

Hanford Elementary School District

REGULAR BOARD MEETING AGENDA

Wednesday, January 25, 2017

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

- **Student Discipline** (*Education Code Section 48918... requires closed sessions in order to prevent the disclosure of confidential student record information*)

Administrative Panel Recommendations

Case# 16-43 - Kennedy

Case# 16-53 – Wilson

Case# 16-55 – Hamilton

Case# 17-01 – Lee Richmond

- **Conference with Real Property Negotiator** (*Pursuant to Government Code Section 54956.8, trustees will adjourn to Closed Session to discuss the items listed below. The items to be discussed shall be announced in accordance with Government Code Sections 54954.5 and/or under Education Code provisions.*)

Property: Grangeville Boulevard & 12th Avenue

Agency Negotiator: Superintendent Joy Gabler

Negotiating Parties: HESD and Joe Camara, Co-Trustee of the Donald S. Souza
Revocable Trust

Under Negotiation: Discussion with negotiator regarding status

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

- *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.*

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 13, 2017.
- b) Approve minutes of Regular Board Meeting held on January 11, 2017.
- c) Approve interdistrict transfers as recommended.
- d) Approve donation of \$228.30 from Box Top Education.
- e) Approve donation of \$327.60 from General Mills Box Top Education.
- f) Approve donation of \$500.00 from Wonderful Giving.
- g) Approve donation of \$1,566.46 from Woodrow Wilson Band Boosters.
- h) Adopt Resolution #22-17: Regarding Absent Board Member Compensation.

3. INFORMATION ITEMS

- a) Receive for information the quarterly report regarding Williams Uniform Complaints (Gabler)
- b) Receive for information the following new Board Policy: (Endo)
 - BP 3470 – Debt Issuance and Management Policy
- c) Receive for information the following new Board Policy: (Martinez)
 - BP 4033 – Lactation Accommodation
- d) Receive for information the following revised Board Policy: (Martinez)
 - BP 4040 – Employee Use of Technology
- e) Receive for information the following deleted Board Policy: (Martinez)
 - BP 4112.24 – Teacher Qualifications Under the No Child Left Behind Act
- f) Receive for information the following revised Board Policy: (Martinez)
 - BP 4132, 4232, 4332 – Publication or Creation of Materials
- g) Receive for information the following revised Board Policy: (Martinez)
 - BP 4143, 4243 – Negotiations/Consultation

4. BOARD POLICIES AND ADMINISTRATION

- a) Consider rejection of Claim of Damages: 533381, a minor (Gabler)
- b) Consider adoption of Resolution #21-17: Placement of Classified Employee on Reemployment List following exhaustion of all available leaves of absence. (Martinez)
- c) Consider approval of the updated 2016-2017 School Accountability Report Cards (SARC) (Carlton)
- d) Consider approval of Architectural Services Agreement with Mangini Associates, Inc. for the exterior painting of Roosevelt and Lincoln schools (Mulligan)
- e) Consider approval of the following deleted Administrative Regulation: (Simas)
 - AR 6151 – Class Size
- f) Consider approval of the following revised Board Policy: (McConnell)
 - BP 6164.2 – Guidance/Counseling Services
- g) Consider approval of the following deleted Administrative Regulation: (McConnell)
 - AR 6164.2 – Guidance/Counseling Services

5. PERSONNEL (Martinez)

- a) Employment
 - Temporary Employees/Substitutes/Yard Supervisors
 - Angela Byars-Roberg, Substitute READY Program Tutor, effective 1/9/17

