11/16 to 6/3/16

Temporary Employees/Substitutes/Yard Supervisors

- Rosarita Alvarez, Yard Supervisor – 2.25 hrs., King, effective 1/11/16
- Blakely Johnson-Lee, 4-6 Boys Basketball Coach, Roosevelt, effective 12/3/15 to 2/6/16
- Julie Kos, Short-term Enrichment Program – Sign Language 7-8, Jefferson, effective 1/25/16 to 3/4/16
- Guadalupe Lopez, Short-term Enrichment Program – Science, Jefferson, effective 1/25/16 to 3/4/16
- Melisa Rodriguez Medel, Short-term Bilingual Aide I – hours will vary up to 5.0 hrs., King (LAS Testing), effective 12/1/15 to 5/27/16
- Luz Najar, Short-term Bilingual Aide I – hours will vary up to 5.0 hrs., Jefferson (LAS Testing), effective 12/1/15 to 5/27/16
- Marisol Ayala Navarro, Short-term Bilingual Aide I – hours will vary up to 5.0 hrs., Lincoln (LAS Testing), effective 12/1/15 to 5/27/16
- Jiezi Nicar, Substitute READY Program Tutor, effective 1/11/16
- Jacqueline Noriega, Short-term Bilingual Aide I – hours will vary up to 5.0 hrs., Hamilton (LAS Testing), effective 12/1/15 to 5/27/16
- Fatima Calvario Perez, Substitute Yard Supervisor, effective 1/11/16
- Rosa Sedano, Yard Supervisor – 2.25 hrs., Washington, effective 1/11/16
- Jacob Simas, Substitute Custodian I, effective 12/16/15
- Elexis Scott, 4-6 Boys/Girls Basketball Coach, Richmond, effective 11/30/15 to 2/6/16
- Sandy Bautista Vazquez, Short-term Yard Supervisor – 1.5 hrs., Roosevelt, effective 1/11/16 to 3/18/16
- Kiessinger Yang, Yard Supervisor – 1.5 hrs., King, effective 12/16/15

Short-term Employment

CLASSIFIED STAFF – Extended Learning Opportunities

K-2 Winter Intercession Program 01/04/16 – 01/08/16

- Bruce Bowen, Custodian I – 2.0 hrs. (1 day), Lincoln, effective 12/30/15; Custodian I – 7.0 hrs., Lincoln, effective 1/4/16 to 1/8/16
- Connie Cavazos, Yard Supervisor – 1.25 hrs., Richmond, effective 12/18/15
- Shannon Corl, Substitute READY Program Tutor, effective 12/8/15
- Sharon Melvin, Substitute Clerk Typist I, effective 3/28/12
- Brenda Solorio, READY Program Tutor – 4.5 hrs., Jefferson, effective 12/18/15
- Steven Cabral, Yard Supervisor, from 2.0 hrs., to 3.25 hrs., Richmond, effective 1/11/16

***Item "b" –
Resignations***

***Item "c" –
More Hours***

***Item "d" – Leave
of Absences***

- Gennarina "Genella" Alvarez, Yard Supervisor – 3.75 hrs., Hamilton, effective 11/30/15 to 12/4/15, medical
- Samantha Cortez, Yard Supervisor – 3.5 hrs., Lincoln, effective 10/30/15 to 12/18/15, medical
- Ann Marie Dowd, Teacher, Curriculum & Instruction, effective 1/11/16 to 2/26/16 (Extended)
- Patricia Edmond, Yard Supervisor – 3.0 hrs., Lincoln, effective 12/8/15 to 2/1/16, medical
- Dorinda Gelsi, Special Education Aide – 5.0 hrs., Roosevelt, effective 2/3/16 to 2/29/16, medical
- Allison Minick, Teacher, Washington, effective 12/8/15 to 12/18/15, baby bonding
- Melanie Pimentel, Yard Supervisor – 2.0 hrs., Washington, effective 11/30/15 to 12/8/15, medical

***Item "e" –
Volunteers***

<u>Name</u>	<u>School</u>
Daron Kraemer	Hamilton
Gloria Nunez	King
Eduarda Saldaña	King
Amy Lopez	Monroe
Olga Amezola	Roosevelt
Alexis Anaya	Simas
Dorian Cronk (HESD Employee)	Simas
Kimberly Hernandez-Willhite	Simas
Kathryn Longabaugh	Simas
Amanda Austin	Washington
Charity Basten	Washington
Esther Juarez	Washington
Isaura Romero	Washington
Lisa Trevino	Washington

FINANCIAL

CA Clean Energy Job Acts Trustee Garcia made a motion to issue a request for qualifications for work related to California Clean Energy Job Acts. Trustee Hernandez seconded; motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

Resolution #10-16 Trustee Garner made a motion to approve Resolution #10-16: Investment Policy Resolution. Trustee Hernandez seconded; motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Hill - Yes

Closed Session At 7:04 p.m. Trustees adjourned to closed session for the purpose of:
• Public Employee Performance Evaluation (GC 54957) - Superintendent

Open Session Trustees returned to open session at 7:25 p.m.

Adjournment There being no further business, Vice-President Hill adjourned the meeting at 7:25 p.m.

Respectfully submitted,

Paul J. Terry,
Secretary to the Board of Trustees

Approved:

Timothy Revious, President

Lupe Hernandez, Clerk

No	A/D	Sch Req'd	Home Sch	Date
I-201	A	King	Lemoore	1/19/2016
I-202	A	Wilson	Lemoore	1/19/2016
I-203	A	JFK	Lakeside	1/19/2016
I-204	A	JFK	Lakeside	1/19/2016
I-205	A	Wilson	Pioneer	1/19/2016
I-206	A	JFK	Lakeside	1/19/2016
I-207	A	Richmond	Kit Carson	1/19/2016

No	A/D	Sch Req'd	Home Sch	Date
O-129	A	Lemoore	Wilson	1/19/2016
O-130	A	Lemoore	Wilson	1/19/2016

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: Javier Espindola

DATE: January 11, 2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: January 27, 2016

ITEM: Consider acceptance of donation of \$161.90 from Box Top Education to Jefferson Charter Academy.

PURPOSE: To be used for expenditures for attendance incentives.

FISCAL IMPACT: Increase of \$161.90 to Account #0100-0000-0-1110-1000-11040-021-0000

RECOMMENDATIONS: Accept donation.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: Debra Colvard

DATE: 1/11/16

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: January 27, 2016

ITEM: Donation of \$250.00 from San Joaquin Valley Air Pollution Control District to MLK School.


PURPOSE: To support Clean Air Champions activities and projects

FISCAL IMPACT: Increase in MLK general budget account #
0100-0000-0-1110-1000-430001-022-0000

RECOMMENDATIONS: Accept donation

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry
FROM: Kristina Baldwin 

DATE: 1/15/16

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 1/27/16

ITEM: Donation from Edison International of \$150.00, Savemart Shares Program \$17.91

PURPOSE: Instructional supplies

FISCAL IMPACT: \$167.91 to general purpose budget

RECOMMENDATIONS: accept donation

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Paul J. Terry, Ed. D.

DATE: January 15, 2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: January 27, 2016

ITEM: Quarterly report (10/1/15 – 12/31/15) regarding Williams Uniform Complaints. The types of complaints covered in the Williams Uniform Complaint Procedures are:

1. Instructional Materials - Sufficient textbooks and instructional materials
2. Facilities – conditions that pose an emergency or urgent threat to the health or safety of students or staff
3. Teacher vacancy or misassignment

PURPOSE: To comply with the requirements Education Code 35186, the Superintendent shall report summarized data on the nature and resolution of all Williams Uniform Complaints to the Board and the County Superintendent of Schools on a quarterly basis.

For the second quarter of 2015-16 school year there were no Williams Uniform Complaints filed.

FISCAL IMPACT: None

RECOMMENDATIONS: None

Valenzuela/CAHSEE Lawsuit Settlement

Quarterly Report on Williams Uniform Complaints

[Education Code § 35186(d)]

District: HANFORD ELEMENTARY

Person completing this form: Paul J. Terry

Title: Superintendent

Quarterly Report Submission Month/Quarter:
(check one)

☐
☒
☐
☐

October 1st Quarter
January 2nd Quarter
April 3rd Quarter
July 4th Quarter

Quarterly Report Submission Year: 2015-16

Date for information to be reported publicly at governing board meeting: October 28, 2015

Please check the box that applies:

- ☒ No complaints were filed with any school in the district during the quarter indicated above.
- ☐ Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	-0-		
Teacher Vacancy or Misassignment	-0-		
Facilities Conditions	-0-		
CAHSEE Intensive Instruction and Services	-0-		
TOTALS	-0-		

Paul J. Terry, Ed.D.
Superintendent

Signature

January 27, 2016
Date

Please submit to:

Russell Watley, Sr.
Kings County Office of Education
Williams Compliance Technician
(559)589-7082
rwatley@kingscoe.org

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Paul J. Terry, Ed. D.

DATE: January 15, 2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: January 27, 2016

ITEM: Receive the following revised Exhibit for information:
• E 0420.41 – Charter School Oversight (revised)

PURPOSE: The following Exhibit reflect changes (see underline and strikeouts) that are necessary to align with current practices and procedures as well as recommendations by CSBA due to the State and federal law mandates changes and Education Code changes.

FISCAL IMPACT: None

RECOMMENDATIONS: Consider for adoption at the next regular Board Meeting.

Hanford ESD

Exhibit

Charter School Oversight

E 0420.41

Philosophy, Goals, Objectives and Comprehensive Plans

~~REQUIREMENTS FOR CHARTER SCHOOLS~~ Requirements For Charter Schools

Charter schools are ~~generally~~ exempt from provisions of the Education Code unless they are expressly included in the law. – However, charter schools are subject to the terms of their charters, any memorandum of understanding with their chartering authority, and other legal requirements including, but not limited to, requirements that each charter school:

1. Comply with the state and federal constitution and applicable state and federal laws
2. Comply with state laws that apply to governmental agencies in general, such as the Brown Act requirements in Government Code 54950-54963
3. Be nonsectarian in its programs, admission policies, employment practices, and all other operations (Education Code 47605)
4. Not discriminate against any student on the basis of the characteristics listed in Education Code 220 (Education Code 47605)
5. Not charge tuition (Education Code 47605)
6. Not charge student fees for any activity that is an integral component of the educational program, except as authorized by those Education Code provisions that explicitly apply to charter schools
7. Adhere to all laws establishing the minimum age for public school attendance - (Education Code 47610)
8. Serve students who are California residents and who, if over 19 years of age, are continuously enrolled in a public school and making "satisfactory progress" toward a high school diploma as defined in 5 CCR 11965 (Education Code 47612)
9. Serve students with disabilities in the same manner as such students are served in other

public schools (Education Code 47646, 56145)

10. Admit all students who wish to attend the school, according to the following criteria and procedures:

a. Admission to the charter school shall not be determined according to the student's place of residence, or that of his/her parents/guardians, within the state, except that any existing public school converting partially or entirely to a charter school shall adopt and maintain a policy giving admission preference to students who reside within the school's former attendance area. (Education Code 47605)

~~However, if~~ a charter school will be physically located in a public elementary school attendance area in which 50 percent or more of the student enrollment is eligible for free or reduced-price meals, it may also establish an admissions preference for students who are currently enrolled in the public elementary school and for students who reside in the public school attendance area. (Education Code 47605.3)

b. If the number of students who wish to attend the charter school exceeds the school's capacity, attendance shall be determined by a public random drawing. However, preference shall be extended to students currently attending the charter school and students who reside in the district, except as provided for in Education Code 47614.5. (Education Code 47605)

c. Other admissions preferences may be ~~established~~permitted by the chartering district on an individual school basis ~~as~~-consistent with law. (Education Code 47605)

11. Immediately enroll a homeless student, except where such enrollment would conflict with Education Code 47605(d) (Education Code 48850; 42 USC 11431-11435)

12. If the school participates as a member of a special education local plan area (SELPA), comply with the requirements of Education Code 48850-48859 regarding the enrollment and placement of foster youth (Education Code 48853.5, 48859)

13. If the school offers a kindergarten program,~~offer:~~ (Education Code 48000)

a. Offer a transitional kindergarten (TK) program to eligible students~~who do not yet meet the age criterion for entry into kindergarten (Education Code 48000)~~whose fifth birthday is from September 2 through December 2

12

b. Ensure that any credentialed teacher first assigned to teach a TK class after July 1, 2015 meets the qualifications specified in Education Code 48000 by August 1, 2020

14. Require its teachers to hold a certificate, permit, or other document issued by the Commission on Teacher Credentialing (CTC) equivalent to that which a teacher in other public schools would be required to hold (Education Code 47605)

~~13~~

15. Require its teachers of core academic subjects to satisfy requirements for "highly qualified teachers" as defined by the State Board of Education (SBE) (20 USC 6319; 34 CFR 300.18)

~~14~~

16. Provide annual training on child abuse and neglect reporting requirements to employees and persons working on their behalf who are mandated reporters, within the first six weeks of each school year or within six weeks of employment (Education Code 44691)

17. Not hire any person, in either a certificated or classified position, who has been convicted of a violent or serious felony except as otherwise provided by law (Education Code 44830.1, 45122.1)

~~15~~

18. Report to the CTC any change in a certificated employee's employment status (dismissal, nonreelection, resignation, suspension, unpaid administrative leave for more than 10 days, retirement, or other decision not to employ or reemploy) as a result of an allegation of misconduct or while an allegation of misconduct is pending (Education Code 44030.5)

19. Meet the requirements of Education Code 47611 regarding the State Teachers' Retirement System (Education Code 47610)

~~16~~20. Meet the requirements of Government Code 3540-3549.3 related to collective bargaining in public education employment (Education Code 47611.5)

~~17.~~ ~~If applicable~~

21. If the school receives Title I funds, meet federal requirements for qualifications of paraprofessionals working in programs supported by Title I funds (20 USC 6319)

~~18~~22. Meet all statewide standards and conduct the student assessments required by Education Code 60605 and 60851 and any other statewide standards or assessments applicable to noncharter public schools (Education Code 47605, 47612.5)

~~19~~

23. Offer at least the number of instructional minutes required by law for the grade levels provided by the charter school (Education Code 46201.2, 47612.5)

~~20~~

24. If the school provides independent study, meet the requirements of Education Code 51745-51749.3, except that the school may be allowed to offer courses required for graduation solely through independent study as an exception to Education Code 51745(e) (Education Code 47612.5, 51747.3; 5 CCR 11705)

~~21~~25. Identify and report to the Superintendent of Public Instruction (SPI) any portion of its

average daily attendance that is generated through nonclassroom-based instruction, including, but not limited to, independent study, home study, work study, and distance and computer-based education (Education Code 47612.5, 47634.2; 5 CCR 11963.2)

22

26. If the school offers competitive athletics, annually post on the school's web site or on the web site of the charter operator the total enrollment of the school classified by gender, the number of students who participate in competitive athletics classified by gender, and the number of boys' and girls' teams classified by sport and by competition level (Education Code 221.9)

27. If the school offers an athletic program, annually provide an information sheet about concussion and head injury to athletes and their parents/guardians, which must be signed and returned to the school before the athlete initiates practice or competition. In the event that an athlete is suspected of sustaining a concussion or head injury in an athletic activity, he/she shall be immediately removed from the activity for the remainder of the day and shall not be permitted to return to the activity until he/she is evaluated by a licensed health care provider and receives written clearance to return to the activity. (Education Code 49475)

2328. On a regular basis, consult with parents/guardians and teachers regarding the school's educational programs (Education Code 47605)

24

29. Provide students the right to exercise freedom of speech and of the press including, but not limited to, the use of bulletin boards; the distribution of printed materials or petitions; the wearing of buttons, badges, and other insignia; and the right of expression in official publications (Education Code 48907, 48950)

2530. Maintain written contemporaneous records that document all student attendance and make these records available for audit and inspection (Education Code 47612.5)

2631. If a student subject to compulsory full-time education is expelled or leaves the charter school without graduating or completing the school year for any reason, notify the Superintendent of the school district of the student's last known address within 30 _____ days and, upon request, provide that district with a copy of the student's cumulative record, including a transcript of grades or report card, and health information (Education Code 47605)

27

32. Electronically submit the grade point average of all students in grade 12 to the Student Aid Commission each academic year for use in the Cal Grant program, after notifying the students and their parents/guardians as applicable, by October 15 of each year, of the opportunity to opt out of being deemed a Cal Grant applicant within a specified period of time of at least 30 days (Education Code 69432.9)

33. Comply with the California Building Standards Code as adopted and enforced by the local building enforcement agency with jurisdiction over the area in which the charter school is located, unless the charter school facility meets either of the following conditions: (Education

Code 47610, 47610.5)

- a. The facility complies with the Field Act pursuant to Education Code 17280-17317 and 17365-17374.
- b. The facility is exclusively owned or controlled by an entity that is not subject to the California Building Standards Code, including, but not limited to, the federal government.

28

34. Ensure the availability and proper use of emergency epinephrine auto-injectors by: (Education Code 49414)

- a. Providing school nurses or other voluntary, trained personnel with at least one regular and one junior device for elementary schools and, for secondary schools, one regular device if there are no students who require a junior device
- b. Distributing a notice at least once per school year to all staff requesting volunteers and describing the training that volunteers will receive
- c. Providing defense and indemnification to volunteers for any and all civil liability from such administration

35. Promptly respond to all reasonable inquiries from the district, the county office of education, or the SPI, including, but not limited to, inquiries regarding the school's financial records (Education Code 47604.3)

2936. Annually prepare and submit financial reports to the district Governing Board ~~of Trustees~~ and the County Superintendent of Schools in accordance with the following reporting cycle:

- a. By July 1, a preliminary budget for the current fiscal year. For a charter school in its first year of operation, financial statements submitted with the charter petition pursuant to Education Code 47605(g) will satisfy this requirement. (Education Code 47604.33)
- b. By July 1 each year, an update of the school's goals and the actions to achieve those goals as identified in the charter, developed using the SBE template in accordance with Education Code 47606.5. This report shall include a review of the progress toward the goals, an assessment of the effectiveness of the specific actions toward achieving the goals, a description of changes the school will make to the specific actions as a result of the review and assessment, and a listing and description of expenditures for the fiscal year implementing the specific actions. (Education Code 47604.33, 47606.5)

When conducting this review, the governing body of the school may consider qualitative information including, but not limited to, findings that result from any school quality reviews conducted pursuant to Education Code 52052 or any other reviews. To the extent practicable, data shall be reported in a manner consistent with how information is reported on a school accountability report card. The update shall be developed in consultation with teachers,

principals, administrators, other school personnel, parents/guardians and students. (Education Code 47606.5)

c. By December 15, an interim financial report for the current fiscal year reflecting changes through October 31. (Education Code 47604.33)

d. By March 15, a second interim financial report for the current fiscal year reflecting changes through January 31. (Education Code 47604.33)

e. By September 15, a final unaudited report for the full prior year. The report submitted to the Board shall include an annual statement of all the charter school's receipts and expenditures for the preceding fiscal year. (Education Code 42100, 47604.33)

f. By December 15, a copy of the charter school's annual, independent financial audit report for the preceding fiscal year, unless the charter school's audit is encompassed in the district's audit. The audit report shall also be submitted to the state Controller and the California Department of Education. (Education Code 47605)

Exhibit HANFORD ELEMENTARY SCHOOL DISTRICT

approved: April 9, 2014 Hanford, California

revised:

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Paul J. Terry, Ed. D.

DATE: January 15, 2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: January 27, 2016

ITEM: Receive the following deleted Board Policy for information:

- BP 0520.4 – Quality Education Investment Schools (deleted)

PURPOSE: The following Board Policy reflects changes (see underline and strikeouts) that are necessary to align with current practices and procedures as well as recommendations by CSBA due to the State and federal law mandates changes and Education Code changes.

FISCAL IMPACT: None

RECOMMENDATIONS: Consider for adoption at the next regular Board Meeting.

DELETE

~~Hanford ESD~~

~~Board Policy~~

~~Quality Education Investment Schools~~

~~BP 0520.4—~~

~~Philosophy, Goals, Objectives and Comprehensive Plans~~

~~The Board of Trustees believes that schools demonstrating the lowest performance on state indicators of student achievement should be assisted with additional resources and support focused on instructional improvement and student services. Such schools also need working conditions and learning environments that will attract and retain well-qualified teachers, administrators, and other staff. The Board desires to help such schools address their complex educational needs and achieve their annual growth targets.~~

~~Whenever the Superintendent of Public Instruction identifies a district school as ranking in decile 1 or 2 on the Academic Performance Index (API) and notifies the district that the school is eligible to participate in the state's Quality Education Investment program, the Board shall determine whether applying for this funding will help improve academic achievement at that school. The Superintendent or designee shall review the program requirements and recommend to the Board if it would be in the district's best interest to apply to use alternative program requirements that would provide for a higher level of academic achievement. Based on this determination, the Board may submit an application, including an application for an alternative program, on behalf of the school in order to obtain additional state funding for school improvement.~~

~~The Superintendent or designee shall ensure that each participating school uses program funds for the purposes expressed in law and administrative regulation. Activities carried out under this program shall be aligned with other school improvement efforts.~~

~~(cf. 0420—School Plans/Site Councils)~~

~~(cf. 0520—Intervention for Underperforming Schools)~~

~~(cf. 0520.1—High Priority Schools Grant Program)~~

~~(cf. 0520.2—Title I Program Improvement Schools)~~

~~(cf. 0520.3—Title I Program Improvement Districts)~~

~~The Board shall monitor the progress of participating schools to evaluate the effectiveness of school efforts in increasing student achievement, as measured by the API and other indicators, increasing student attendance, and, for secondary schools, increasing graduation rates. If the Board determines that sufficient progress is not being made at a particular school, the Board and Superintendent or designee shall determine what types of additional district resources and support should be provided to the school so that progress in increasing student achievement can be made.~~

~~(cf. 0500—Accountability)~~

(cf. 9000—Role of the Board)

Legal Reference:

EDUCATION CODE

~~35186—Williams uniform complaint procedures~~
~~44510–44517—Administrator training program~~
~~44757.5—Reading instruction definitions~~
~~52050–52059—Public Schools Accountability Act, including:~~
~~52055.700–52055.770—Quality Education Investment Act~~
~~52120–52128.5—Class Size Reduction Program~~
~~60640—Standardized Testing and Reporting Program~~
~~60642.5—California standards tests~~
~~64001—Single plan for student achievement~~
~~99230–99242—Mathematics and Reading Professional Development Program~~
UNITED STATES CODE, TITLE 20
~~6301–6578—Academic achievement of the disadvantaged, including:~~
~~6316—Program improvement~~
~~6319—Qualifications of highly qualified teachers~~
~~6511–6518—Comprehensive School Reform Program~~

Management Resources:

WEB SITES

~~CSBA: <http://www.csba.org>~~
~~California Department of Education: <http://www.cde.ca.gov>~~

~~Policy HANFORD ELEMENTARY SCHOOL DISTRICT~~
~~adopted: September 5, 2007 Hanford, California~~

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Paul J. Terry, Ed. D.

DATE: January 15, 2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: January 27, 2016

ITEM: Receive the following revised Board Policy for information:

- BP 3312 – Contracts (revised)

PURPOSE: The following Board Policy reflects changes (see underline and strikeouts) that are necessary to align with current practices and procedures as well as recommendations by CSBA due to the State and federal law mandates changes and Education Code changes.

FISCAL IMPACT: None

RECOMMENDATIONS: Consider for adoption at the next regular Board Meeting.

Hanford ESD

Board Policy

Contracts

BP 3312

Business and Noninstructional Operations

~~As specified in law, the power to contract is invested in the~~

~~The Governing Board of Trustees. However, the Board may, by a majority vote, delegate the power~~recognizes its responsibility ~~to enter into contracts on behalf of the district to the Superintendent or designee.~~

~~To be valid or to constitute an enforceable obligation against the~~for the acquisition of equipment, supplies, services, and other resources necessary for the achievement of ~~district, all contracts must be approved and/or ratified by the Board. (Education Code 17604)~~

~~(cf. 3300—Expenditures/Expending Authority)~~

~~(cf. 3314—Payment for Goods and Services)~~

goals. In exercising this authority to enter into a contract, the Board~~(cf. 3400—Management of District Assets/Accounts)~~

~~All contracts between the district and outside agencies shall~~ensure that the district's interest is protected and that the terms of the contract conform to applicable legal standards required by law and shall be prepared under the direction of the Superintendent or designee, including the bidding requirements in Public Contract Code 20111.

(cf. 2121- Superintendent's Contract)

(cf. 4312.1 - Contracts)

(cf. 9124 - Attorney)

~~The~~When required by law, contracts and subcontracts made by the district for public works or for goods or services shall contain a nondiscrimination clause prohibiting discrimination by contractors or subcontractors. The nondiscrimination clause shall contain a provision requiring contractors and subcontractors to give written notice of their obligations to labor organizations with which they have a collective bargaining or other agreement. (Government Code 12990)

Board may, by a majority vote, delegate to the Superintendent or designee the authority to enter into contracts on behalf of the district. To be valid or to constitute an enforceable obligation against the district, all such contracts must be approved and/or ratified by the Board.

(cf. 3300 - Expenditures and Purchases)

(cf. 3314 - Payment for Goods and Services)

~~(cf. 0410 - Nondiscrimination in District Programs and Activities)~~

Every contract entered into on behalf of the

~~The district shall not enter into a contract that~~ be made available for public inspection, except when the law prohibits a school disclosure. No contract shall prohibit a district employee from disparaging the goods or services of ~~the any~~ contracting party. ~~—(Education Code 35182.5)~~

(cf. 1340 - Access to District Records)

Contracts for Non-~~Nutritious~~nutritious Foods or Beverages

Effective July 1, 2007, the

~~The district or a district school~~ shall not enter into or renew a contract for the sale of foods or beverages that do not meet ~~the applicable~~ nutritional standards specified in Education Code 49431 ~~or 49431.27, 5 CCR 15500-15501 or 15575-15578, or 7 CFR 210.11 or 220.12,~~ unless the contract specifies that such ~~salessale~~ will occur ~~later than one half hour after the end of the school day and/or off school premises.~~ ~~—(Education Code 49431, 49431.2)~~ campus or outside the time restriction specified in the applicable law.

(cf. 3554 - Other Food Sales)

(cf.

~~In accordance with the dates specified in law, the district or a district school shall not enter into or renew a contract for the sale of beverages that do not meet the nutritional standards in Education Code 49431.5 unless the contract specifies that such sales will occur later than one half hour after the end of the school day and/or off school premises.~~

3555 - Nutrition Program Compliance)

Before the district ~~or a district school~~ enters into or renews a contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-nutritious ~~food~~foods as defined in law, the Board shall ensure that the district has sufficient internal controls in place to protect the integrity of public funds and to ensure that funds raised as a result of the contract benefit public education. —(Education Code 35182.5)

The Superintendent or designee shall develop the district's internal control procedures to protect the integrity of public funds. Such internal controls may include, but not be limited to, the following:

1. ~~Control procedures~~Procedures that produce accurate and reliable financial statements and, at the same time, safeguard the assets, financial resources, and integrity of every employee responsible for handling money or property. ~~Control systems shall be systematically evaluated and revised to keep pace with the changing responsibilities of management.~~

(cf. 3100 - Budget)

(cf. 3400 - Management of District Assets/Accounts)
(cf. 3460 - Financial Reports and Accountability)

2. —Procedures to ensure that district personnel do not handle cash or product at the school site.— The contract shall specify that the vendor stock the machines and shall provide cash accounting, along with a check, for district proceeds directly to the control office.

~~In addition, the contract may specify whether contractor logos are permitted on district facilities, including but not limited to scoreboards and other equipment. If such logos are permitted, the contractor shall present the equipment to the Board as a gift. The gift may be accepted by the Board in accordance with Board policy and administrative regulation.~~

~~(cf. 3290 - Gifts, Grants and Bequest)~~

To ensure that funds raised by the contract benefit district schools and students:

1. The Superintendent or designee may ~~involve~~invite parents/guardians, students, staff, and interested community members to make recommendations regarding the contract, including recommendations as to how the funds will be spent in a manner that benefits public education.

(cf. 1220 - Citizen Advisory Committees)

2. Prior to ratifying the contract, the Board shall designate the specific programs and activities that will be funded by the proceeds of the contract and consider how the contract reflects the district's vision and goals.

(cf. 0000 - Vision)

(cf. 0100 - Philosophy)

(cf. 0200 - Goals for the School District)

3. The contract shall specify that the contractor report, on a quarterly basis, to the Superintendent or designee the number of food items or beverages sold within the district and the amount of money raised by the sales. —The Superintendent or designee shall report these amounts to the Board on a regular basis.

4. The Superintendent or designee shall ensure that the contract does not limit the ability of student and parent organizations to plan and operate ~~fund-raising~~fundraising activities.

(cf. 1230 - School-Connected Organizations)

(cf. 1321 - Solicitation of Funds from and by Students)

The contract

Any contract for the sale or advertisement of non-nutritious foods or carbonated or non-nutritious beverages shall be entered into on a competitive bid basis pursuant to Public Contract Code 20111 or through the issuance of a Request for Proposal. (Education Code 35182.5)

(cf. 3311 - Bids)

The Board shall not enter into or renew ~~any~~ contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-nutritious ~~food~~foods until parents/guardians, students, and members of the public have had an opportunity to comment on the contract at a public hearing held during a regularly scheduled ~~board meeting~~ or as otherwise authorized by Education Code 35182.5. Board meeting. The Board shall clearly, and in a manner recognizable to the general public, identify in the agenda the contract to be discussed at the meeting. (Education Code 35182.5).)

(cf. 9322 - Agendas/Meeting Materials)

(cf. 9323 - Meeting Conduct)

The public hearing shall include, but not be limited to, a discussion of the nutritional value of ~~food~~foods and beverages sold within the district; the availability of fresh fruit, vegetables, and grains in school meals and snacks, including locally grown and organic produce; the amount of fat, sugar, and additives in the ~~food~~foods and beverages discussed; and barriers to student participation in school breakfast and lunch programs. (Education Code 35182.5)

(cf. 5030 - Student Wellness)

The contract shall be accessible to the public and may not include a confidentiality clause that would prevent the district or a district school from making any part of the contract public. (Education Code 35182.5)

~~(cf. 1340 - Access to District Records)~~

Contracts for Electronic Products or Services

The Board shall not enter into a contract for electronic products or services that requires the dissemination of advertising to students, unless the Board: (Education Code 35182.5)

1. Enters into the contract at a noticed, public hearing of the Board.

(cf. 9320 - Meetings and Notices)

2. Makes a finding that the electronic product or service is or would be an integral component of the education of students.

(cf. 0440 - District Technology Plan)

3. Makes a finding that the district cannot afford to provide the electronic product or service unless it contracts to permit dissemination of advertising to students.

(cf. 1325 - Advertising and Promotion)

4. As part of the district's normal, ongoing communication to parents/guardians, provides written notice that the advertising will be used in the classroom or other learning center.

(cf. 5145.6 - Parental Notifications)

5. Offers parents/guardians the opportunity to request in writing that their child not be exposed to the program that contains the advertising. ~~Any~~ request shall be honored for the school year in which it is submitted, or longer if specified, but may be withdrawn by the parents/guardians at any time.

Contracts for Digital Storage and Maintenance of Student Records

The district may enter into or renew a contract with a third party for the purpose of providing services, including cloud-based services, for the digital storage, management, and retrieval of student records and/or to provide digital educational software that authorizes a third-party provider of digital educational software to access, store, and use student records. For these purposes, student records include any information maintained by the district that is directly related to a student and any information acquired directly from the student through the use of instructional software or applications assigned to the student by a teacher or other district employee, and do not include de-identified information. (Education Code 49073.1)

(cf. 5125 - Student Records)

Any such contract shall contain all of the following: (Education Code 49073.1)

1. A statement that student records continue to be the property of and under the control of the district
2. If applicable, a description of the means by which students may retain possession and control of their own student-generated content, as defined in Education Code 49073.1, including options by which a student may transfer student-generated content to a personal account
3. A prohibition against the third party using any information in the student record for any purpose other than those required or specifically permitted by the contract
4. A description of the procedures by which a parent/guardian or a student age 18 years or older may review personally identifiable information in the student's records and correct erroneous information
5. A description of the actions the third party will take, including the designation and training of responsible individuals, to ensure the security and confidentiality of student records

6. A description of the procedures for notifying the affected parent/guardian, or the affected student if age 18 years or older, in the event of an unauthorized disclosure of the student's records

7. A certification that a student's records shall not be retained or available to the third party upon completion of the terms of the contract and a description of how that certification will be enforced, except that these requirements shall not apply to student-generated content if the student chooses to establish or maintain an account with the third party for the purpose of storing that content

8. A description of how the district and the third party will jointly ensure compliance with the federal Family Educational Rights and Privacy Act, 20 USC 1232g

9. A prohibition against the third party using personally identifiable information in student records to engage in targeted advertising

Contracts for Personal Services

In order to achieve cost savings, the district may enter into or renew a contract for any personal service that is currently or customarily performed by classified employees, if the contract does not displace school district employees and meets other conditions specified in Education Code 45103.1. To enter into or renew such a contract, the Board shall ensure that the district meets the numerous conditions specified in Education Code 45103.1.

(cf. 4200 - Classified Personnel)

In addition, the district may enter into or renew any contract for personal service without meeting the conditions described above, if any of the following conditions exists: (Education Code 45103.1)

1. The contract is for new district functions and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.

2. The services contracted are not available within the district, cannot be performed satisfactorily by district employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the district.

3. The services are incidental to a contract for the purchase or lease of real or personal property, including, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.

4. The district's policy, administrative, or legal goals and purposes cannot be accomplished through the utilization of persons selected pursuant to the regular or ordinary district hiring

process.

5. The nature of the work is such that the criteria for emergency appointments, as defined in Education Code 45103.1, apply.

6. The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the district in the location where the services are to be performed.

7. The services are of such an urgent, temporary, or occasional nature that the delay that would result from using the district's regular or ordinary hiring process would frustrate their very purpose.

Legal Reference:

EDUCATION CODE

200-262.4 Prohibition of discrimination on the basis of sex

14505 Provisions required in contracts for audits

17595-17606 Contracts

35182.5 Contract prohibitions

45103.1 Personal services contracts

45103.5 Contracts for management consulting service related to food service

49073.1 Contract requirements for digital storage, maintenance and retrieval of student records

49431-49431.57 Nutritional standards

CODE OF CIVIL PROCEDURE

685.010 Rate of interest

GOVERNMENT CODE

12990 Nondiscrimination and compliance employment programs

53260 Contract provision re maximum cash settlement

53262 Ratification of contracts with administrative officers

LABOR CODE

1775 Penalties for violations

1810-1813 Working hours

PUBLIC CONTRACT CODE

4100-4114 Subletting and subcontracting fair practices

7104 Contracts for excavations; discovery of hazardous waste

7106 Noncollusion affidavit

20111 Contracts over \$50,000; contracts for construction; award to lowest responsible bidder

20104.50 Construction Progress Payments

22300 Performance retentions

CODE OF REGULATIONS, TITLE 5

15500 Food sales by student organizations

15501 Sales in high schools and junior high schools

15575-15578 Food and beverage requirements outside of the federal school meal programs

UNITED STATES CODE, TITLE 20

1232g Family Educational Rights and Privacy Act

1681-1688 Title IX, discrimination

CODE OF FEDERAL REGULATIONS, TITLE 7

210.1-210.31 National School Lunch Program

220.1-220.21 National School Breakfast Program

Management Resources:

CSBA PUBLICATIONS

Student Wellness: A Healthy Food and Physical Activity Policy Resource Guide, rev. 2005

WEB SITES

CSBA: <http://www.csba.org>

California Association of School Business Officials: <http://www.casbo.org>

Policy HANFORD ELEMENTARY SCHOOL DISTRICT

adopted: May 16, 2001 Hanford, California

revised: October 19, 2011

revised:

HANFORD ELEMENTARY SCHOOL DISTRICT
AGENDA REQUEST FORM

TO: Paul Terry, Ed.D.

FROM: Doug Carlton

DATE: January 19, 2016

For: ☒ Board Meeting
☐ Superintendent's Cabinet

For: ☐ Information
☒ Action

Date you wish to have your item considered: January 27, 2016

ITEM: Approve Consolidated Application for Funding Categorical Aid Programs (Winter Release)

PURPOSE: The Consolidated Application is the document that is used to apply for, and report on several federal and state categorical aid programs including:

Title I	Low Income Students (\$2,066,358)
Title II	Teacher Quality (\$288,011)
Title III	English Learners (\$130,348)

FISCAL IMPACT: Approximately \$2,484,717 in categorical funding is requested through the Consolidated Application.

RECOMMENDATION: Approve the Consolidated Application for Funding Categorical Aid Programs

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: David Endo

DATE: 01/15/2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/27/16

ITEM:

Consider adoption of the following revised Board Policy and Administrative Regulation:
BP/AR 3311 - Bids

PURPOSE:

This policy is revised to include the prequalification of contractors for public projects of \$1 million or more if School Facilities Program funds or other future state school bond funds are used and a uniform system to evaluate bidders. Additionally, the administrative regulation has been updated to include the California Uniform Public Construction Cost Accounting Act bidding procedures.

FISCAL IMPACT:

None

RECOMMENDATIONS:

Adopt the following revised Board Policy and Administrative Regulation:
BP/AR 3311 - Bids

Hanford ESD

Board Policy

Bids

BP 3311

Business and Noninstructional Operations

~~In order~~

The Board of Trustees is committed to ensure transparency promoting public accountability and the ensuring prudent expenditure of public funds, the Board of Trustees shall award contracts in an objective manner and in accordance with law. District use of public funds. In leasing or purchasing equipment, materials, supplies, and or services shall be purchased using competitive bidding for the district and when contracting for public projects involving district facilities, the Board shall explore lawful opportunities to obtain the greatest possible value for its expenditure of public funds. When required by law, or if the Board determines that it is in the best interest of the district to do so, such leases and purchases shall be made using competitive bidding.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 3000 - Concepts and Roles)

(cf. 3300 - Expenditures and Purchases)

The Superintendent or designee shall establish comprehensive bidding procedures for the district in accordance with law. The procedures shall include a process for advertising bids, instructions and timelines for submitting and opening bids, and other relevant requirements.