- Angel Fredrick, Short-term Yard Supervisor – 1.0 hr. (Wednesday), Washington, effective 1/18/17 to 6/7/17
- Tara Rodriguez, Kindermusik Coach, Jefferson, effective 1/19/17 to 3/10/17
- Julius Rojas, Short-term READY Program Tutor – 4.5 hrs. (Tuesday), Monroe, effective 1/24/17 to 5/16/17
- Tomas Tafolla, Substitute Alternative Education Program Aide, Educational Tutor K-6, Special Circumstance Aide and Special Education Aide, effective 1/9/17
- Jasmin Williams, Substitute Alternative Education Program Aid and Special Education Aide, effective 1/9/17; Short-term Special Education Aide – 5.75 hrs., Richmond, effective 1/9/17 to 3/3/17

b) Resignations

- Janie Everett, Teacher, Washington, effective 6/7/17
- Lynette Gonzales, Food Service Worker I – 3.5 hrs., Monroe, effective 1/20/17
- Quinton Green, Yard Supervisor – 3.25 hrs., Simas, effective 1/31/17
- Adam Maldonado, Substitute Custodian I, effective 11/2/16
- Sara Maravilla, Substitute Babysitter and Yard Supervisor, effective 10/20/16
- Leanne Smith, Substitute Yard Supervisor, effective 10/26/16

c) Retirement

- Eleanor Guerrero, Teacher, Washington, effective 6/7/17

d) Volunteers

<u>Name</u>	<u>School</u>
Michael Foster	King
Marcos Macias (HESD Employee)	Roosevelt
Amanda Fannin	Washington
Ashley Martin	Washington

6. FINANCIAL (Endo)

- Consider approval of Resolution #17-17: Resolution of the Board of Trustees of the HESD Establishing an Independent Citizens' Bond Oversight Committee and Approving Bylaws Therefore
- Consider approval of consultant agreement with Isom Advisors
- Consider acceptance of the annual audit report

ADJOURN MEETING

HANFORD ELEMENTARY SCHOOL DISTRICT
AGENDA REQUEST FORM

TO: Joy Gabler
FROM: Liz Simas
DATE: January 17, 2017

For: ☒ Board Meeting
☐ Superintendent's Cabinet
☐ Information
☒ Action

Date you wish to have your item considered: January 25, 2017

ITEM: Readmissions

PURPOSE:

Case# 16-43 - Kennedy
Case# 16-53 - Wilson
Case# 16-55 - Hamilton
Case# 17-01 - Lee Richmond

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/17/2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/25/2017

ITEM:

Consider approval of warrants.

PURPOSE:

The administration is requesting the approval of the warrants as listed on the registers dated: 01/13/17.

FISCAL IMPACT:

See attached.

RECOMMENDATIONS:

Approve the warrants.

Warrant Register For Warrants

Dated 01/13/2017

Warrant Number	Vendor Number	Vendor Name	Amount
12538504	949	AMERICAN INCORPORATED Rentals, Leases & Repairs	\$1,287.00
12538505	59	AMERIPRIDE UNIFORM SERVICES Laundry/Mop/Mat Service	\$565.51
12538506	59	AMERIPRIDE UNIFORM SERVICES Laundry/Mop/Mat Service	\$222.22
12538507	73	APPLE INC. Other Services	\$1,000.00
12538508	6253	AT&T Telephone	\$104.69
12538509	1812	CINDY D. BETTENCOURT Matl's & Supplies	\$47.00
12538510	3068	DEBRA COLVARD Travel & Conf	\$43.00
12538511	4148	CARRIE CORTINAS All Other Local Revenues	\$100.60
12538512	6486	CARA CUMMINGS Mileage	\$32.24
12538513	6529	JESSICA DUTRA Allowance	\$66.60
12538514	3043	ENCHANTED PLAYHOUSE Matl's & Supplies	\$560.00
12538515	502	ENTERPRISE RENT A CAR Travel & Conf	\$465.75
12538516	6453	FLOWERS BAKING COMPANY Food	\$187.20
12538517	1769	FRESNO PRODUCE Food	\$5,750.42
12538518	1393	GAS COMPANY Gas	\$7,080.97
12538519	591	GOLD STAR FOODS Food	\$3,407.29
12538520	5259	EMILY GUILBEAU Other Services	\$25.00
12538521	632	CITY OF HANFORD Water/Sewer	\$9,823.95
12538522	6266	MARILYN HENSLEY Other Services	\$21.00
12538523	1938	HYATT REGENCY - S.F. AIRPORT Travel & Conf	\$809.92
12538524	779	KEENAN & ASSOC./CPIC Health & Welfare	\$5,347.50
12538525	778	KEENAN & ASSOC./MED. EYE SERV. Health & Welfare	\$10,048.26
12538526	796	KINGS COUNTY OFFICE OF ED Travel & Conf	\$450.00
12538527	5206	KINGS COUNTY OFFICE OF EDUCATI Travel & Conf	\$15.00
12538528	5407	LOZANO SMITH Travel & Conf	\$480.00
12538529	912	MANGINI ASSOCIATES INC. Buildings & Improvements	\$5,649.12
12538530	2903	JAIME MARTINEZ All Other Local Revenues	\$14.50
12538531	2243	MATSON ALARM Rentals, Leases & Repairs	\$36.00
12538532	2328	NEW TEACHER CENTER Travel & Conf	\$1,060.00
12538533	5111	P & R PAPER SUPPLY COMPANY INC Matl's & Supplies	\$1,983.96
12538534	3147	JODY PATTON All Other Local Revenues	\$103.07
12538535	1168	PRODUCERS DAIRY PRODUCTS Food	\$6,319.24
12538536	6853	SAN JOSE MARRIOTT HOTEL Travel & Conf	\$971.76
12538537	1303	SAVE MART SUPERMARKETS Food	\$83.94
12538538	5079	SCHOOL KIDS HEALTHCARE Warehouse	\$35.93
12538539	1326	SCHOOL SERVICES OF CALIF. INC. Matl's & Supplies	\$90.00
12538540	1685	SHERATON GRAND-SACRAMENTO Travel & Conf	\$293.29
12538541	1367	SISC III Health & Welfare	\$535,302.75
12538542	1801	SMART & FINAL STORES (HFD/KIT) Food	\$32.94
12538543	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	\$33,915.48
12538544	2031	SOUTHWEST SCH & OFFICE SUPPLY Warehouse	\$3,996.12
12538545	1401	STANDARD STATIONERY SUPPLY Warehouse	\$4,893.64
12538546	1403	STANISLAUS FOUNDATION - DENTAL Other Services	\$12,556.80
12538547	1444	SYSCO FOODSERVICES OF MODESTO Food	\$4,565.82
12538548	1466	TERMINIX INTERNATIONAL Pest Control	\$397.00
12538549	1466	TERMINIX INTERNATIONAL Other Services	\$25.00
12538550	5946	THE HARTFORD Health & Welfare	\$1,152.16
12538551	6850	THE LITTLE SIGN COMPANY Matl's & Supplies	\$192.00

Warrant Register For Warrants
Dated 01/13/2017

Warrant Number	Vendor Number	Vendor Name	Amount
12538552	4064	TULARE COUNTY OFFICE OF ED Travel & Conf	\$200.00
Total Amount of All Warrants:			\$661,811.64

Credit Card Register For Payments
Dated 01/13/2017

Document Number	Vendor Number	Vendor Name	Amount
14018266	1839	ATLAS PEN & PENCIL CORP. Matl's & Supplies	\$715.20
14018267	6073	FIDELITY SAFETY & TRAINING Travel & Conf	\$595.00
14018268	5007	JORGENSEN COMPANY Other Services	\$1,314.39
14018269	1278	S & S WORLDWIDE INC. Warehouse	\$96.75
14018270	1637	WOODWIND & BRASSWIND Matl's & Supplies	\$2.42
Total Amount of All Credit Card Payments:			\$2,723.76

Hanford Elementary School District
Minutes of the Regular Board Meeting
January 11, 2017

Minutes of the Regular Board Meeting of the Hanford Elementary School District Board of Trustees on January 11, 2017 at the District Office Board Room, 714 N. White Street, Hanford, CA.