No work, project, service, or purchase shall be split or separated into smaller work orders or projects for the purpose of evading the legal requirements of Public Contract Code 20111-20118.4. (Public Contract Code 20116)

When calling for bids, the Superintendent or designee shall ensure that the bid specification clearly describes in appropriate detail the quality, delivery, and service required and includes all information which the district knows, or has in its possession, that is relevant to the work to be performed or that may impact the cost of performing the work.

The Superintendent or designee shall develop the procedures to be used for rating bidders for award of contracts which, by law or Board policy, require prequalification. The procedures shall identify a uniform system for rating bidders and shall address the issues covered by the standardized questionnaire and model guidelines developed by the Department of Industrial Relations pursuant to Public Contract Code 20101.

(cf. 9270 - Conflict of Interest)

Except as authorized by law and specified in the administrative regulation, contracts shall be let to the lowest responsible bidder who shall give such security as the Board requires, or else all bids shall be rejected. (Public Contract Code 20111)

When the Board has determined that it is in the best interest of the district, the district may piggyback onto the contract of another public agency or corporation to lease or purchase equipment or supplies to the extent authorized by law. (Public Contract Code 20118)

~~Bid specifications shall be carefully designed and shall describe in detail the quality, delivery, and service required.~~

~~To assist the district in determining whether bidders are responsible, the Board may require prequalification procedures as allowed by law and specified in administrative regulation.~~

(cf. 9270 - Conflict of Interest)

Legal Reference:

EDUCATION CODE

17070.10-17079.30 Leroy F. Greene School Facilities Act

17406 Lease-leaseback contract

17595 ~~Purchases~~ Purchase of supplies through Department of General Services

17602 Purchase of surplus property from federal agencies

38083 Purchase of perishable foodstuffs and seasonable commodities

38110-38120 Apparatus and supplies

39802 Transportation services

GOVERNMENT CODE

4217.10-4217.18 Energy conservation contracts

4330-4334 Preference for California-made materials

6252 Definition of public record

53060 Special services and advice

54201-54205 Purchase of supplies and equipment by local agencies

PUBLIC CONTRACT CODE

1102 Emergencies

~~2001-2001~~ 2000-2002 Responsive bidders

~~3002~~ 3000-3010 Roofing projects

3400 Bids, specifications by brand or trade name not permitted

3410 United States produce and processed foods

6610 Bid visits

12200 Definitions, recycled goods, materials and supplies

20101-20103.7 Public construction projects, requirements for bidding

20103.8 Award of contracts

20107 Bidder's security
 20111-20118.4 Contracting by school districts
 20189 Bidder's security, earthquake relief
 22002 Definition of public project
 22030-22045 Alternative procedures for public projects (UPCCAA)
 22050 Alternative emergency procedures
 22152 Recycled product procurement

COURT DECISIONS

Los Angeles Unified School District v. Great American Insurance Co., (2010) 49 Cal.4th 739

Great West Contractors Inc. v. Irvine Unified School District, (2010) 187 Cal.App.4th 1425

Marshall v. Pasadena USD Unified School District, (2004) 119 Cal.App.4th 1241

Konica Business Machines v. Regents of the University of California, (1988) 206 Cal.App.3d 449

Cal.App.3d 449

City of Inglewood-Los Angeles County Civic Center Authority v. Superior Court, (1972) 7 Cal.3d 861

ATTORNEY GENERAL OPINIONS

89 Ops.Cal.Atty.Gen. 1 (2006)

Management Resources:

WEB SITES

CSBA: [http:// www.csba.org](http://www.csba.org)

California Association of School Business Officials: <http://www.casbo.org>

Policy HANFORD ELEMENTARY SCHOOL DISTRICT

adopted: May 16, 2001 Hanford, California

revised: January 23, 2013

Revised:_____

Hanford ESD

Administrative Regulation

Bids

AR 3311

Business and Noninstructional Operations

~~Advertised/Competitive Bids~~

~~The district shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project. Public project means construction, reconstruction, erection, alteration, renovation, improvement, painting, repainting, demolition, and repair work involving a district owned, leased, or operated facility. (Public Contract Code 20111, 22002)~~

Bids

The district has adopted the California Uniform Public Construction Cost Account Act procedures under Public Contract Code 22000 et. seq.

Informal Bids:

Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Contractors List:

A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

Advertised Bids

The district shall seek competitive bids through advertisement for contracts involving an expenditure of greater than \$175,000 for a public project, informally bid contracts involving an expenditure of less than \$175,000, and seek quotes, when feasible, for projects involving an expenditure of \$45,000 or less.

"Public project" includes construction, reconstruction, erection, alteration, renovation, improvement, painting, repainting, demolition and repair work involving a district owned, leased or operated facility. (Public Contract Code 22002)

The district shall also seek advertise for competitive bids ~~through advertisement for contracts~~

~~exceeding~~ when a contract exceeds the amount specified in law, ~~and as annually adjusted by the Superintendent of Public Instruction, for any of the following: (Government Code 53060; Public Contract Code 20111)~~

1. The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district
2. Services, not including construction services or special services and advice in accounting, financial, legal, or administrative matters
3. Repairs, ~~including maintenance~~ that is are not a public project, including maintenance

Maintenance means routine, recurring, and usual work for preserving, protecting, and keeping a district facility operating in a safe, efficient, and continually usable condition for the intended purpose for which it was designed, improved, constructed, altered, or repaired. Maintenance includes, but is not limited to, carpentry, electrical, plumbing, glazing, and other craft work designed to preserve the facility, as well as repairs, cleaning, and other operations on machinery and other permanently attached equipment. ~~This definition~~ Maintenance does not include, painting, repainting, or decorating other than touchup, or among other types of work, janitorial or custodial services and protection provided by security forces, ~~nor does it include painting, repainting, or decorating other than touchup.~~ (Public Contract Code 20115)

~~Unless otherwise authorized by law, contracts shall be let to the lowest responsible bidder who shall give such security as the Board of Trustees requires, or else all bids shall be rejected. (Public Contract Code 20111)~~

~~When letting a contract for the procurement and/or maintenance of electronic data processing systems and supporting software, the Board may contract with any one of the three lowest responsible bidders. (Public Contract Code 20118.1)~~

~~The Board shall secure bids pursuant to Public Contract Code 20111 and 20112 for any transportation service expenditure of more than \$10,000 when contemplating that such a contract may be made with a person or corporation other than a common carrier, municipally owned transit system, or a parent/guardian of students who are to be transported. The Board may let this contract to other than the lowest bidder. (Education Code 39802)~~

~~No work, project, service, or purchase shall be split or separated into smaller work orders or projects for the purpose of evading the legal requirements of Public Contract Code 20111 20118.4 for contracting after competitive bidding. (Public Contract Code 20116)~~

Instructions and Procedures for Advertised Bids

~~The Board of Trustees shall approve the advertisement of bids. The Superintendent or designee shall call for bids by placing a notice at least once a week for two weeks in a local newspaper of general circulation published in the district, or if no such newspaper exists, then in some newspaper of general circulation~~ that is ~~circulated in the county. The Superintendent or~~

designee also may post the notice on the district's web site or through an electronic portal. The notice shall state the work to be done or materials or supplies to be furnished and the time and place and web site where bids will be opened. The district may accept a bid that has been submitted electronically or on paper. (Public Contract Code 20112)

(cf. 1113 - District and School Web Sites)

The notice shall contain the time, date, and location of any mandatory prebid conference, site visit, or meeting. ~~The notice shall also detail~~ and details regarding when and where project documents, including the final plan and specifications, are available. Any such mandatory visit or meeting shall ~~not occur within a minimum of~~ not less than five calendar days ~~of~~ after the publication of the initial notice. (Public Contract Code 6610)

Bid instructions and specifications shall include the following requirements and information:

1. All bidders shall certify the minimum, if not exact, percentage of post-consumer materials in products, materials, goods, or supplies offered or sold. (Public Contract Code 22152)

(cf. 3510 - Green School Operations)

2. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security: (Public Contract Code 20107, 20111)

- a. Cash
- b. A cashier's check made payable to the district
- c. A certified check made payable to the district
- d. A bidder's bond executed by an admitted surety insurer and made payable to the district

The security of unsuccessful bidders shall be returned in a reasonable period of time, but in no event later than 60 days after the bid is awarded. (Public Contract Code 20111)

3. When a standardized proposal form is provided by the district, bids not presented on the standard form shall be disregarded. (Public Contract Code 20111.5)

4. Bids shall not be accepted after the advertised bid opening time, regardless of whether the bids are actually opened at that time. (Public Contract Code 20112)

5. When two or more identical lowest or highest bids are received, the Board of Trustees may determine by lot which bid shall be accepted. (Public Contract Code 20117)

6. If the district requires that the bid include prices for items that may be added to or

deducted from the scope of work in the contract, the bid solicitation shall specify which one of the following methods will be used to determine the lowest bid. In the absence of such a specification, only the method provided in item #a6a below shall be used. (Public Contract Code 20103.8)

- a. The lowest bid shall be the lowest total of the bid prices on the base contract without consideration of the prices on the additive or deductive items.
- b. 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 price.
- c. The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that, when taken in order from a specifically identified list of those items in the solicitation, and added to or subtracted from the base contract, are less than or equal to a funding amount publicly disclosed by the district before the first bid is opened.

The lowest bid shall be determined in a manner that prevents any information that would identify any of the bidders or proposed subcontractors or suppliers from being revealed to the district before the ranking of all bidders from lowest to highest has been determined. (Public Contract Code 20103.8)

77. The district shall consider only responsive bids from responsible bidders in determining the lowest bid.

8. Any subsequent change or alteration of a contract shall be governed by the provisions of Public Contract Code 20118.4.

89. After being opened, all submitted bids become public records pursuant to Government Code 6252 and shall be made available for public review pursuant to law, Board policy, and administrative regulation.

~~9. The results of the bid shall be presented to the Board. The Board shall approve the award of a bid.~~

(cf. 1340 - Access to District Records)

10. When a bid is disqualified as nonresponsive based on district investigation or other information not obtained from the submitted bid, the Superintendent or designee shall notify the bidder and give him/her an opportunity to respond to the information.

Prequalification Procedure

When required by law or the Board, the Superintendent or designee shall establish a uniform system for rating bidders on the basis of completed questionnaires and financial statements in order to determine the size of contracts on which each bidder is qualified to bid. For this purpose,

the Superintendent or designee shall furnish prospective bidders a standardized proposal form which, when completed, shall indicate a bidder's statement of financial ability and experience in performing public works. The bidder's information shall be verified under oath in the manner in which civil law pleadings are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection. (Code of Civil Procedure 446; Public Contract Code 20111.5, 20111.6)

When any public project involves an expenditure of \$1,000,000 or more and is funded or reimbursed wholly or partly by the School Facilities Program funds or other future state school bond, the district shall prequalify prospective bidders either quarterly or annually. The prequalification shall be valid for one year and the following requirements shall apply: (Education Code 17406, 17407; Public Contract Code 20111.6)

1. Prospective bidders, including, but not limited to, prime, general engineering, and general building contractors and electrical, mechanical, and plumbing subcontractors, as defined in the Business and Professions Code 4113, 7056, or 7057, as applicable, shall submit a standardized questionnaire and financial statement 10 or more business days, as determined by the district, before the date fixed for the public opening of sealed bids.

2. Prospective bidders shall be prequalified by the district five or more business days, as determined by the district, before the date fixed for the public opening of sealed bids.

If the project includes electrical, mechanical, or plumbing components that will be performed by electrical, mechanical, or plumbing contractors, the Superintendent or designee shall make available to all bidders a list of prequalified general contractors and electrical, mechanical, and plumbing subcontractors five or more business days, as determined by the district, before the date fixed for the public opening of sealed bids.

For all other contracts requiring competitive bidding, the district may establish a procedure for prequalifying bidders on a quarterly basis and may authorize that prequalification be considered valid for up to one calendar year following the date of the initial prequalification. Prospective bidders for such contracts shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids and shall be prequalified by the district at least one day before the fixed bid-opening date. (Public Contract Code 20111.5)

Award of Contract

The district shall award each contract to the lowest responsible bidder except in the following circumstances:

1. When the contract is for the procurement and/or maintenance of electronic data processing systems and supporting software, in which case the Board may contract with any one of the three lowest responsible bidders (Public Contract Code 20118.1)

2. When the contract is for any transportation service which involves an expenditure of more than \$10,000 and which will be made with any person or corporation other than a common

carrier, municipally owned transit system, or a parent/guardian of students who are to be transported, in which case the Board may contract with other than the lowest bidder (Education Code 39802)

3. When the contract is one for which the Board has established goals and requirements relating to participation of disabled veteran or small business enterprises in accordance with Public Contract Code 2000-2002, in which case the Board may contract with the lowest responsible bidder who submits a responsive bid and complies or makes a good faith effort to comply with the goals and requirements (Public Contract Code 2000-2002)

(cf. 9270 - Conflict of Interest)

Protests by Bidders

A bidder may protest a bid award if he/she believes that the award is not in compliance with law, Board policy, or the bid specification. A protest must be filed in writing with the Superintendent or designee within five working days after receipt of notification of the contract award and shall include all documents supporting or justifying the protest. A bidder's failure to file the protest documents in a timely manner shall constitute a waiver of his/her right to protest the award of the contract.

The Superintendent or designee shall review the documents submitted with the bidder's claims and render a decision in writing within 30 working days. The Superintendent or designee may also convene a meeting with the bidder in order to attempt to resolve the problem.

The bidder may appeal the Superintendent or designee's decision to the Board. The Superintendent or designee shall provide notice to the bidder of the date and time for Board consideration of the protest at least three business days before the Board meeting. The Board's decision shall be final.

Alternative Bid Procedures for Technological Supplies and Equipment

Rather than seek competitive bids, the Board may use competitive negotiation when it makes a finding that a district procurement is for computers, software, telecommunications equipment, microwave equipment, or other related electronic equipment and apparatus. Competitive negotiation shall not be used to contract for construction or for the procurement of any product that is available in substantial quantities to the general public. (Public Contract Code 20118.2)

The competitive negotiation process shall include, but not be limited to, the following requirements: (Public Contract Code 20118.2)

1. The Superintendent or designee shall prepare a request for proposals (RFP) that shall be submitted to an adequate number of qualified sources, as determined by the district, to permit reasonable competition consistent with the nature and requirement of the procurement.
2. ~~The Board shall approve the competitive negotiation and request for proposal process and~~

~~approve the advertisement of the RFP.~~

~~32. Notice of the RFP shall be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.—The Superintendent or designee also may post the notice on the district's website or through an electronic portal.~~

43. The Superintendent or designee shall make every effort to generate the maximum feasible number of proposals from qualified sources and shall make a finding to that effect before proceeding to negotiate if only a single response to the RFP is received.

54. The RFP shall identify all significant evaluation factors, including price, and their relative importance.

65. The Superintendent or designee shall provide reasonable procedures for the technical evaluation of the RFPs received, the identification of qualified sources, and the selection for the award of the contract.

76. The Board shall award the contract to the qualified bidder whose proposal meets the evaluation standards and will be most advantageous to the district with price and all other factors considered.

87. If the Board does not award the contract to the bidder whose proposal contains the lowest price, then the Board shall make a finding setting forth the basis for the award to another bidder.

98. The Board, at its discretion, may reject all proposals and request new RFPs.

109. Provisions in any contract concerning utilization of small business enterprises that are in accordance with the RFP shall not be subject to negotiation with the successful proposer.

Sole Sourcing

In any contract for the construction, alteration, or repair of school facilities, the Superintendent or designee shall ensure that the bid specification: (Public Contract Code 3400)

1. Does not directly or indirectly limit bidding to any one specific concern

2. Does not call for a designated material, product, thing, or service by a specific brand or trade name, unless the specification is followed by the words "or equal," so that bidders may furnish any equal material, product, thing, or service

In any such case, the bid specification shall provide a time period, before and/or after the award of the contract, for the contractor to submit data substantiating the request for substituting the designated material, product, thing, or service. If no such time period is specified, the contractor may submit the data within 35 days after the award of the contract.

When the bid is for a roof project, a material, product, thing, or service is considered "equal" to that designated if it is equal in quality, durability, design, and appearance; will perform the

intended function equally well; and conforms substantially to the detailed requirements in the bid specification. (Public Contract Code 3002)

However, the Superintendent or designee may designate a specific material, product, thing, or service by brand or trade name (sole sourcing) if the Board has made a finding, described in the invitation for bids or RFP, that a particular material, product, thing, or service is designated for any of the following purposes: (Public Contract Code 3400)

1. To conduct a field test or experiment to determine its suitability for future use
2. To match others in use on a particular public improvement that has been completed or is in the course of completion
3. To obtain a necessary item that is only available from one source
4. To respond to the Board's declaration of an emergency, as long as the declaration has been approved by four-fifths of the Board when issuing the invitation for bid or RFP

(cf. 9323.2 - Actions by the Board)

Bids Not Required

Without advertising for bids and upon a determination that it is in the best interest of the district, the Board may authorize another public corporation or agency, by contract, lease, requisition, or purchase order, ~~another public corporation or agency~~ to lease data-processing equipment or to purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for the district in the manner that the other public corporation or agency is authorized to make the leases or purchases from a vendor ("piggyback"). Alternatively, if the public corporation or agency has an existing contract with a vendor for the lease or purchase of personal property, the district may authorize the lease or purchase of personal property directly from the vendor and make payments under the same terms that are available to the public corporation or agency under the contract. (Public Contract Code 20118)

(cf. 3300 – Expenditures and Purchases)

(cf. 3512 - Equipment)

~~Alternatively, if there is an existing contract between a public corporation or agency and a vendor for the lease or purchase of personal property, the district may authorize the lease or purchase of personal property directly from the vendor by contract, lease, requisition, or purchase order and make payment to the vendor under the same terms that are available to the public corporation or agency under the contract. (Public Contract Code 20118)~~

In addition, upon a determination that it is in the best interest of the district and without advertising for bids, the Board may lease currently owned district property to any person, firm, or corporation for a minimum of \$1 per year, as long as the lease requires the person, firm, or corporation to construct a building or buildings on the property for the district's use during the

lease and the property and building(s) will vest in the district at the expiration of the lease ("lease-leaseback"). Prior to entering into a lease-leaseback agreement, the Superintendent or designee shall have on file the contractor's enforceable commitment that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades. (Education Code 17406, 17407.5)

(cf. 3280 - Sale or Lease of District-Owned Real Property)

Any lease-leaseback agreement shall include a lease term that specifies the district's occupancy of the building or improved property and a financing component as may be determined on a case-by-case basis.

Regardless of the funding source, when any lease-leaseback agreement is for a public project, involves an expenditure of \$1,000,000 or more, and meets other criteria in Public Contract Code 20111.6, the prequalification requirements specified in the "Prequalification Procedure" section above shall be followed. (Education Code 17406)

Without advertising for bids, the Board may enter into an energy service contract and any related facility ground lease, when it determines that the terms of the contract and lease are in the best interest of the district. The Board's determination shall be made at a regularly scheduled public hearing of which notice is given to the public at least two weeks in advance and shall be based on cost comparison findings specified in Government Code 4217.12. (Government Code 4217.12)

(cf. 3511 - Energy and Water Management)

(cf. 9320 - Meetings and Notices)

Supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals may be purchased in any amount without taking estimates or advertising for bids. (Public Contract Code 20118.3)

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

(cf. 6161.11 - Supplementary Instructional Materials)

(cf. 6163.1 - Library Media Centers)

Perishable foodstuffs and seasonal commodities, ~~such as foodstuffs~~, needed in the operations of cafeterias may be purchased through bid or on the open market. (Education Code 38083)

(cf. 3551 - Food Service Operations/Cafeteria Fund)

~~In an emergency when any repairs, alterations, work, or improvement to any school facility is necessary to permit the continuance of existing school classes or to avoid danger to life or property, the Board may, by unanimous vote and with the approval of the County Superintendent of Schools, contract for labor and materials or supplies without advertising for or inviting bids or may authorize the use of day labor or force account for the emergency purpose. (Public~~

~~Contract Code 20113)~~

~~(cf. 3517—Facilities Inspection)
(cf. 9323.2—Actions by the Board)~~

Bids shall not be required for day labor under circumstances specified in Public Contract Code 20114. Day labor shall include the use of maintenance personnel employed on a permanent or temporary basis. (Public Contract Code 20114)

In an emergency when any repairs, alterations, work, or improvement to any school facility is necessary to permit the continuance of existing school classes or to avoid danger to life or property, the Board may, by unanimous vote and with the approval of the County Superintendent of Schools, contract for labor and materials or supplies without advertising for or inviting bids or may authorize the use of day labor or force account for the emergency purpose. (Public Contract Code 1102, 20113)

(cf. 3517 - Facilities Inspection)

The district may purchase any surplus property from the federal government or any of its agencies in any quantity needed for the operation of its schools without taking estimates or advertising for bids. (Education Code 17602)

Sole Sourcing

~~In any contract for the construction, alteration, or repair of school facilities, the Superintendent or designee shall not draft the bid specification in a manner that, either directly or indirectly, limits bidding to any one specific concern or calls for a designated material, product, thing, or service by a specific brand or trade name, unless the specification designating the specific material, product, thing, or particular brand name is followed by the words "or equal" so that bidders may furnish any equal material, product, thing, or service. In such cases, the bid specification shall provide a time period, before and/or after the award of the contract, for the contractor to submit data substantiating the request for substituting the designated material, product, thing, or service. If no such time period is specified, the contractor may submit the data within 35 days after the award of the contract. (Public Contract Code 3400)~~

~~When the bid is for a roof project, a material, product, thing, or service is considered "equal" to the one designated if it is equal in quality, durability, design, and appearance; will perform the intended function equally well; and conforms substantially to the detailed requirements in the bid specification. (Public Contract Code 3002)~~

~~However, the Superintendent or designee may designate a specific concern, material, product, thing, or service by brand or trade name (sole sourcing), if the Board has made a finding, described in the invitation for bids or RFP, that a particular material, product, thing, or service is designated for any of the following purposes: (Public Contract Code 3400)~~

- ~~1. To conduct a field test or experiment to determine its suitability for future use~~

2. ~~To match others in use on a particular public improvement that has been completed or is in the course of completion~~
3. ~~To obtain a necessary item that is only available from one source~~
4. ~~To respond to the Board's declaration of an emergency, as long as the declaration has been approved by four fifths of the Board when issuing the invitation for bid or RFP~~

Prequalification Procedure

~~For any contract for which bids are legally required, the Board may require that each prospective bidder complete and submit a standardized questionnaire and financial statement. For this purpose, the Superintendent or designee shall supply a form which requires a complete statement of the bidder's financial ability and experience in performing public works. The information shall be verified under oath in the manner in which civil law pleadings are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection. (Public Contract Code 20111.5)~~

~~Prospective bidders shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids. (Public Contract Code 20111.5)~~

~~The Superintendent or designee shall establish a uniform system for rating bidders on the basis of completed questionnaires and financial statements in order to determine the size of contracts on which each bidder is qualified to bid. Bidders must be deemed prequalified by the district at least one day before the fixed bid opening date. (Public Contract Code 20111.5)~~

~~The district may establish a procedure for prequalifying bidders on a quarterly basis and may authorize that prequalification be considered valid for up to one calendar year following the date of the initial prequalification. (Public Contract Code 20111.5)~~

Protests by Bidders

~~A bidder may protest a bid award if he/she believes that the award is inconsistent with Board policy, the bid's specifications, or is not in compliance with law. A protest must be filed in writing with the Superintendent or designee within five working days after receipt of notification of the contract award. The bidder shall submit all documents supporting or justifying the protest. A bidder's failure to file the protest documents in a timely manner shall constitute a waiver of his/her right to protest the award of the contract.~~

~~The Superintendent or designee shall review the documents submitted with the bidder's claims and render a decision in writing within 30 working days. The Superintendent or designee may also convene a meeting with the bidder in order to attempt to resolve the problem.~~

~~The bidder may appeal the Superintendent or designee's decision to the Board. The~~

~~Superintendent or designee shall provide reasonable notice to the bidder of the time for Board consideration of the protest. The Board's decision shall be final.~~

Regulation HANFORD ELEMENTARY SCHOOL DISTRICT

approved: October 2, 2002 Hanford, California

revised: January 23, 2013

Revised:_____

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: David Endo

DATE: 01/15/2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/27/16

ITEM:

Consider adoption of the following revised Board Policy and Administrative Regulation:
BP/AR 3554 - Other Food Sales

PURPOSE:

This policy and regulation are revised to update legal citations and incorporates the requirement that all other competitive food sales comply with the federal nutritional standards. Additionally, the requirement to maintain records of other competitive food sales is added to the regulation.

FISCAL IMPACT:

None

RECOMMENDATIONS:

Adopt the following revised Board Policy and Administrative Regulation:
BP/AR 3554 - Other Food Sales

Hanford ESD

Board Policy

Other Food Sales

BP 3554

Business and Noninstructional Operations

The Board of Trustees believes that sales of foods and beverages at school during the school day should be aligned with the district's goals to promote student wellness. Any food sales conducted outside the district's food service program shall meet nutritional standards specified in law, Board policy, and administrative regulation and shall not reduce student participation in the district's food service program.

(cf. 3550 - Food Service/Child Nutrition Program)
 (cf. 3551 - Food Service Operations/Cafeteria Fund)
 (cf. 3553 - Free and Reduced Price Meals)
 (cf. 5030 - Student Wellness)
 (cf. 5141.27 - Food Allergies/Special Dietary Needs)

The Board authorizes the Superintendent or designee to approve the sale of foods and beverages outside the district's food service program, including sales by student or school-connected organizations, sales through vending machines, and/or sales at secondary school student stores for fundraising purposes.

(cf. 1230 - School-Connected Organizations)
 (cf. 1321 - Solicitations of Funds from and by Students)

When vending machines are sponsored by the district or a student or adult organization, the Superintendent or designee shall determine how and where vending machines may be placed at school sites, district offices, or other school facilities.

(cf. 3312 - Contracts)

Legal Reference:

EDUCATION CODE

35182.5 Contracts, non-nutritious beverages

48931 Authorization and sale of food

49430-49436 ~~49436~~ 49434 Pupil Nutrition, Health, and Achievement Act of 2001

51520 School premises; prohibited solicitations

CODE OF REGULATIONS, TITLE 5

15500 Food sales in elementary schools
 15501 Sales in high schools and junior high schools
 15575-15578 Requirements for foods and beverages outside the federal meals program
 HEALTH AND SAFETY CODE
 113700-114437 California Retail Food Code
 UNITED STATES CODE, TITLE 42
 1751-~~1769h~~ 1769j National School Lunch Act, including:
~~1751-Note~~ 1758b Local wellness policy
 1771-1791 Child nutrition, School Breakfast Program
 CODE OF FEDERAL REGULATIONS, TITLE 7
 210.1-210.31 National School Lunch Program
 220.1-220.21 National School Breakfast Program

Management Resources:

CSBA PUBLICATIONS

Nutrition Standards for Schools: Implications for Student Wellness, Policy Brief, rev. October 2007

Monitoring for Success: Student Wellness Policy Implementation Monitoring Report and Guide, 2007

Student Wellness: A Healthy Food and Physical Activity Policy Resource Guide, rev. April 2006

CALIFORNIA DEPARTMENT OF EDUCATION MANAGEMENT BULLETINS

06-110 Restrictions on Food and Beverage Sales Outside of the School Meal Program, August 2006

FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS

Associated Student Body Accounting Manual and Desk Reference, 2002

NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION PUBLICATIONS

Fit, Healthy and Ready to Learn, 2000

WEB SITES

CSBA: <http://www.csba.org>

California Department of Education, Nutrition Services Division: <http://www.cde.ca.gov/ls/nu>

California Department of Public Health: <http://www.cdph.ca.gov>

California Healthy Kids Resource Center: <http://www.californiahealthykids.org>

California Project LEAN (Leaders Encouraging Activity and Nutrition):

<http://www.californiaprojectlean.org>

Centers for Disease Control and Prevention: <http://www.cdc.gov>

Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>

National Association of State Boards of Education (NASBE): <http://www.nasbe.org>

U.S. Dept. of Agriculture, Food and Nutrition Information Center: <http://www.nal.usda.gov/fnic>

Policy HANFORD ELEMENTARY SCHOOL DISTRICT

adopted: May 16, 2001 Hanford, California

revised: September 12, 2012

Revised: _____

Hanford ESD

Administrative Regulation

Other Food Sales

AR 3554

Business and Noninstructional Operations

~~Nutritional Standards for Foods and Beverages~~

Requirements for Schools Not Participating in Federal Meal Program

Food and beverage sales outside the district's food service program shall comply with applicable nutritional standards specified in Education Code 49431, ~~49431.2, 49431.5, and 49431.7~~ and 5 CCR 15500-15501 and 15575-15578.

(cf. 3550 - Food Service/Child Nutrition Program)

(cf. 5030 - Student Wellness)

(cf. 5141.27 - Food Allergies/Special Dietary Needs)

~~At an elementary school, the~~ The sale of foods or beverages that do not comply with the standards in Education Code 49431 and ~~49431.5~~ may be permitted, ~~as part of a fundraising event, only when the items are sold by students of the school and the sale meets~~ in either of the following ~~conditions~~ circumstances: (Education Code 49431, 49431.5)

1. ~~It takes place off and away from school premises.~~

2. ~~It takes place at least one-half hour after the end of the school day.~~

~~(cf. 1230 - School Connected Organizations)~~

~~(cf. 1321 - Solicitations of Funds from and by Students)~~

~~At a middle, junior high, or high school, the sale of food items that do not comply with the standards in Education Code 49431.2 may be permitted in any of the following circumstances: (Education Code 49431.2)~~

1. The sale takes place off and away from school premises.

2. The sale takes place on school premises at least one-half hour after the end of the school day.

3. ~~The sale occurs during a school-sponsored student activity after the end of the school day.~~

(cf. 1230 - School-Connected Organizations)
(cf. 1321 - Solicitations of Funds from and by Students)
 (cf. 6145 - Extracurricular and Co-curricular Activities)

~~Beverage sales that do not comply with the standards in Education Code 49431.5 may be permitted at a middle or junior high school as part of a school event under either of the following circumstances: (Education Code 49431.5)~~

- ~~1. The sale occurs during a school-sponsored event and takes place at the location of the event at least one-half hour after the end of the school day.~~
- ~~2. Vending machines, student stores, and cafeterias are used later than one-half hour after the end of the school day.~~

Additional Requirements for Schools Participating in the National School Lunch and/or Breakfast Program

For any district school participating in the National School Lunch and/or Breakfast Program, food and beverage sales conducted outside the district's food service program on school campuses during the school day shall comply with applicable nutritional standards specified in 7 CFR 210.11 and 220.12 or with state nutrition standards in Education Code 49431-49431.7 and 5 CCR 15500-15501 and 15575-15578, whichever rule is stricter.

These standards shall apply to all competitive foods and beverages sold from midnight before the school day to one-half hour after the end of the school day. (7 CFR 210.11)

~~The sale of foods outside of the district's food service program during meal periods in food service areas shall be allowed only if all income from the sale, including the sale of approved foods or drinks from vending machines, accrues to the benefit of the school, the school food service program, or the student organization(s) sponsoring the sale. (7 CFR 210.11, 220.12)~~

~~No foods of minimal nutritional value, as listed in 7 CFR 210, Appendix B, and 7 CFR 220, Appendix B, shall be sold in food service areas during breakfast and lunch periods. (7 CFR 210.11, 220.12)~~

In a school with any of grades K-8 that is participating in the National School Lunch and/or Breakfast Program, the Superintendent or designee shall not permit the sale of foods by a student organization except when all of the following conditions are met: (5 CCR 15500)

1. The student organization ~~shall sell~~sells only one food item per sale.
2. The specific nutritious food item is approved by the Superintendent or designee in accordance with Board policy.

3. The sale does not begin until after the close of the regularly scheduled midday food service period.
4. The sale during the regular school day is not of food items prepared on the premises.
5. There are no more than four such sales per year per school.
6. ~~The food sold is a dessert type food, such as pastry, ice cream, or fruit.~~
76. The food sold is not one sold in the district's food service program at that school during that school day.

In ~~junior~~any middle or high ~~and high schools~~school, a student organization may be approved to sell food items during or after the school day if all of the following conditions are met: (5 CCR 15501)

1. Only one student organization conducts a food sale on a given school day and the organization sells no more than three types of food or beverage items, except that up to four days during the school year may be designated on which any number of organizations may conduct the sale of any food items.
2. The specific nutritious food items are approved by the Superintendent or designee in accordance with Board policy.
3. Food items sold during the regular school day are not prepared on the premises.
4. The food items sold are not those sold in the district's food service program at that school during that school day.

The Superintendent or designee shall maintain records, and shall require organizations selling foods and beverages to maintain records, to document compliance with federal nutrition standards for all competitive foods and beverages sold through and outside the district's food services program. At a minimum, these records shall include receipts, nutrition labels, and/or product specifications. (7 CFR 210.11)

Regulation HANFORD ELEMENTARY SCHOOL DISTRICT
 adopted: May 16, 2001 Hanford, California
 revised: September 12, 2012

Revised: _____

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: David Endo

DATE: 01/15/2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/27/16

ITEM:

Consider adoption of the following revised Board Policy:
BP 3350 - Travel Expenses

PURPOSE:

This policy is revised to prohibit use of district credit card for personal use and adds language regarding the types of reimbursable expenses. Additional, this policy aligns district mileage reimbursement rates with the Internal Revenue Service and indicates the the manner for meal reimbursement.

FISCAL IMPACT:

None

RECOMMENDATIONS:

Adopt the following revised Board Policy:
BP 3350 - Travel Expenses

Hanford ESD

Board Policy

Travel Expenses

BP 3350

Business and Noninstructional Operations

The Board of Trustees recognizes that district employees may incur expenses in the course of performing their assigned duties and responsibilities. To ensure the prudent use of public funds, the Superintendent or designee shall establish rules to keep such expenses to a minimum while affording employees a reasonable level of safety and convenience.

(cf. 9250 - Remuneration, Reimbursement and Other Benefits)

The Board of Trustees shall authorize payment for actual and necessary travel expenses ~~including travel~~, incurred by any employee performing authorized services for the district, whether within or outside district boundaries. (Education Code 44032)

~~The Superintendent or designee may approve employee requests to attend meetings in accordance with the adopted budget.~~

The Superintendent or designee shall establish procedures for the approval of travel requests and the submission and verification of expense claims. He/she also shall establish reimbursement rates in accordance with law and Board policy.

An employee shall obtain approval from the Superintendent or designee prior to traveling. The Superintendent or designee may approve travel requests in accordance with the adopted budget and upon determining that the travel is authorized or assigned by the employee's supervisor, is necessary to attend a conference or other staff development opportunity that will enhance employee performance, and/or is otherwise necessary to the performance of the employee's duties. Travel expenses not previously budgeted may be approved on a case-by-case basis by the Superintendent or designee if he/she determines that the travel is essential and that resources may be obtained or redirected for this purpose.

(cf. 3100 - Budget)

(cf. 3110 - Transfer of Funds)

(cf. 4131 - Staff Development)

(cf. 4131.5 — Professional Growth)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

~~Expenses~~ All out-of-state travel for which reimbursement will be claimed shall be reimbursed within limits approved in advance by the Board.—The Superintendent or designee shall establish

~~procedures for the submission and verification of expense claims. He/she may authorize an advance of funds to cover~~

Reimbursable travel expenses may include, but are not limited to, costs of transportation, parking fees, bridge or road tolls, lodging when district business reasonably requires an overnight stay, registration fees for seminars and conferences, telephone and other communication expenses incurred on district business, and other necessary incidental expenses.

~~The Board may establish an allowance on either a mileage or monthly basis to~~The district shall not reimburse authorized personal travel expenses including, but not limited to, tips or gratuities, alcohol, entertainment, laundry, expenses of any family member who is accompanying the employee on district-related business, personal use of an automobile, and personal losses or traffic violation fees incurred while on district business.

Except as otherwise provided, reimbursement of travel expenses shall be based on actual expenses as documented by receipts.

Authorized employees shall be reimbursed for the use of their own private vehicles in the performance of assigned duties, on either a mileage or monthly basis as determined by the Superintendent or designee. (Education Code 44033)

The mileage allowance provided by the district for employees' use of their private vehicles shall be equal to the rate established by the Internal Revenue Service.

Vehicles should be shared whenever possible to minimize travel costs. No employee shall be entitled to reimbursement for automobile travel when he/she is transported free of charge or by another employee who is entitled to the expense reimbursement.

The Superintendent or designee shall establish a per diem allowance for meal costs incurred while traveling on district business based on the location and hours of travel. The per diem allowance shall not exceed the standard meal allowance for business-related travel prescribed for federal income tax purposes.

Any expense that exceeds the maximum rate of reimbursement established by the district shall be reimbursed only with the approval of the Superintendent or designee.

All expense reimbursement claims shall be submitted on a district form, within 10 working days following return from travel when possible. The form shall be accompanied by receipts and any explanation necessary to document that the expenses meet district criteria for reimbursement.

The Superintendent or designee shall approve expense claims only upon verifying that all necessary documentation is provided and that all expenses are appropriate and related to district business. If an expense claim is disallowed due to lack of documentation or inappropriate expenses, the employee may be personally responsible for any improper costs incurred.