Call to Order	President Garcia called the meeting to order at 5:30 p.m. Trustee Garner, Hernandez and Strickland were present. Trustee Revious was absent.
Closed Session	Trustees immediately adjourned to closed session for the purpose of: <ul style="list-style-type: none"> • Student Discipline pursuant to Education Code section 48918
Open Session	Trustees returned to open session at 6:02 p.m.
HESD Managers Present	Joy C. Gabler, Superintendent, and the following administrators were present: Don Arakelian, Kristina Baldwin, Doug Carlton, Anthony Carrillo, Debra Colvard, Kenny Eggert, David Endo, David Goldsmith, Jaime Martinez, Karen McConnell, Jill Rubalcava, Cruz Sanchez, Liz Simas and Jason Strickland.
Case #16-40	Trustee Hernandez moved to approve readmission Case #16-40 based upon the student's compliance with his Plan of Rehabilitation. Trustee Garner seconded; motion carried 4-0: <ul style="list-style-type: none"> Garcia – Yes Garner – Yes Hernandez – Yes Strickland – Yes
Case #17-23	Trustee Hernandez moved to accept the Findings of Facts and expel Case #17-23 for the remainder of the 2016-2017 school year for violation of Education Code 48900 as determined by the Administrative Panel at hearings held on January 10, 2017. Trustee Strickland seconded; motion carried 4-0: <ul style="list-style-type: none"> Garcia – Yes Garner – Yes Hernandez – Yes Strickland – Yes
Public Comments	None
Board and Staff Comments	None
Requests to Address the Board	None
Dates to Remember	President Revious reviewed dates to remember: Striker Classic XVII on January 13th at 3:30 p.m.; Holiday - MLK on January 16th; Hoop Classic XXIII on January 20th at 6:00 p.m.; Grades 4-6 Round Robin Basketball (Girls Only) at 8:30 a.m.; Grades 4-6 Round

Robin Basketball (Boys Only) at 8:30 a.m.

**Community
Artist
Presentation**

Lauren Franco and Chad Nielsen, HESD art teachers, presented a video made by the Tulare and Kings County Suicide Prevention Task Force presenting last year's JFK and WW Community Artists' mural painted at the Hanford Police Department. For this year's project, Chad Nielsen will create large weight sculptures with students to display around the community and Lauren Franco and students will conduct art classes with the residents at the Remington.

CONSENT ITEMS

Trustee Garner made a motion to take consent items "a" through "f" together. Trustee Hernandez seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes

Trustee Garner then made a motion to approve consent items "a" through "f". Trustee Hernandez seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes

The items approved are as follows:

- a) Warrant listings dated 12/9/16, 12/16/16, 12/27/16 and 1/3/17.
- b) Minutes of Regular Board Meeting 12/14/16.
- c) Interdistrict transfers as recommended.
- d) Donation of \$2,195.39 from Simas PTC.
- e) Donation of \$4,009.52 from Monroe PTC.
- f) Donation of \$5,000.00 from Kings & Tulare County Suicide and Prevention Task Force.

INFORMATION ITEMS

BP 6164.2

Karen McConnell, Assistant Superintendent of Special Services, presented for information the following revised Board Policy:

- BP 6164.2 – Guidance/Counseling Services

AR 6164.2

Karen McConnell, Assistant Superintendent of Special Services, presented for information the following deleted Administrative Regulation:

- AR 6164.2 – Guidance/Counseling Services

AR 6151

Liz Simas, Child Welfare & Attendance Coordinator, presented for information the following revised Administrative Regulation:

- AR 6151 – Class Size

BOARD POLICIES AND ADMINISTRATION

**Mathematics
Specialist**

Trustee Garner made a motion to approve the consultant contract with Mathematics Specialist, Pam Beck, to provide ongoing teacher support in the area of Mathematics.

- Contract** Trustee Strickland seconded; motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes
- Housley Demolition Co. Inc.** Trustee Strickland made a motion to approve Housley Demolition Co. Inc.'s proposal for the demolition work on the property located at 1325 Beulah St., Hanford, CA. Trustee Garner seconded; motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes
- AR 5141.3** Trustee Hernandez made a motion to approve the revised Administrative Regulation 5141.3 – Health Examinations. Trustee Garner seconded; motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes
- AR 5141.4** Trustee Strickland made a motion to approve the revised Administrative Regulation 5141.4 – Child Abuse Prevention and Reporting. Trustee Hernandez seconded; motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes
- AR 6159** Trustee Strickland made a motion to approve the revised Administrative Regulation 6159 – Individualized Education Program. Trustee Garner seconded; motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes

PERSONNEL

- Trustee Garner made a motion to take Personnel items "a" through "g" together. Trustee Hernandez seconded; motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes
- Trustee Garner then made a motion to approve Personnel items "a" through "g". Trustee Hernandez seconded; the motion carried 4-0:
Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes

The following items were approved:
Classified

***Item "a" –
Employment***

- Menchu Rosaroso, Special Education Aide – 5.0 hrs., Washington, effective 12/13/16
- Maribel Santiago, Special Education Aide – 5.0 hrs., Simas, effective 1/9/17

Temporary Employees/Substitutes/Yard Supervisors

- Yvonne Anaya, Yard Supervisor - .75 hr., Monroe, effective 1/9/17
- Alexandra Chavez, Short-term Yard Supervisor – 1.25 hrs., Richmond, effective 1/9/17 to 4/7/17
- Valerie Esparza-Lopez, Yard Supervisor – 1.5 hrs., King, effective 12/12/16
- Adrian Garcia, Substitute Alternative Education Program Aide, effective 12/6/16
- Esmeralda Ledesma, Yard Supervisor – 1.0 hr., Lincoln, effective 1/9/17
- Amber Mott, Substitute Health Care Assistant, effective 12/15/16
- Juan Nunez Jr., Short-term Yard Supervisor – 1.5 hrs., Roosevelt, effective 1/17/17 to 4/7/17
- Destiny Ramirez, Yard Supervisor - .50 hr., Richmond, effective 1/9/17
- Sylvia Reyna, Short-term Yard Supervisor – 1.5 hrs., Roosevelt, effective 1/9/17 to 4/7/17
- Robert Sanchez, Substitute Groundskeeper II, effective 12/16/16
- John Schray III, Substitute Food Service Worker I/II and Yard Supervisor, effective 12/6/16
- Virginia Silva, Substitute Educational Tutor K-6, READY Program Tutor and Special Education Program Aide, effective 12/12/16
- Cristina Solorio, Short-term Yard Supervisor – 1.5 hrs., Jefferson, effective 1/9/17 to 4/17/17
- Susanne Springer, Substitute Clerk Typist II and Yard Supervisor, effective 12/19/16
- Dylan Stewart, Yard Supervisor – 2.0 hrs., Washington, effective 1/9/17

***Item "b" –
Resignations***

- Susan Alegria, Substitute Bilingual Clerk Typist II, Clerk Typist II, Translator: Oral Interpreter and Written Translator, effective 8/19/16
- Hilary Carabajal, Substitute Yard Supervisor, effective 12/16/16
- Lilia Gervacio, Substitute Bilingual Clerk Typist II, Clerk Typist II, Translator: Oral Interpreter and Written Translator, effective 8/12/16
- Josephine Kneisel, Yard Supervisor – 2.25 hrs., Roosevelt, effective 9/1/16
- Jennifer Perryman, READY Site Lead – 5.0 hrs., Richmond, effective 6/7/17

***Item "c" –
Promotion***

- Vance Fredrick, from Custodian II – 8.0 hrs. to Lead Custodian – 8.0 hrs., Richmond, effective 1/1/17