When approved by the Superintendent or designee, an employee may be issued a district credit

card for use while on authorized district business. Receipts documenting the expenses incurred on a district credit card shall be submitted promptly following return from travel. Under no circumstances shall personal expenses be charged on a district credit card, even if the employee intends to subsequently reimburse the district for the personal charges.

When necessary, the Superintendent or designee may approve a cash advance, not to exceed the estimated out-of-pocket reimbursable expenses, to an employee authorized to travel on district business. Within 10 working days following return from travel, the employee shall submit a final accounting with all necessary supporting documentation. He/she shall refund to the district any amount of cash advance exceeding the actual approved reimbursable expenses.

Legal Reference:

EDUCATION CODE

42634 Itemization of expenses

44016 Travel expense to employment interview

44032 Travel ~~expense payment~~ expenses

44033 Automobile allowance

44802 Student teacher's travel expense

Resources:

INTERNAL REVENUE SERVICE PUBLICATIONS

Per Diem Rates (For Travel Within the Continental United States), Publication 1542

WEB SITES

Internal Revenue Service: <http://www.irs.gov>

U.S. General Services Administration, Per Diem Rates: <http://www.gsa.gov/perdiem>

Policy HANFORD ELEMENTARY SCHOOL DISTRICT

adopted: May 16, 2001 Hanford, California

Revised:_____

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department

AGENDA REQUEST FORM

TO: Dr. Paul Terry

FROM: Jaime Martinez

DATE: January 19, 2016

RE: (X) Board Meeting
() Superintendent's Cabinet
() Information
(X) Action

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 27, 2016**

ITEM: Consider approval of personnel transactions and related matters.

PURPOSE:

a. Employment

Temporary Employees/Substitutes/Yard Supervisors

- Nicholas Carrillo Jr., Substitute Custodian II, effective 1/11/16
- Aaron Johnston, substitute Custodian I and Groundskeeper I, effective 1/14/16
- Cecelia Richards, Substitute Yard Supervisor, effective 1/11/16; Short-term Yard Supervisor – 1.0 hr., Roosevelt, effective 1/11/16 to 3/18/16
- Maribel Santiago, Substitute Yard Supervisor, Translator: Oral Interpreter and Written Translation, effective 1/11/16

b. Resignations

- Guadalupe Gonzalez, Yard Supervisor – 1.25 hrs., Hamilton, effective 1/29/16

c. Retirements

- Helen Kissling, Teacher, Monroe, effective 6/3/16
- Cathy Morrisseau, Teacher, Simas, effective 6/3/16

d. More Hours

- Grace Perez, Yard Supervisor, from 1.5 hr. to 2.0 hrs., Hamilton, effective 1/11/16

e. Decrease In Hours

- Guadalupe Gonzalez, Yard Supervisor, from 1.75 hrs. to 1.25 hrs., Hamilton, effective 1/11/16
- Daniela Meza, Yard Supervisor, from 2.5 hrs. to 1.5 hrs., Roosevelt, effective 1/11/16

f. Leave of Absence

- Kearsten Hymer, Teacher, Kennedy, effective 1/11/16 to 2/12/16, baby bonding
- Patricia Edmond, Yard Supervisor – 3.0 hrs., Lincoln, effective 2/2/16 to 3/14/16, medical (Extended)

g. Volunteers

<u>Name</u>	<u>School</u>
Antonio Garcia Jr.	Simas
Christina Barrientos	Washington
Janet Puga	Washington
Unique Tellez	Richmond/Kennedy

RECOMMENDATION: Approve.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: David Endo

DATE: 01/15/2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/27/2016

ITEM: Accept the audit report

PURPOSE: Education code 41020.3 requires the governing board of each local educational agency (LEA) to review, at a public meeting, the annual audit of the LEA for the prior year by January 31.

FISCAL IMPACT: None

RECOMMENDATIONS: Accept the audit report.

HANFORD ELEMENTARY SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2015

HANFORD ELEMENTARY SCHOOL DISTRICT

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JUNE 30, 2015

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Governing Board
Hanford Elementary School District
Hanford, 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 Hanford Elementary School District (the District) as of and for the year ended June 30, 2015, 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 the *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hanford Elementary School District, as of June 30, 2015, 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.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

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 budgetary comparison, other postemployment benefit, net pension liability, and District contribution information on pages 63 through 67, respectively, 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 Hanford Elementary School District's basic financial statements. The accompanying supplementary information, such as the combining and individual non-major fund financial statements and Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying 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 accompanying 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 3, 2015, on our consideration of the Hanford Elementary 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 Hanford Elementary School District's internal control over financial reporting and compliance.

Vannink, Trine, Day & Co, LLP

Fresno, California
December 3, 2015

Hanford Elementary School District

HANFORD ELEMENTARY SCHOOL DISTRICT KINGS COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

714 N. White Street
P.O. Box 1067
Hanford, CA 93232

(559) 585-3600

Superintendent
Dr. Paul J. Terry

Governing Board
Robert “Bobby”
Garcia
Jeff Garner
Lupe Hernandez
Dennis Hill
Timothy L. Revious

INTRODUCTION

The Hanford Elementary School District's goal is to provide, in an atmosphere of care and concern, an opportunity for every student to recognize and fully develop his/her particular academic, technical, physical and social skills. Hanford Elementary School District students graduate prepared to continue on to high school.

The Management Discussion and Analysis of Hanford Elementary School District's financial statements provide an overall review of the District's financial activities for the fiscal year ended June 30, 2015. This analysis will look at the District's financial performance as a whole. The management discussion and analysis should be reviewed in conjunction with the auditor's transmittal letter, notes to the basic financial statements and the basic governmental wide financial statements to enhance the understanding of the District's financial performance.

The Hanford Elementary School District is a medium-sized rural school district offering instruction to students from kindergarten through eighth grade. During the 2014-2015 school year, the District operated eight elementary schools, one K-8 charter school, two junior high schools, and one community day school on the traditional August through June schedule, for the instruction of approximately 5,934 students.

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

- This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.
- The Management Discussion and Analysis Statement is provided to assist our citizens, taxpayers and investors in reviewing the District's finances and to show the District's accountability for the money it receives.



HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

FINANCIAL HIGHLIGHTS

- The Hanford Elementary School District's Government-wide Statement of Net Position illustrates total net position of \$(6.1) million, the result of assets of \$53.1 million minus liabilities of \$59.1 million.
- General Revenues accounted for \$49.9 million or 83 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$9.9 million or 17 percent of total revenues of \$60.9 million.
- The District had \$57.1 million in expenses related to governmental activities.
- The General Fund reported a positive fund balance of \$8.0 million.

STUDENT ENROLLMENT & DEMOGRAPHIC TRENDS

- The School District has an enrollment of approximately 5,934 students for the current 2014-2015 school year, with enrollment projected to be slightly less at 5,891 for the coming 2015-2016 school year.
- In addition to tracking enrollment, the District also watches actual Average Daily Attendance (ADA). The ADA is typically lower than a District's enrollment, although the two terms are often (though incorrectly) used interchangeably. The anticipated 2015-2016 ADA for the District is 5,378 excluding ADA from County run programs. The ratio of actual attendance to enrollment summarizes the District's changes and efforts to increase attendance. Figure 1 summarizes a historical analysis of the District's enrollment to actual positive attendance ratios.

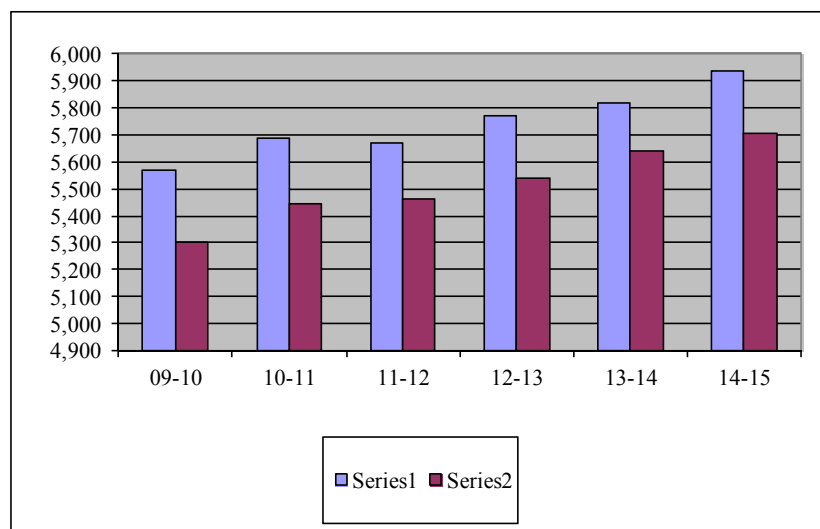


Figure 1. District Enrollment to Actual Attendance Data

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

School districts have traditionally placed great importance on the accurate projection of student enrollment for the ensuing budget year, due to the broad range of funding and programs impacted by this number. These impacts range from the very basic funding for California school districts which calculates the number of days attended by the enrolled students times a unique "revenue amount" (for 2014-2015 the School District Local Control Funding Formula amount is approximately \$7,644), to how much a particular special program will receive, to the amount of one-time monies a district may receive. Increased ADA is intended to generate additional dollars to help offset normal inflationary costs of operating the business of education, and related growth cost for the additional enrollment.

REPORTING THE DISTRICT AS A WHOLE

- THE STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" "The Statement of Net Position and the Statement of Activities" reports information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the Hanford Elementary School District's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors, such as property tax base, current property tax laws, student enrollment, and facility conditions in arriving at their conclusion regarding the overall health of the District.

- 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 statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various provisions. The District's three types of funds, governmental, proprietary, and fiduciary use different accounting approaches as further described in the notes to the financial statements.

- GOVERNMENTAL FUNDS

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting. Governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's program. The Relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the notes to the financial statements.

HANFORD ELEMENTARY SCHOOL DISTRICT**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Governmental funds include most of the major funds of the District. A more detailed discussion of Governmental funds follows.

- **PROPRIETARY FUNDS**

Proprietary funds use the same basis of accounting as business-type activities, therefore the statements will essentially match. Our District has only one such Internal Service Fund – the Self-Insurance Employee Benefits – Dental Fund.

- **FIDUCIARY FUNDS**

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The District uses an agency fund to account for resources held for student activities and groups. These funds include Student Body funds for the two junior high schools.

The District is the trustee, or fiduciary, for its student activity funds. All of the District's fiduciary activities are reported in separate Statements 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 purpose.

- **NOTES TO THE FINANCIAL STATEMENTS**

The notes provided additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

- **THE DISTRICT AS A WHOLE**

The "Statement of Net Position" provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position for fiscal years 2014-2015 and 2013-2014, respectively.

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

Table 1. Net Position

(Amounts in millions)	Governmental Activities		Difference over/(under)
	2015	Restated 2014	
Assets			
Current and other assets	\$ 18.2	\$ 16.0	\$ 2.2
Capital assets	31.8	31.3	0.5
Total Assets	<u>50.0</u>	<u>47.3</u>	<u>2.7</u>
Deferred Outflows of Resources	<u>3.0</u>	<u>2.7</u>	<u>0.3</u>
Liabilities			
Current liabilities	3.7	3.3	0.4
Long-term obligations	45.6	55.5	(9.9)
Total Liabilities	<u>49.3</u>	<u>58.8</u>	<u>(9.5)</u>
Deferred Inflows of Resources	<u>9.8</u>	<u>-</u>	<u>9.8</u>
Net Position			
Net investment in capital assets	25.9	24.4	1.5
Restricted	5.6	5.1	0.5
Unrestricted	(37.6)	(38.3)	0.7
Total Net Position	<u>\$ (6.1)</u>	<u>\$ (8.8)</u>	<u>\$ 2.7</u>

Table 2 shows the changes in net position for fiscal years 2014-2015 and 2013-2014, respectively.

Table 2. Changes in Net Position

(Amounts in millions)	Governmental Activities		Difference over/(under)
	2015	2014	
Revenues			
Program revenues:			
Charges for services	\$ 0.3	\$ 0.3	\$ -
Operating grants and contributions	9.6	11.4	(1.8)
General revenues:			
Federal and State aid not restricted	44.6	37.4	7.2
Property taxes	3.3	3.4	(0.1)
Other general revenues	2.0	1.3	0.7
Total Revenues	<u>59.8</u>	<u>53.8</u>	<u>6.0</u>
Expenses			
Instruction related	37.8	36.2	1.6
Student support services	6.9	5.5	1.4
Administration	3.8	3.4	0.4
Maintenance and operations	6.1	6.2	(0.1)
Other	2.5	2.4	0.1
Total Expenses	<u>57.1</u>	<u>53.7</u>	<u>3.4</u>
Change in Net Position	<u>\$ 2.7</u>	<u>\$ 0.1</u>	<u>\$ 2.6</u>

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

GOVERNMENTAL FUNDS

- The District's Governmental Funds include Special Revenue Funds for Deferred Maintenance and Cafeteria, Debt Service Funds for repayments of general obligation bonds, Capital Projects Funds, and most importantly, the General Fund. Figure 2 summarizes District Revenue by source of the District's Governmental Funds. Figure 3 summarize the District's Governmental Expenditures by function.

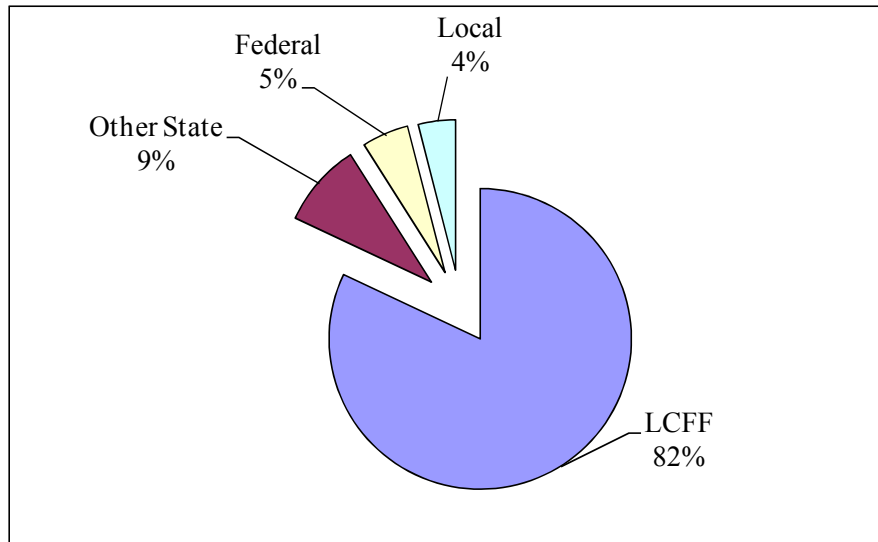


Figure 2. Revenues by Source

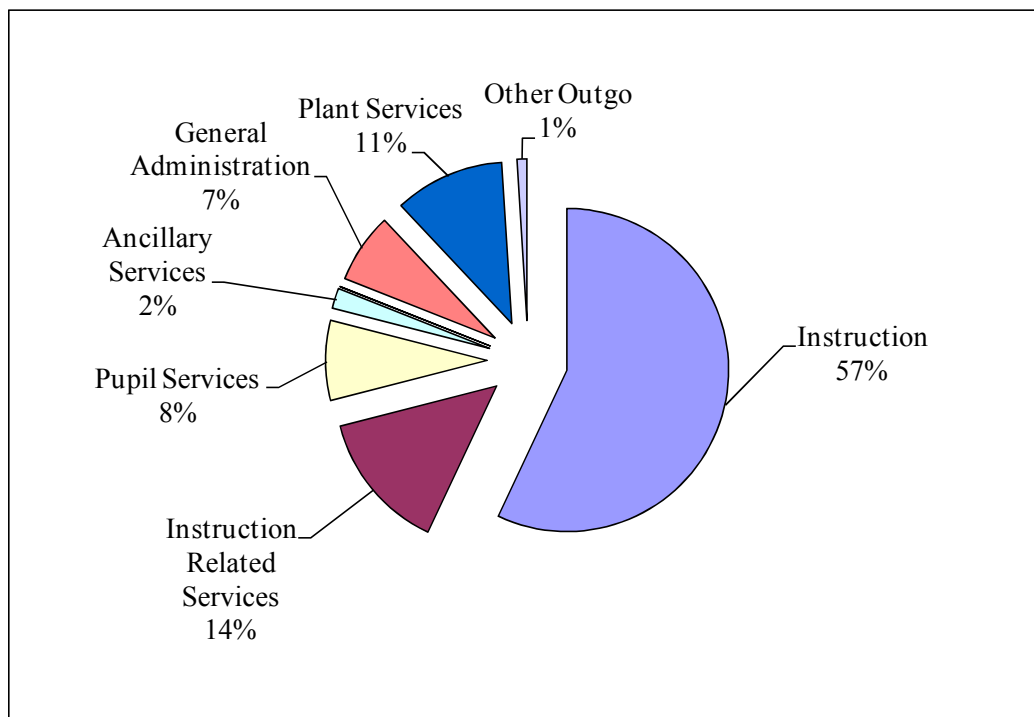


Figure 3. Expenditures by Function

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

GENERAL FUND BUDGET INFORMATION

The District's budget is prepared in accordance with California law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District begins the budget process in January of each year, to be completed by June 30. After updating of the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school level. Each school in the District receives a per pupil allocation augmented with resources for special education students. The schools and departments provide input to the superintendent and to Fiscal Services for their budget needs. The site and department budgets are reviewed monthly to ensure management becomes aware of any significant variations during the year.

- GENERAL FUND BUDGET VARIATIONS

In June of each year, a Budget is adopted by the District's Board of Trustees, effective July 1 through June 30. The Budget is based on year-ending projections from the previous year's budget. As the school year progresses, the Budget is revised and updated, with numerous financial reports made public outlining the revisions. Finally, in August of the following year, the books are closed for the July 1 – June 30 fiscal year, and the results are audited, yielding actual final numbers.

There are several reasons for Budget revisions. Most notable are any salary increases granted by the Board of Trustees for district employees for the original budget does not presume salary increases unless they have already been agreed to in a multi-year contract. Also, any changes in the number of staff and/or staff utilization of health and welfare benefits that vary from the original projections would also yield budget revisions.

The implementation of new instructional or categorical programs can also effect budget projections. For the Hanford Elementary School District, the increased emphasis on closing the achievement gap for all of our students continue to push forward several academic-focused programs that impact expenditures in personnel, instructional materials, outside services and supplies.

The State and Federal budget issues have an impact on the District's budget. As revenues from these two sources change, so do District revenues, since 92.4% of District revenues come from State and Federal revenue streams.

The final actual numbers of the General Fund that will be certified by February of the next year will be the reflection of the culmination of these several factors.

The net difference in fund balance between the adopted budget and the final budget was an increase of \$0.2 million and may be summarized as follows:

- \$0.2 million decrease in total revenue
- \$0.4 million decrease in total expenditures

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION

• CAPITAL ASSETS

At June 30, 2014, the District had \$31.3 million in a broad range of capital assets, including land, buildings, and furniture and equipment, net of accumulated depreciation. At June 30, 2015, the District's net capital assets were \$31.8 million. This amount represents a net increase (including additions and deductions) of \$0.5 million, or 1.6 percent, from last year. Table 3 shows the balances for fiscal years 2014-2015 and 2013-2014.

Table 3. Changes in Capital Assets
(Net of Depreciation)

(Amounts in millions)	Governmental Activities		Difference over/(under)
	2015	2014	
Land	\$ 2.1	\$ 2.1	\$ -
Buildings and improvements	27.4	27.8	(0.4)
Equipment	1.5	1.3	0.2
Construction in Progress	0.8	0.1	0.7
Total	\$ 31.8	\$ 31.3	\$ 0.5

• LONG-TERM OBLIGATIONS OTHER THAN PENSIONS

At the end of this year, the District had \$9.1 million in long-term obligations outstanding other than pensions versus \$9.6 million last year, a decrease of 5.2 percent. Table 4 summarizes these debts.

Table 4. Outstanding Obligations

(Amounts in millions)	Governmental Activities		Difference over/(under)
	2015	2014	
General obligation bonds	\$ 6.0	\$ 6.8	\$ (0.8)
Compensated absences	0.3	0.3	-
Other postemployment benefits	2.8	2.5	0.3
Total	\$ 9.1	\$ 9.6	\$ (0.5)

The District's general obligation bond S&P rating at the time of their last issuance was "A+".

Other obligations include compensated absences payable, postemployment benefits (not including health benefits) and other long-term obligations. We present more detailed information regarding our long-term obligations in the Notes to Financial Statements.

HANFORD ELEMENTARY SCHOOL DISTRICT**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

- Net Pension Liability (NPL)

The District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, which required the District to recognize its proportionate share of the unfunded pension obligation for CalSTRS and CalPERS. The implementation resulted in a reduction of beginning net position of \$43,193,012. As of June 30, 2015, the District reported Deferred Outflows from pension activities of \$3,074,352, Deferred Inflows from pension activities of \$9,819,918, and a Net Pension Liability of \$36,558,667. We present more detailed information regarding our net pension liability in the Notes to Financial Statements.

FOR THE FUTURE

The District's system of budgeting and internal controls is well regarded and it will take all of the District's financial abilities to meet the challenges of the future.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Hanford Elementary School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Nancy White, Chief Business Official, Hanford Elementary School District, P. O. Box 1067, Hanford, CA 93232.

HANFORD ELEMENTARY SCHOOL DISTRICT**STATEMENT OF NET POSITION
JUNE 30, 2015**

	Governmental Activities
ASSETS	
Deposits and investments	\$ 16,214,598
Receivables	1,761,953
Stores inventories	171,482
Nondepreciable capital assets	2,863,012
Capital assets being depreciated	52,637,725
Accumulated depreciation	(23,658,039)
Total Assets	49,990,731
DEFERRED OUTFLOWS OF RESOURCES	
Current year pension contribution	3,074,352
Total Deferred Outflows of Resources	3,074,352
LIABILITIES	
Accounts payable	3,234,280
Unearned revenue	462,739
Current portion of long-term obligations other than pensions	874,270
Noncurrent portion of long-term obligations other than pensions	8,195,238
Aggregate net pension liability	36,558,667
Total Liabilities	49,325,194
DEFERRED INFLOWS OF RESOURCES	
Difference between projected and actual earnings on pension plan investments	9,819,918
Total Deferred Inflows of Resources	9,819,918
NET POSITION	
Net investment in capital assets	25,857,586
Restricted for:	
Debt service	978,932
Capital projects	417,722
Educational programs	1,794,095
Other activities	2,475,649
Unrestricted	(37,604,013)
Total Net Position	\$ (6,080,029)

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

HANFORD ELEMENTARY SCHOOL DISTRICT**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 30,425,444	\$ -	\$ 3,582,411
Instruction-related activities:			
Supervision of instruction	2,565,805	-	1,405,659
Instructional library, media, and technology	478,488	-	-
School site administration	4,315,826	-	24,767
Pupil services:			
Home-to-school transportation	771,985	-	-
Food services	2,888,684	259,703	2,527,956
All other pupil services	3,286,627	-	478,726
Administration:			
Data processing	650,521	-	-
All other administration	3,147,372	14,462	471,964
Plant services	6,100,361	528	17,943
Ancillary services	1,183,470	-	980,755
Interest on long-term obligations	548,264	-	-
Other outgo	791,606	-	171,979
Total Governmental Activities	\$ 57,154,453	\$ 274,693	\$ 9,662,160

General revenues and subventions:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Taxes levied for other specific purposes

Federal and State aid not restricted to specific purposes

Interest and investment earnings

Miscellaneous

Subtotal, General Revenues**Change in Net Position**

Net Position - Beginning, as restated

Net Position - Ending

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

**Net (Expenses)
Revenues and
Changes in
Net Position**

**Governmental
Activities**

\$ (26,843,033)

(1,160,146)

(478,488)

(4,291,059)

(771,985)

(101,025)

(2,807,901)

(650,521)

(2,660,946)

(6,081,890)

(202,715)

(548,264)

(619,627)

(47,217,600)

1,914,634

1,402,573

26,535

44,568,533

70,734

1,973,197

49,956,206

2,738,606

(8,818,635)

\$ (6,080,029)

HANFORD ELEMENTARY SCHOOL DISTRICT**GOVERNMENTAL FUNDS****BALANCE SHEET****JUNE 30, 2015**

	General Fund	Cafeteria Fund	Special Reserve Capital Outlay Fund
ASSETS			
Deposits and investments	\$ 9,284,763	\$ 2,205,130	\$ 2,759,506
Receivables	1,341,279	371,504	-
Stores inventories	138,296	33,186	-
Total Assets	\$ 10,764,338	\$ 2,609,820	\$ 2,759,506
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,687,857	\$ 134,171	\$ 199,998
Unearned revenue	94,969	-	367,770
Total Liabilities	2,782,826	134,171	567,768
Fund Balances:			
Nonspendable	143,346	33,596	-
Restricted	1,794,095	2,442,053	-
Committed	-	-	-
Assigned	39,474	-	2,191,738
Unassigned	6,004,597	-	-
Total Fund Balances	7,981,512	2,475,649	2,191,738
Total Liabilities and Fund Balances	\$ 10,764,338	\$ 2,609,820	\$ 2,759,506

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,469,592	\$ 15,718,991
49,152	1,761,935
-	171,482
<u>\$ 1,518,744</u>	<u>\$ 17,652,408</u>
\$ 54,957	\$ 3,076,983
-	462,739
<u>54,957</u>	<u>3,539,722</u>
-	176,942
1,396,654	5,632,802
29,311	29,311
37,822	2,269,034
-	6,004,597
<u>1,463,787</u>	<u>14,112,686</u>
<u>\$ 1,518,744</u>	<u>\$ 17,652,408</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total Fund Balance - Governmental Funds		\$ 14,112,686
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
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	\$ 55,500,737	
Accumulated depreciation is	<u>(23,658,039)</u>	
Net Capital Assets		31,842,698
Expenditures relating to contributions made to pension plans were recognized on the modified accrual basis, but are not recognized on the accrual basis.		3,074,352
An internal service fund is used by the District's management to charge the costs of the dental insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		338,328
The difference between projected and actual earnings on pension plan investments are not recognized on the modified accrual basis, but are recognized on the accrual basis as an adjustment to pension expense.		(9,819,918)
Long-term obligations, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Bonds payable	5,985,112	
Compensated absences	282,988	
Other postemployment benefits	2,801,408	
Net pension liability	<u>36,558,667</u>	
Total Long-Term Obligations		<u>(45,628,175)</u>
Total Net Position - Governmental Activities		\$ <u>(6,080,029)</u>

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

HANFORD ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Cafeteria Fund	Special Reserve Capital Outlay Fund
REVENUES			
Local Control Funding Formula	\$ 40,889,390	\$ -	\$ -
Federal sources	2,689,662	2,516,794	-
Other State sources	5,482,577	207,287	473,055
Other local sources	2,039,195	302,241	10,642
Total Revenues	51,100,824	3,026,322	483,697
EXPENDITURES			
Current			
Instruction	28,119,348	-	-
Instruction-related activities:			
Supervision of instruction	2,430,401	-	-
Instructional library, media and technology	434,813	-	-
School site administration	3,897,979	-	-
Pupil services:			
Home-to-school transportation	640,208	-	-
Food services	24,798	2,809,562	-
All other pupil services	3,145,101	-	-
Administration:			
Data processing	650,521	-	-
All other administration	2,734,522	156,455	-
Plant services	5,053,723	5,709	33,602
Facility acquisition and construction	210,269	78,376	864,864
Ancillary services	1,129,493	-	-
Other outgo	791,606	-	-
Debt service			
Principal	-	-	-
Interest and other	-	-	-
Total Expenditures	49,262,782	3,050,102	898,466
Excess (Deficiency) of Revenues Over Expenditures	1,838,042	(23,780)	(414,769)
Other Financing Sources (Uses)			
Transfers in	-	1,801	912,576
Transfers out	(914,377)	-	-
Net Financing Sources (Uses)	(914,377)	1,801	912,576
NET CHANGE IN FUND BALANCES	923,665	(21,979)	497,807
Fund Balance - Beginning	7,057,847	2,497,628	1,693,931
Fund Balance - Ending	\$ 7,981,512	\$ 2,475,649	\$ 2,191,738

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 2,740,731	\$ 43,630,121
-	5,206,456
25,326	6,188,245
2,206,014	4,558,092
<u>4,972,071</u>	<u>59,582,914</u>
1,408,270	29,527,618
57,864	2,488,265
34,507	469,320
254,096	4,152,075
36,656	676,864
-	2,834,360
53,892	3,198,993
-	650,521
168,098	3,059,075
885,425	5,978,459
335,961	1,489,470
5,195	1,134,688
-	791,606
826,629	826,629
564,407	564,407
<u>4,631,000</u>	<u>57,842,350</u>
<u>341,071</u>	<u>1,740,564</u>
-	914,377
-	(914,377)
-	-
341,071	1,740,564
1,122,716	12,372,122
<u>\$ 1,463,787</u>	<u>\$ 14,112,686</u>

HANFORD ELEMENTARY 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, 2015**

Total Net Change in Fund Balances - Governmental Funds	\$ 1,740,564
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
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 capital outlays exceeds depreciation in the period.	
Capital outlays	\$ 1,997,188
Depreciation expense	<u>(1,276,150)</u>
	721,038
Loss on disposal of capital assets is reported in the government-wide Statement of Activities, but is not recorded in the governmental funds.	(133,029)
In the Statement of Activities, compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). Vacation used was less than the amounts earned by \$11,176.	(11,176)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.	(111,221)
Governmental funds report the effect of premiums when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these related items:	
Amortization on debt premium	16,143
Repayment of debt principal 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. Repayment of debt principal for the year consisted of:	
General obligation bonds	826,629
In governmental funds, postemployment benefits other than pensions (OPEB) costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:	(339,731)
An internal service fund is used by the District's management to charge the costs of the unemployment compensation insurance program to the individual funds. The net income of the internal service fund is reported with governmental activities.	29,389
Change in Net Position of Governmental Activities	<u>\$ 2,738,606</u>
The accompanying notes are an integral part of these financial statements.	

HANFORD ELEMENTARY SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Current Assets	
Deposits and investments	\$ 495,607
Receivables	<u>18</u>
Total Current Assets	<u>495,625</u>
LIABILITIES	
Current Liabilities	
Accounts payable	<u>157,297</u>
Total Current Liabilities	<u>157,297</u>
NET POSITION	
Unrestricted	<u>338,328</u>
Total Net Position	<u><u>\$ 338,328</u></u>

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

HANFORD ELEMENTARY SCHOOL DISTRICT

PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges to other funds and miscellaneous revenues	\$ 630,231
Total Operating Revenues	<u>630,231</u>
OPERATING EXPENSES	
Professional and contract services	<u>603,155</u>
Total Operating Expenses	<u>603,155</u>
Operating Income	<u>27,076</u>
NONOPERATING REVENUES	
Interest income	<u>2,313</u>
Total Nonoperating Revenues	<u>2,313</u>
Change in Net Position	29,389
Total Net Position - Beginning	308,939
Total Net Position - Ending	<u><u>\$ 338,328</u></u>

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

HANFORD ELEMENTARY SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from premiums	\$ 630,213
Cash payments for insurance claims	(582,579)
Net Cash Provided by Operating Activities	<u>47,634</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>2,313</u>
Net Cash Provided by Investing Activities	<u>2,313</u>
Net Increase in Cash and Cash Equivalents	49,947
Cash and Cash Equivalents - Beginning	<u>445,660</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 495,607</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 27,076
Changes in assets and liabilities:	
Receivables	(18)
Decrease in accounts payable	<u>20,576</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 47,634</u></u>

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

HANFORD ELEMENTARY SCHOOL DISTRICT**FIDUCIARY FUNDS****STATEMENT OF NET POSITION****JUNE 30, 2015**

	Agency Funds
ASSETS	
Deposits and investments	\$ 29,476
Total Assets	\$ 29,476
LIABILITIES	
Due to student groups	\$ 29,476
Total Liabilities	\$ 29,476

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

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Hanford Elementary School District (the District) was organized 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, one K-8 charter schools, two junior high schools, and one community day school.

A reporting entity is comprised of the primary government 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 Hanford Elementary School District, this includes general operations, food service, and student related activities of the District.

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.

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.

Two funds currently defined as special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 15, Pupil Transportation Equipment Fund, and Fund 17, Special Reserve Non-Capital Fund, are not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as an extension of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in assets, fund balance, and revenues of \$39,474, \$39,474, and \$2,153, respectively.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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).

Special Reserve Capital Outlay Fund The Special Reserve Capital Outlay Fund exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

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 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.

Charter School Fund The Charter School Fund may be used by authorizing districts to account separately for the activities of district-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

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.

Capital Project Funds The Capital Project funds are used to account for 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).

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).

Debt Service Funds The Debt Service funds are used to account for the accumulation of restricted, committed, or assigned resources for and the payment of principal and interest on general long-term obligations.

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a District (*Education Code* Sections 15125-15262).

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following internal service fund:

Internal Service Fund Internal service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a Self-Insurance Fund for dental coverage 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 agency funds. 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).

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, and program revenues for each governmental function, and exclude 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 position should be reported as restricted when constraints placed on net position 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 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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 a 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 fund net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

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 LEAs 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 LEAs 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 requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue Unearned 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 unearned revenue is removed from the balance sheet and revenue is recognized.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

Certain grants received before the eligibility requirements are met are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned 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 60 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 entity-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.

Investments

Investments held at June 30, 2015, 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 pools are determined by the program sponsor.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental type funds.

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 statement of net position. The valuation basis for capital assets is 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.

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, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

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 as long-term obligations.

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.

Accounts Payable and Long-Term Obligations

Accounts payable and long-term obligations are reported in the government-wide financial statements. In general, governmental fund accounts payable that are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Premiums

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Debt premiums are amortized over the life of the bonds using the straight-line method.

In governmental fund financial statements, bond premiums are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for the unamortized loss on the refunding of general obligation bonds and current year pension contributions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for the difference between projected and actual earnings on pension plan investments specific to the net pension liability.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

Fund Balances - Governmental Funds

As of June 30, 2015, 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.

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 Superintendent or Assistant Superintendent, Fiscal 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.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

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 \$5,666,398 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 dental premiums. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 activities column 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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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 Kings bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Change in Accounting Principles

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB 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.

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.

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 non-employer 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, non-employer 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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a non-employer entity has a legal requirement to make contributions directly to a pension plan.

The District has implemented the Provisions of this Statement for the year ended June 30, 2015.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement No. 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The District has implemented the Provisions of this Statement for the year ended June 30, 2015.

As the result of implementing GASB Statement No. 68, the District has restated the beginning net position in the government wide Statement of Net Position, effectively decreasing net position as of July 1, 2014, by \$43,193,012. The decrease results from recognizing the net pension liability, net of related deferred outflows of resources. The restatement does not include deferred inflows of resources, as this information was not available.

New Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans and pensions that are within their respective scopes.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

The requirements of this Statement extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

This Statement also clarifies the application of certain provisions of Statements No. 67 and No. 68 with regard to the following issues:

- Information that is required to be presented as notes to the ten-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported
- Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions
- Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

The scope of this Statement includes OPEB plans—defined benefit and defined contribution—administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB 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 all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to 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. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier implementation is permitted.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 - DEPOSITS AND INVESTMENTS**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 16,214,598
Fiduciary funds	29,476
Total Deposits and Investments	<u>\$ 16,244,074</u>

Deposits and investments as of June 30, 2015, consist of the following:

Cash on hand and in banks	\$ 41,476
Cash in revolving	5,460
Investments	16,197,138
Total Deposits and Investments	<u>\$ 16,244,074</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.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015****General Authorizations**

Limitations as they relate to interest rate risk are indicated in the schedules below:

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest 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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and which also times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Segmented Time Distribution

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

Investment Type	Fair Value	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
County Pool	\$ 16,194,061	\$ -	\$ 16,194,061	\$ -	\$ -

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015****NOTE 3 - RECEIVABLES**

Receivables at June 30, 2015, consist of intergovernmental grants, entitlements, state apportionments, and local sources. All receivables are considered collectible in full.