***Item "d" –
Temporary Out
of Class
Assign./Transfer***

- Frank Gonzales, from Alternative Education Program Aide – 5.5 hrs., Community Day School at Jefferson to Student Specialist – 8.0 hrs., Roosevelt, effective 1/9/17 to 2/16/17

***Item "e" – More
Hours***

- Sylvia Lombero, Yard Supervisor, from 1.0 hrs. to 2.25 hrs., Roosevelt, effective 1/9/17
- Carmen Aurora Pimentel, Yard Supervisor, from 2.25 hrs., to 3.25 hrs., Monroe, effective 12/13/16

**Item "f" – Leave
of Absence**

- Ann Marie Dowd, Teacher, District Office, effective 1/9/17 to 6/7/17, restoration of health

**Item "g" –
Volunteers**

<u>Name</u>	<u>School</u>
Lorenzo Cipani	Hamilton
Iban Castaneda (HESD Coach)	Jefferson
Laura Gastelo	King
Daniel Bair	Simas
Hannah Bruner (HESD Employee)	Simas
Robert Wiley	Simas

FINANCIAL

**Investment
Policy
Resolution**

Trustee Strickland made a motion to adopt the Investment Policy Resolution. Trustee Garner seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes

**HESD Education
Foundation**

Trustee Garner made a motion to approve the donation from the HESD Education Foundation to cover the cost of six mini grants awarded to applicant teachers, not to exceed \$5,505.14. Trustee Hernandez seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes

Form J-13A

Trustee Garner made a motion to approve the donation from the Committee to Support Measure U in the amount of \$715.20. Trustee Hernandez seconded; motion carried 4-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Strickland – Yes

Adjournment

There being no further business, President Garcia adjourned the meeting at 6:30 p.m.

Respectfully submitted,

Joy C. Gabler,
Secretary to the Board of Trustees

Approved:

Robert Garcia, President

Lupe Hernandez, Clerk

No	A/D	Sch Req'd	Home Sch	Date
I-191	A	Simas	Pioneer	1/25/2017
I-192	D	Monroe	Armona	1/25/2017
I-193	A	Lincoln	Armona	1/25/2017
I-194	A	Wilson	Kit Carson	1/25/2017
I-195	A	Roosevelt	Kit Carson	1/25/2017

No	A/D	Sch Req'd	Home Sch	Date
O-141	A	Kings River	Roosevelt	1/25/2017
O-142	A	Kings River	Roosevelt	1/25/2017

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Javier Espindola

DATE: January 10, 2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: January 25, 2017

ITEM: Consider acceptance of donation of \$228.30 from Box Top Education to Jefferson Charter Academy.

PURPOSE: To be used for expenditures for attendance incentives.

FISCAL IMPACT: Increase of \$228.30 to Account #0900-1100-0-1110-1000-430000-021-0000

RECOMMENDATIONS: Accept donation.

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy Gabler

FROM: Flores

DATE: 1/11/17

FOR: (X) Board Meeting
() Superintendent's Cabinet

FOR: () Information
(X) Action

Date you wish to have your item considered: January 25, 2017

ITEM: Consider approval of donations to Hamilton school from: General Mills Box Tops for Education

- Donation of 327.60 to be used class supplies and student activities.

PURPOSE: Funds can be used to purchase special class supplies, class activities or rewards.

FISCAL IMPACT:

None.

RECOMMENDATION: Accept donations.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Kenneth Eggert

DATE: January 13, 2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: January 25, 2017

ITEM: \$500.00 Donation from Wonderful Giving
\$1,566.46 Donation from Woodrow Wilson Band Boosters

PURPOSE:

Wonderful Giving employee Sergio Garcia requested a \$500.00 donation be made in support of the Woodrow Wilson Band program.

Woodrow Wilson Band Boosters voted to cease to operate as an organization, close the accounts, and donate the funds totaling \$1,566.46 to benefit the Woodrow Wilson Band program.