	General Fund	Cafeteria Fund	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Federal Government					
Categorical aid	\$ 544,280	\$ 331,573	\$ -	\$ -	\$ 875,853
State Government					
Categorical aid	505,012	27,121	-	-	532,133
Other state	164,504	-	-	-	164,504
Local Sources	127,483	12,810	49,152	18	189,463
Total	<u>\$ 1,341,279</u>	<u>\$ 371,504</u>	<u>\$ 49,152</u>	<u>\$ 18</u>	<u>\$ 1,761,953</u>

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 2,052,315	\$ -	\$ -	\$ 2,052,315
Construction in progress	122,335	803,043	114,681	810,697
Total Capital Assets Not Being Depreciated	<u>2,174,650</u>	<u>803,043</u>	<u>114,681</u>	<u>2,863,012</u>
Capital Assets Being Depreciated				
Land improvements	5,637,270	327,446	-	5,964,716
Buildings and improvements	41,573,931	368,272	-	41,942,203
Furniture and equipment	4,492,616	507,718	269,528	4,730,806
Total Capital Assets Being Depreciated	<u>51,703,817</u>	<u>1,203,436</u>	<u>269,528</u>	<u>52,637,725</u>
Less Accumulated Depreciation				
Land improvements	4,549,200	134,756	-	4,683,956
Buildings and improvements	14,864,124	860,579	-	15,724,703
Furniture and equipment	3,210,454	280,815	241,889	3,249,380
Total Accumulated Depreciation	<u>22,623,778</u>	<u>1,276,150</u>	<u>241,889</u>	<u>23,658,039</u>
Governmental Activities Capital Assets, Net	<u>\$ 31,254,689</u>	<u>\$ 730,329</u>	<u>\$ 142,320</u>	<u>\$ 31,842,698</u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

Depreciation expense was charged to the following functions as follows:

Governmental Activities

Instruction	\$ 582,093
Supervision of instruction	48,677
School site administration	91,114
Home-to-school transportation	83,115
Food services	103,040
All other pupil services	35,290
Ancillary services	26,072
All other general administration	125,605
Plant services	181,144
Total Depreciation Expenses Governmental Activities	<u>\$ 1,276,150</u>

NOTE 5 - INTERFUND TRANSACTIONS**Operating Transfers**

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. Interfund transfers for the year ended June 30, 2015, consist of the following:

The General Fund transferred to the Special Reserve Capital Outlay Fund for capital projects.	\$ 912,576
The General Fund transferred to the Cafeteria Fund for uncollected food service charges.	1,801
Total	<u>\$ 914,377</u>

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2015, consist of the following:

	General Fund	Cafeteria Fund	Special Reserve Capital Outlay Fund	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Vendor payables	\$ 1,129,741	\$ 134,171	\$ 199,998	\$ 54,957	\$ 155,906	\$ 1,674,773
Salaries and benefits	1,608	-	-	-	1,391	2,999
Deferred payroll	1,556,508	-	-	-	-	1,556,508
Total	<u>\$ 2,687,857</u>	<u>\$ 134,171</u>	<u>\$ 199,998</u>	<u>\$ 54,957</u>	<u>\$ 157,297</u>	<u>\$ 3,234,280</u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015****NOTE 7 - UNEARNED REVENUE**

Unearned revenue at June 30, 2015, consists of the following:

	General Fund	Special Reserve Capital Outlay Fund	Total Governmental Activities
Federal financial assistance	\$ 94,969	\$ -	\$ 94,969
State categorical aid	-	367,770	367,770
Total	<u>\$ 94,969</u>	<u>\$ 367,770</u>	<u>\$ 462,739</u>

NOTE 8 - LONG-TERM OBLIGATIONS OTHER THAN PENSIONS**Summary**

The changes in the District's long-term obligations other than pensions during the year consisted of the following:

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due in One Year
General obligation bonds-					
1993 Issuance	\$ 413,252	\$ -	\$ 131,629	\$ 281,623	\$ 138,127
2003 Issuance	1,660,000	-	315,000	1,345,000	325,000
2010 issuance	4,600,000	-	380,000	4,220,000	395,000
Unamortized bond premium-					
2003 Issuance	4,528	-	1,132	3,396	1,132
2010 Issuance	150,104	-	15,011	135,093	15,011
Compensated absences - net	271,812	11,176	-	282,988	-
Other postemployment benefits	2,461,677	1,063,303	723,572	2,801,408	-
Total	<u>\$ 9,561,373</u>	<u>\$ 1,074,479</u>	<u>\$ 1,566,344</u>	<u>\$ 9,069,508</u>	<u>\$ 874,270</u>

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

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015****Bonded Debt**

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate %	Original Issue	Bonds Outstanding July 1, 2014	Redeemed	Bonds Outstanding June 30, 2015
1993 ¹	2002-17	5.15-5.8	\$ 1,750,000	\$ 413,252	\$ 131,629	\$ 281,623
2003	2005-19	2.0-3.5	\$ 4,775,000	\$ 1,660,000	\$ 315,000	\$ 1,345,000
2010	2012-24	2.0-5.0	\$ 5,740,000	\$ 4,600,000	\$ 380,000	\$ 4,220,000

¹ Bonds are Capital Appreciation Bonds. No interest payments are due on the bonds until their maturity date at which time, the accreted interest earned on the par value of the bonds are paid in full along with the par value of the bonds.

Debt Service Requirements to Maturity**1993 Capital Appreciation Bond Issuance**

On July 1, 1993, the District issued \$1,750,000 of general obligation bonds in the aggregate. The proceeds from the sale of these bonds were used to finance the acquisition and construction of a new junior high school and for the making of safety improvements to existing school facilities. The bond interest rates range from 5.15 percent to 5.80 percent. A portion of the original 1993 general obligation bond was refunded in 2003 to obtain a lower interest rate.

The annual requirements to amortize the general obligation bonds payable outstanding as of June 30, 2015, are as follows:

Fiscal Year	Accreted Obligation	Interest portion	Maturity Value
2016	\$ 138,127	\$ 361,873	\$ 500,000
2017	143,496	406,504	550,000
Total	\$ 281,623	\$ 768,377	\$ 1,050,000

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

2003 General Obligation Bonds

On June 12, 2003, the District issued general obligation refunding bonds in the amount of \$4,775,000 for the purpose of refunding the *callable* outstanding 1993 General Obligation Bonds of the District. The bond interest rates range from 2.0 percent to 3.5 percent. Interest on the Bonds is payable semiannually each January 1 and July 1, commencing on July 1, 2004.

The bonds mature through 2019 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2016	\$ 325,000	\$ 39,870	\$ 364,870
2017	340,000	29,060	369,060
2018	350,000	17,500	367,500
2019	330,000	5,775	335,775
Total	<u>\$ 1,345,000</u>	<u>\$ 92,205</u>	<u>\$ 1,437,205</u>

The bonds were sold at a premium of \$16,991 which is being amortized over the life of the bonds at \$1,132 per year. The unamortized premium as of June 30, 2015, amounted to \$3,396.

2010 General Obligation Bonds

On December 9, 2010, the District issued general obligation refunding bonds in the amount of \$5,740,000 for the purpose of refunding the outstanding 1998 General Obligation Bonds of the District originally issued to fund improvements to real property for school purposes. The bond interest rates range from 2.0 percent to 5.0 percent. Interest on the Bonds is payable semiannually each March 1 and September 1, commencing on March 1, 2011.

The bonds mature through 2024 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2016	\$ 395,000	\$ 180,263	\$ 575,263
2017	410,000	164,163	574,163
2018	430,000	147,363	577,363
2019	445,000	129,306	574,306
2020	460,000	109,500	569,500
2021-2024	2,080,000	211,575	2,291,575
Total	<u>\$ 4,220,000</u>	<u>\$ 942,169</u>	<u>\$ 5,162,169</u>

The bonds were sold at a premium of \$210,148 which is being amortized over the life of the bonds at \$15,011 per year. The unamortized premium as of June 30, 2015, amounted to \$135,093.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

Compensated Absences

The long-term portion of compensated absences for the District at June 30, 2015, amounted to \$282,988.

Other Postemployment Benefits (OPEB) Obligation

The District's annual required contribution for the year ended June 30, 2015, was \$964,836, and contributions made by the District during the year were \$581,196, (includes implicit subsidy rate of 1.2713). Interest on the net OPEB obligation and adjustments to the annual required contribution were \$98,467 and \$(142,376), respectively, which resulted in an increase to the net OPEB obligation of \$339,731. As of June 30, 2015, the net OPEB obligation was \$2,801,408. See Note 11 for additional information regarding the OPEB obligation and the postemployment benefits plan.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015****NOTE 9 - FUND BALANCES**

Fund balances are composed of the following elements:

	General Fund	Cafeteria Fund	Special Reserve Capital Outlay Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	\$ 5,050	\$ 410	\$ -	\$ -	\$ 5,460
Stores inventories	138,296	33,186	-	-	171,482
Total Nonspendable	143,346	33,596	-	-	176,942
Restricted					
Legally restricted programs	1,794,095	2,442,053	-	-	4,236,148
Capital projects	-	-	-	417,722	417,722
Debt service	-	-	-	978,932	978,932
Total Restricted	1,794,095	2,442,053	-	1,396,654	5,632,802
Committed					
Deferred maintenance program	-	-	-	29,311	29,311
Total Committed	-	-	-	29,311	29,311
Assigned					
Facilities projects	-	-	2,191,738	-	2,191,738
Other	39,474	-	-	37,822	77,296
Total Assigned	39,474	-	2,191,738	37,822	2,269,034
Unassigned					
Reserve for economic uncertainties	3,500,000	-	-	-	3,500,000
Remaining unassigned	2,504,597	-	-	-	2,504,597
Total Unassigned	6,004,597	-	-	-	6,004,597
Total	\$ 7,981,512	\$ 2,475,649	\$ 2,191,738	\$ 1,463,787	\$ 14,112,686

NOTE 10 - EXPENDITURES (BUDGET VERSUS ACTUAL)

At June 30, 2015, there were no District major funds that exceeded the budgeted amounts.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

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 Hanford Elementary School District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of approximately 39 retirees and beneficiaries currently receiving benefits and approximately 430 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 Hanford Elementary Teachers Association (HETA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2014-2015, the District contributed \$457,167 to the plan excluding the implicit rate subsidy factor of 1.2713 percent, all of which was used for current premiums (approximately 76 percent of total premiums). Plan members receiving benefits contributed \$144,639, or approximately 24 percent of the total premiums.

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	\$ 964,836
Interest on net OPEB obligation	98,467
Adjustment to annual required contribution	(142,376)
Annual OPEB cost	<u>920,927</u>
Contributions made	(581,196)
Increase in net OPEB obligation	<u>339,731</u>
Net OPEB obligation, beginning of year	<u>2,461,677</u>
Net OPEB obligation, end of year	<u><u>\$ 2,801,408</u></u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015****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 Contribution	Percentage Contributed	Net OPEB Obligation
2015	\$ 920,927	\$ 581,196	63.11%	\$ 2,801,408
2014	928,339	512,826	55.24%	2,461,677
2013	862,972	384,932	44.61% ¹	2,046,164

¹ Amount did not include factor of 1.2713 to adjust for implicit rate subsidy.

Funded Status and Funding Progress

A schedule of funding progress as of the most recent actuarial valuation is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected 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)
July 1, 2013	\$ -	\$ 8,053,583	\$ 8,053,583	0%	\$ 29,114,134	27.66%

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 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.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

In the July 1, 2013, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), based on the plan being funded in an irrevocable employee benefit trust invested in a combined equity and fixed income portfolio. Healthcare cost trend rates ranged from an initial 8.0 percent to an ultimate rate of 5.0 percent. The cost trend rate used for the Dental and Vision programs was 4.0 percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at July 1, 2014, was 24 years.

NOTE 12 - RISK MANAGEMENT**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, 2015, the District contracted with Northern California Regional Excess Liability Fund 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.

Workers' Compensation

For fiscal year 2015, the District participated in the Kings County Self-Insured Schools (KCSIC), an insurance purchasing pool. The intent of KCSIC is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in KCSIC. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in KCSIC. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of KCSIC. Participation in KCSIC is limited to districts that can meet KCSIC's selection criteria.

Employee Medical and Vision Benefits

The District has contracted with the Self-Insured Schools of California (SISC III) to provide employee medical benefits. SISC III is a shared risk pool comprised of agencies 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. The District has a contract with Keenan-Medical Eye Services for employee vision benefits. The plan is fully insured.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015****Employee Dental Benefits Claims Liabilities**

The District records an estimated liability for dental claims paid out of the Self-Insurance Fund of 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. The following represent the changes in approximate aggregate liabilities for the District from June 30, 2013 to June 30, 2015 (in thousands):

	<u>Dental Care</u>
Liability Balance, June 30, 2013	\$ 144,446
Claims and changes in estimates	<u>(7,725)</u>
Liability Balance, June 30, 2014	136,721
Claims and changes in estimates	<u>20,576</u>
Liability Balance, June 30, 2015	<u>\$ 157,297</u>
Assets available to pay claims at June 30, 2015	<u><u>\$ 495,607</u></u>

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

The District implemented GASB Statements No. 68 and No. 71 for the fiscal year ended June 30, 2015. As a result, the District reported its proportionate share of the net pension liabilities, pension expense and deferred inflow of resources for each of the above plans and a deferred outflow of resources for each of the above plans as follows:

<u>Pension Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Deferred Outflow of Resources</u>	<u>Proportionate Share of Deferred Inflow of Resources</u>	<u>Proportionate Share of Pension Expense</u>
CalSTRS	\$ 28,163,133	\$ 2,070,894	\$ 6,935,118	\$ 2,431,388
CalPERS	<u>8,395,534</u>	<u>1,003,458</u>	<u>2,884,800</u>	<u>746,192</u>
Total	<u><u>\$ 36,558,667</u></u>	<u><u>\$ 3,074,352</u></u>	<u><u>\$ 9,819,918</u></u>	<u><u>\$ 3,177,580</u></u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)**Plan Description**

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2013, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publically available reports that can be found on the CalSTRS website under Publications at:
<http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

The STRP provisions and benefits in effect at June 30, 2015, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	8.15%	8.15%
Required employer contribution rate	8.88%	8.88%
Required state contribution rate	5.95%	5.95%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2015, are presented above and the District's total contributions were \$2,070,894.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 28,163,133
State's proportionate share of the net pension liability associated with the District	17,006,116
Total	<u><u>\$ 45,169,249</u></u>

The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the District's proportion was 0.0482 percent.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

For the year ended June 30, 2015, the District recognized pension expense of \$2,431,388. In addition, the District recognized revenue and pension expense of \$1,468,176 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,070,894	\$ -
Difference between projected and actual earnings on pension plan investments	-	6,935,118
Total	<u>\$ 2,070,894</u>	<u>\$ 6,935,118</u>

The deferred outflow of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflow of resources will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Amortization
2016	\$ 1,733,779
2017	1,733,779
2018	1,733,779
2019	1,733,781
Total	<u>\$ 6,935,118</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Experience study	July 1, 2006 through June 30, 2010
Actuarial cost method	Entry age normal
Discount rate	7.60%
Investment rate of return	7.60%
Consumer price inflation	3.00%
Wage growth	3.75%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant. Based on the model for CalSTRS consulting actuary' investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independently from year to year to develop expected percentile for the long-term distribution of annualized returns. The assumed asset allocation is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of ten-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.50%
Private equity	12%	6.20%
Real estate	15%	4.35%
Inflation sensitive	5%	3.20%
Fixed income	20%	0.20%
Cash/liquidity	1%	0.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.60%)	\$ 43,898,959
Current discount rate (7.60%)	\$ 28,163,133
1% increase (8.60%)	\$ 15,042,314

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2013 annual actuarial valuation report, Schools Pool Actuarial Valuation, 2013. This report and CalPERS audited financial information are publically available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2015, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	6.000%
Required employer contribution rate	11.771%	11.771%

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2015, are presented above and the total District contributions were \$1,003,458.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2015, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$8,395,534. The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.074 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$746,192. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,003,458	\$ -
Difference between projected and actual earnings on pension plan investments	-	2,884,800
Total	<u>\$ 1,003,458</u>	<u>\$ 2,884,800</u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

The deferred outflow of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflow of resources will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Amortization
2016	\$ 721,200
2017	721,200
2018	721,200
2019	721,200
Total	<u>\$ 2,884,800</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.50%
Investment rate of return	7.50%
Consumer price inflation	2.75%
Wage growth	3.00%

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	5.25%
Global fixed income	19%	0.99%
Private equity	12%	6.83%
Real estate	11%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	3%	4.50%
Liquidity	2%	-0.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount rate	Net Pension Liability
1% decrease (6.50%)	\$ 14,727,684
Current discount rate (7.50%)	\$ 8,395,534
1% increase (8.50%)	\$ 3,104,385

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee's gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings Social Security.

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 \$1,158,031 (5.679 percent of 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. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budgeted and actual amounts reported in the General Fund - Budgetary Comparison Schedule.

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, 2015.

Litigation

The District is not currently a party to any legal proceedings.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015****Construction Commitments**

As of June 30, 2015, the District had the following commitments with respect to the unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Wilson kitchen remodel	\$ 750,000	September 2015
Wilson band room	67,400	September 2015
Richmond playground	15,700	September 2015
Monroe new administration building	400,000	Unknown
King roof replacement	367,700	September 2015
Total remaining construction commitments	<u>\$ 1,600,800</u>	

NOTE 15 - PARTICIPATION IN JOINT POWERS AUTHORITIES

The District is a member of the Northern California Regional Excess Liability Fund (NorCal ReLiEF), the Self-Insured Schools of California (SISC III), and the Kings County Self-Insured Schools (KCSIS) joint powers authorities (JPAs). The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District, the pools, 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 an appointed representative to the governing board of NorCal ReLiEF.

During the year ended June 30, 2015, the District made payment of \$264,360 to NorCal ReLiEF for property and liability insurance.

The District has appointed no members to the governing board of SISC III.

During the year ended June 30, 2015, the District made payment of \$5,245,197 to SISC III for health insurance.

The District has appointed no members to the governing board of KCSIS.

During the year ended June 30, 2015, the District made payment of \$572,354 to KCSIS for workers' compensation insurance.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

NOTE 16 - RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result, the effect on the current fiscal year is as follows:

Statement of Net Position

Net Position - Beginning	\$ 34,374,377
Restatement - GASB Statement No. 68, Net Pension Liability	<u>(43,193,012)</u>
Net Position - Beginning as Restated	<u><u>\$ (8,818,635)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

HANFORD ELEMENTARY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variances - Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
REVENUES				
Local Control Funding Formula	\$ 42,472,974	\$ 40,901,136	\$ 40,889,390	\$ (11,746)
Federal sources	2,771,420	3,351,533	2,689,662	(661,871)
Other State sources	3,601,563	4,342,613	4,324,545	(18,068)
Other local sources	1,989,691	2,068,704	2,039,195	(29,509)
Total Revenues ¹	50,835,648	50,663,986	49,942,792	(721,194)
EXPENDITURES				
Current				
Certificated salaries	24,124,000	22,834,580	22,502,047	332,533
Classified salaries	8,354,048	8,768,303	8,728,226	40,077
Employee benefits	10,314,431	10,532,895	10,309,230	223,665
Books and supplies	3,726,476	3,004,549	2,606,009	398,540
Services and operating expenditures	3,639,679	3,533,281	2,833,665	699,616
Other outgo	402,254	978,157	472,099	506,058
Capital outlay	175,439	710,338	653,474	56,864
Total Expenditures ¹	50,736,327	50,362,103	48,104,750	2,257,353
Excess (Deficiency) of Revenues Over Expenditures	99,321	301,883	1,838,042	1,536,159
Other Financing Uses				
Transfers out	-	-	(914,377)	(914,377)
Total Financing Uses	-	-	(914,377)	(914,377)
NET CHANGE IN FUND BALANCES	99,321	301,883	923,665	621,782
Fund Balance - Beginning	7,057,847	7,057,847	7,057,847	-
Fund Balance - Ending	\$ 7,157,168	\$ 7,359,730	\$ 7,981,512	\$ 621,782

¹ On behalf payments are not included in revenues and expenditures in this schedule. In addition, due to the consolidation of Fund 15, Pupil Transportation Fund and Fund 17, Special Reserve Non-Capital Fund for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the actual revenues and expenditures, however, are not included in the original and final General Fund budgets.

HANFORD ELEMENTARY SCHOOL DISTRICT
CAFETERIA FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variances -
	Original	Final		Favorable (Unfavorable) Final to Actual
REVENUES				
Federal sources	\$ 2,454,027	\$ 2,494,000	\$ 2,516,794	\$ 22,794
Other State sources	200,046	198,050	207,287	9,237
Other local sources	317,611	299,481	302,241	2,760
Total Revenues	<u>2,971,684</u>	<u>2,991,531</u>	<u>3,026,322</u>	<u>34,791</u>
EXPENDITURES				
Current				
Classified salaries	863,233	924,697	914,737	9,960
Employee benefits	257,961	316,144	305,230	10,914
Books and supplies	1,921,084	1,828,302	1,516,586	311,716
Services and operating expenditures	89,678	52,125	14,205	37,920
Other outgo	178,208	156,455	156,455	-
Capital outlay	665,000	318,528	142,889	175,639
Total Expenditures	<u>3,975,164</u>	<u>3,596,251</u>	<u>3,050,102</u>	<u>546,149</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(1,003,480)</u>	<u>(604,720)</u>	<u>(23,780)</u>	<u>(511,358)</u>
Other Financing Sources				
Transfers in	-	-	1,801	1,801
Total Financing Sources	<u>-</u>	<u>-</u>	<u>1,801</u>	<u>1,801</u>
NET CHANGE IN FUND BALANCES	<u>(1,003,480)</u>	<u>(604,720)</u>	<u>(21,979)</u>	<u>582,741</u>
Fund Balance - Beginning	<u>2,497,628</u>	<u>2,497,628</u>	<u>2,497,628</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,494,148</u>	<u>\$ 1,892,908</u>	<u>\$ 2,475,649</u>	<u>\$ 582,741</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)
FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected 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)
July 1, 2013	\$ -	\$ 8,053,583	\$ 8,053,583	0%	\$ 29,114,134	27.66%
July 1, 2011	\$ -	\$ 6,907,714	\$ 6,907,714	0%	\$ 27,944,015	24.72%
July 1, 2009	\$ -	\$ 6,767,755	\$ 6,767,755	0%	\$ 26,464,473	25.57%

HANFORD ELEMENTARY SCHOOL DISTRICT
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
CalSTRS	
District's proportion of the net pension liability (asset)	<u>0.0482%</u>
District's proportionate share of the net pension liability (asset)	\$ 28,163,133
State's proportionate share of the net pension liability (asset) associated with the District	<u>17,006,116</u>
Total	<u><u>\$ 45,169,249</u></u>
District's covered - employee payroll	<u>\$ 21,702,145</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	<u>129.77%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>77%</u>
 CalPERS	
District's proportion of the net pension liability (asset)	<u>0.0740%</u>
District's proportionate share of the net pension liability (asset)	<u>\$ 8,395,535</u>
District's covered - employee payroll	<u>\$ 7,842,555</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	<u>107.05%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83%</u>

Note: In the future, as data become available, ten years of information will be presented.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
CalSTRS	
Contractually required contribution	\$ 2,070,894
Contributions in relation to the contractually required contribution	<u>2,070,894</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
District's covered - employee payroll	<u>\$ 23,320,878</u>
Contributions as a percentage of covered - employee payroll	<u>8.88%</u>
 CalPERS	
Contractually required contribution	\$ 1,003,458
Contributions in relation to the contractually required contribution	<u>1,003,458</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
District's covered - employee payroll	<u>\$ 8,524,832</u>
Contributions as a percentage of covered - employee payroll	<u>11.771%</u>

Note : In the future, as data become available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through California Department of Education (CDE):			
No Child Left Behind Act			
Title I, Part A, Basic Grants	84.010	14329	\$ 1,994,170
Title II, Part A, Teacher Quality	84.367	14341	276,112
Title III, Limited English Proficiency	84.365	14346	93,618
Special Education Programs			
Local Assistance	84.027	13379	196,061
Local Assistance, Part B, Section 611, Private School	84.027	10115	1,128
IDEA, Mental Health Allocation Plan, Part B, Section 611	84.027	14468	78,300
Subtotal Special Education Programs			<u>275,489</u>
Total U.S. Department of Education			<u>2,639,389</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through California Department of Health Care Services:			
Medicaid Programs			
Medi-Cal Administrative Assistance	93.778	10060	18,965
Medi-Cal Billing Option	93.778	10013	31,308
Total U.S. Department of Health and Human Services			<u>50,273</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through CDE:			
Child Nutrition Cluster			
National School Lunch	10.555	13391	1,863,938
Especially Needy Breakfast	10.553	13526	541,687
Meals Supplements - Snack	10.555	13391	101,996
Summer Food Program	10.559	13004	9,173
Food Distribution - Commodities	10.555	13391	191,360
Subtotal Child Nutrition Cluster			<u>2,708,154</u>
Total U.S. Department of Agriculture			<u>2,708,154</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,397,816</u></u>

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2015

ORGANIZATION

The Hanford Elementary School District was established in August 1891 and consists of an area comprising approximately 12.92 square miles. The District operates eight elementary schools, one K-8 charter school, two junior high schools, and one community day school. As of July 1, 2006, the Hanford Elementary School District transferred to Pioneer School District an area consisting of approximately 237.31 square acres to be included in the Pioneer School District boundaries. On that same date, Pioneer School District transferred to Hanford Elementary School District 427 acres to be included in the Hanford Elementary School District.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Jeff Garner	President	2018
Timothy Revious	Vice President	2016
Lupe Hernandez	Clerk	2018
Robert "Bobby" Garcia	Trustee	2018
Dennis Hill	Trustee	2016

ADMINISTRATION

Paul J. Terry, Ed.D.	Superintendent
Nancy White	Chief Business Official
Jaime Martinez	Assistant Superintendent Human Resources
Joy Gabler	Assistant Superintendent Curriculum, Instruction and Professional Development
Karen McConnell	Assistant Superintendent, Special Services

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	Second Period Report	Annual Report
HANFORD ELEMENTARY SCHOOL DISTRICT		
Regular ADA		
Transitional kindergarten through third	2,500.19	2,490.27
Fourth through sixth	1,743.87	1,739.68
Seventh and eighth	1,112.41	1,109.99
Total Regular ADA	5,356.47	5,339.94
Community Day School		
Transitional kindergarten through third	5.45	5.33
Fourth through sixth	4.21	4.84
Seventh and eighth	5.93	6.81
Total Community Day School	15.59	16.98
Total ADA	5,372.06	5,356.92
JEFFERSON CHARTER ACADEMY		
Regular ADA - All classroom based		
Transitional kindergarten through third	186.57	186.29
Fourth through sixth	119.33	119.93
Seventh and eighth	28.70	28.59
Total Regular ADA	334.60	334.81

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2015****HANFORD ELEMENTARY SCHOOL DISTRICT**

Grade Level	1986-1987	Reduced	2014-2015 Actual Minutes	Number of Days		Status
	Minutes Requirement	1986-1987 Minutes Requirement		Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	35,000	48,913	180	N/A	Complied
Grades 1 - 3	50,400	49,000				
Grade 1			52,103	180	N/A	Complied
Grade 2			52,103	180	N/A	Complied
Grade 3			52,103	180	N/A	Complied
Grades 4 - 6	54,000	52,500				
Grade 4			55,293	180	N/A	Complied
Grade 5			55,293	180	N/A	Complied
Grade 6			55,293	180	N/A	Complied
Grades 7 - 8	54,000	52,500				
Grade 7			57,138	180	N/A	Complied
Grade 8			57,138	180	N/A	Complied

JEFFERSON CHARTER ACADEMY

Grade Level	1986-1987	Reduced	2014-2015 Actual Minutes	Number of Days		Status
	Minutes Requirement	1986-1987 Minutes Requirement		Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	34,971	52,513	180	N/A	Complied
Grades 1 - 3	50,400	48,960				
Grade 1			52,103	180	N/A	Complied
Grade 2			52,103	180	N/A	Complied
Grade 3			52,103	180	N/A	Complied
Grades 4 - 6	54,000	52,457				
Grade 4			55,293	180	N/A	Complied
Grade 5			55,293	180	N/A	Complied
Grade 6			55,293	180	N/A	Complied
Grades 7 - 8	54,000	52,457				
Grade 7			57,138	180	N/A	Complied
Grade 8			57,138	180	N/A	Complied

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

There were no adjustments to the Unaudited Actual Financial Report which required reconciliation to the audited financial statements at June 30, 2015.

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

	(Budget) 2016 ¹	2015 ⁴	2014 ^{4,5}	2013 ⁴
GENERAL FUND				
Revenues	\$ 52,561,589	\$ 49,940,640	\$ 47,346,669	\$ 42,919,362
Other sources and transfers in	-	-	-	8,619
Total Revenues and Other Sources ⁴	52,561,589	49,940,640	47,346,669	42,927,981
Expenditures	55,298,711	48,104,751	47,277,264	42,860,668
Other uses and transfers out	1,500	501,801	1,701,545	269,222
Total Expenditures and Other Uses ⁴	55,300,211	48,606,552	48,978,809	43,129,890
INCREASE (DECREASE) IN FUND BALANCE	\$ (2,738,622)	\$ 1,334,088	\$ (1,632,140)	\$ (201,909)
ENDING FUND BALANCE	\$ 5,203,416	\$ 7,942,038	\$ 6,607,950	\$ 8,240,090
AVAILABLE RESERVES ²	\$ 4,135,038	\$ 6,004,597	\$ 5,397,160	\$ 6,026,762
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	7.48%	12.35%	11.02%	13.97%
LONG-TERM OBLIGATIONS	Not Available	\$ 45,628,175	\$ 55,413,584	\$ 9,941,932
AVERAGE DAILY ATTENDANCE AT P-2 ³	5,378	5,372	5,640	5,537

The General Fund balance has decreased by \$298,052 over the past two years. The fiscal year 2015-2016 budget projects a decrease of \$2,738,622 (34.48 percent). For a district this size, the State recommends available reserves of at least 3.0 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in two of the past three years and anticipates incurring a deficit during the 2015-2016 fiscal year. Total long-term obligations have increased by \$35,686,243 over the past two years due primarily to the recognition of a net pension liability totaling \$36,558,667 as required by the implementation of GASB Statement No. 68.

Average daily attendance has decreased by 165 ADA over the past two years. Growth of six ADA is anticipated during fiscal year 2015-2016.

¹ Budget 2016 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund.

³ Excludes Charter.

⁴ General Fund amounts do not include activity related to the consolidation of the Pupil Transportation Fund and the Special Reserve Non-Capital Fund as required by GASB Statement No. 54.

⁵ The long-term obligations were restated for 2014 due to the implementation of GASB Statement No. 68.

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Name of Charter School</u>	<u>Included in Audit Report</u>
Jefferson Charter Academy (Charter School Number 1637)	Yes

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	Charter School Fund	Deferred Maintenance Fund	Capital Facilities Fund
ASSETS			
Deposits and investments	\$ 78,595	\$ 29,311	\$ 382,754
Receivables	-	-	49,152
Total Assets	<u>\$ 78,595</u>	<u>\$ 29,311</u>	<u>\$ 431,906</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	40,773	\$ -	\$ 14,184
Total Liabilities	<u>40,773</u>	<u>-</u>	<u>14,184</u>
Fund Balances:			
Restricted	-	-	417,722
Committed	-	29,311	-
Assigned	37,822	-	-
Total Fund Balances	<u>37,822</u>	<u>29,311</u>	<u>417,722</u>
Total Liabilities and Fund Balances	<u>\$ 78,595</u>	<u>\$ 29,311</u>	<u>\$ 431,906</u>

See accompanying note to supplementary information.

Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
\$ 978,932	\$ 1,469,592
-	49,152
<u>\$ 978,932</u>	<u>\$ 1,518,744</u>
\$ -	\$ 54,957
<u>-</u>	<u>54,957</u>
978,932	1,396,654
-	29,311
-	37,822
<u>978,932</u>	<u>1,463,787</u>
<u>\$ 978,932</u>	<u>\$ 1,518,744</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
**NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2015**

	Charter School Fund	Deferred Maintenance Fund	Capital Facilities Fund
REVENUES			
Local Control Funding Formula	\$ 2,365,731	\$ 375,000	\$ -
Other State sources	-	-	-
Other local sources	5,505	582	819,493
Total Revenues	2,371,236	375,582	819,493
EXPENDITURES			
Current			
Instruction	1,408,270	-	-
Instruction-related activities:			
Supervision of instruction	57,864	-	-
Instructional library, media, and technology	34,507	-	-
School site administration	254,096	-	-
Pupil services:			
Home-to-school transportation	36,656	-	-
All other pupil services	53,892	-	-
Administration:			
All other administration	165,325	-	2,773
Plant services	317,609	64,805	503,011
Facility acquisition and construction	-	329,470	6,491
Ancillary services	5,195	-	-
Debt service			
Principal	-	-	-
Interest and other	-	-	-
Total Expenditures	2,333,414	394,275	512,275
NET CHANGE IN FUND BALANCES	37,822	(18,693)	307,218
Fund Balance - Beginning	-	48,004	110,504
Fund Balance - Ending	\$ 37,822	\$ 29,311	\$ 417,722

See accompanying note to supplementary information.

Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
\$ -	\$ 2,740,731
25,326	25,326
1,380,434	2,206,014
<u>1,405,760</u>	<u>4,972,071</u>
-	1,408,270
-	57,864
-	34,507
-	254,096
-	36,656
-	53,892
-	168,098
-	885,425
-	335,961
-	5,195
826,629	826,629
564,407	564,407
<u>1,391,036</u>	<u>4,631,000</u>
14,724	341,071
964,208	1,122,716
<u>\$ 978,932</u>	<u>\$ 1,463,787</u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

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 amount consists of the fair market of federal food commodities received but not recorded by the District.

	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures, and Changes in Fund Balances:		\$ 5,206,456
Reconciling items:		
Food Distribution - Commodities	10.555	191,360
Total Schedule of Expenditures of Federal Awards		<u>\$ 5,397,816</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.

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District neither met nor exceeded its target funding. 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 the 1986-1987 requirements as required by *Education Code* Section 46201.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

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.

Schedule of Charter Schools

This schedule lists all charter schools chartered by the District, and displays information for each charter school on whether or not the charter school is included in the District audit.

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.

INDEPENDENT AUDITOR'S REPORTS



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

Governing Board
Hanford Elementary School District
Hanford, 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 Hanford Elementary School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Hanford Elementary School District's basic financial statements, and have issued our report thereon dated December 3, 2015.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

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

We noted certain matters that we reported to management of Hanford Elementary School District in a separate letter dated December 3, 2015.

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.

Vannink, Trine, Day & Co, LLP

Fresno, California
December 3, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Governing Board
Hanford Elementary School District
Hanford, California

Report on Compliance for Each Major Federal Program

We have audited Hanford Elementary 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 Hanford Elementary School District's (the District) major Federal programs for the year ended June 30, 2015. Hanford Elementary 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 Hanford Elementary 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 Hanford Elementary 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 Hanford Elementary School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Hanford Elementary 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, 2015.

Report on Internal Control Over Compliance

Management of Hanford Elementary 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 Hanford Elementary 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 Hanford Elementary 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.

Vannink, Trine, Day & Co, LLP

Fresno, California
December 3, 2015



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Hanford Elementary School District
Hanford, California

Report on State Compliance

We have audited Hanford Elementary School District's compliance with the types of compliance requirements as identified in the *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Hanford Elementary School District's State government programs as noted below for the year ended June 30, 2015.

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 Hanford Elementary 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 *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. 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 Hanford Elementary 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 Hanford Elementary School District's compliance with those requirements.

Unmodified Opinion

In our opinion, Hanford Elementary 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, 2015.

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

	Procedures Performed
Attendance Accounting:	
Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (see below)
Continuation Education	No (see below)
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (see below)
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No (see below)
Middle or Early College High Schools	No (see below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Regional Occupational Centers or Programs Maintenance of Effort	No (see below)
Adult Education Maintenance of Effort	No (see below)
California Clean Energy Jobs Act	No (see below)
After School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No (see below)
Proper Expenditure of Education Protection Account Funds	Yes
Common Core Implementation Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Non Classroom-Based Instruction/Independent Study	No (see below)
Determination of Funding for Non Classroom-Based Instruction	No (see below)
Annual Instruction Minutes Classroom-Based	Yes
Charter School Facility Grant Program	No (see below)

We did not perform testing for independent study because the independent study ADA was under the level that requires testing.

We did not perform continuation education compliance procedures because the program is not offered by the District.

The District does not offer an Early Retirement Incentive Program; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

The District does not have any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform any procedures related to Middle or Early College High Schools.

The District did not have any Regional Occupational Centers or Programs Maintenance in 2012-2013; therefore, we did not perform any procedures related to Regional Occupational Centers or Programs Maintenance of Effort.

The District did not have any Adult Education Maintenance of Effort in 2012-2013; therefore, we did not perform any procedures related to Adult Education Maintenance of Effort.

We did not perform the recommended procedures for the California Clean Energy Jobs Act because the District did not expend any of the California Clean Energy Jobs Act funding received.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform any procedures related to the Before School Education and Safety Program.

We did not perform the recommended procedures for Non Classroom-Based Instruction/Independent Study or Determination of Funding for Non Classroom-Based Instruction because the Charter School is fully classroom based.

Additionally, we did not perform the recommended procedures for the Charter School Facility Grant Program because the District did not receive funding for this program.

Vannink, Trine, Day & Co, LLP

Fresno, California
December 3, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

HANFORD ELEMENTARY SCHOOL DISTRICT**SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major Federal 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?	
Identification of major Federal programs:	<u>No</u>

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555, 10.553, 10.559</u>	<u>Child Nutrition 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 auditor's report issued on compliance for programs:	<u>Unmodified</u>
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HANFORD ELEMENTARY SCHOOL DISTRICT

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

HANFORD ELEMENTARY SCHOOL DISTRICT**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

HANFORD ELEMENTARY SCHOOL DISTRICT**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

HANFORD ELEMENTARY SCHOOL DISTRICT**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

There were no audit findings reported in the prior year's schedule of financial statement findings.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Dr. Paul J. Terry

FROM: David Endo

DATE: 01/15/2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action


Date you wish to have your item considered: 01/27/2016

ITEM: Surplus of equipment



PURPOSE: The following item is obsolete, beyond repair, and in need of being declared surplus:
13906955 Poster/Banner copier Zoomer/GEI TRC
The details of the asset has been included for review.

FISCAL IMPACT: None, the item has not value.

RECOMMENDATIONS: Declare the items surplus, worth less than \$2,500, and allow the Director of Facilities to dispose of the equipment.

File  Print Screen


POSTER/BANNER COPIER Zoomer/GEI TRC

Vendor:	Quantity:	Unit Cost:	Extended Cost:
2160  APHC ENTERPRISES INC. (2160) 	1 X	8102.14	= \$8,102.14
Historical Value:			\$8,102.14

Account Code:

FD	RE	P	GO	FN	OB	SI	L2
4000	-0000	-0	-0000	-8500	-640000	-056	-0000

What Activity (Function) is this Asset used for?



References:

Type: PO

Number: 9805

Date: 06/17/2002

Date Placed In Service:	Acquisition Date:	Date Retired:	Date Entered:
07/17/2002	07/17/2002	12/09/2015	07/19/2002

Add Un-Retire Retire View Details Cancel