FISCAL IMPACT: 0100-1100-0-1110-1000-430000-075-0031**RECOMMENDATIONS:** Approve donation

Wonderful Giving
11444 W. OLYMPIC BLVD.
LOS ANGELES, CA 90064
(310) 966-8757

WELLS FARGO BANK, NA
11-24/1210

20/192 70621

11/14/2016

PAY TO THE ORDER OF Hanford Elementary School District

\$ 500.00

Five Hundred and xx/100 Dollars

DOLLARS

VOID AFTER 180 DAYS

Hanford Elementary School District
714 North White St.
Hanford, CA 93230

COPY

MEMO

Woodrow Wilson Band Program (Sergio Garcia)

⑈070621⑈ ⑆121000248⑆ 4000039206⑈

Wonderful Giving

70621

November 14, 2016

On behalf of Wonderful Citrus and Wonderful Giving, we are pleased to make the enclosed donation to Hanford Elementary School District.

Wonderful Giving is the employee giving program of the The Wonderful Company and our family of businesses. Our Grants Program uses company funds to support charities chosen by our employees. This donation of \$500.00 is being made to your organization at the request of Sergio Garcia. Note that no goods or services may be provided to our employees or companies in exchange for this donation - this includes tuition, program registration, event tickets or gifts.*

If you have questions about this donation, contact Wonderful Giving at 310-966-8757 or info@wonderfulgiving.com. Thank you for the important work you do. We know this donation will be put to wonderful use.

Please do not add our company or employees to your mailing list.

RECEIVED
DEC 15 2016
FISCAL SERVICES

Wonderfulgiving theWonderfulcompany

Wonderfulsales Wonderfula.m.e.a. Wonderfulpistachios&almonds Wonderfulcitrus Wonderfulorchards



Wonderful Giving

Please complete and return this bottom tear-off portion of the check to Wonderful Giving.

70621

DONATION ACKNOWLEDGEMENT FORM

For tax purposes and in order to be considered for continued donations, complete and return this tear-off. This is the only acknowledgement we require for this donation, however if you choose to send your own letter please include all the information requested below.

Return to:
Wonderful Giving
11444 W Olympic Blvd, 5th Floor
Los Angeles, CA 90064
Req ID: 30957405

Grant donation amount: \$500.00

Please check the correct box below:

- ☐ *No goods or services were provided in exchange for this donation.
☐ Goods or services were provided, valued at: \$ _____

Name/Title

Hanford Elementary School District
Organization Name

Signature

Date

0616470

Tax ID # or NCES ID #

186179

21/192

DATE

11/28/16

AMOUNT

\$*****1,566.46

PAY ONE THOUSAND FIVE HUNDRED SIXTY-SIX AND 46/100 DOLLARS

TO
THE
ORDER
OF

HANFORD ELEMENTARY SCHOOL DIST.
RE: WOODROW WILSON BAND BOOSTERS

amafoneido

AUTHORIZED SIGNATURE - VOID AFTER 90 DAYS

⑈186179⑈ ⑆321173001⑆ 0000327739⑈

TELLER CHECK WRITER

Mbr Number: 359342 Teller: AW BR: 000 Date: 11/28/16
Mbr Name: WOODROW WILSON BAND Txn: 878 Time: 16:14:02 CAN: 6688
Pay to: HANFORD ELEMENTARY SCHOOL DIST.
Check Number: 186179

Checks Disbursed: \$1,566.46

Transactions Posted	Account	Txn Amount	Ending Balance
FROM ACCT TYPE - MULT CHECKS		\$1,566.46-	

5.99% APR ON ALL FAST VISA PURCHASES! ASK FOR DETAILS

[Signature]

Signature _____

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Joy C. Gabler

DATE: January 13, 2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: January 25, 2017

ITEM: Consider adopting Resolution #22-17: Regarding Absent Board Member Compensation.

PURPOSE: Education Code section 35120(c) provides that a board member may be paid for any meeting when absent if the board by resolution duly adopted and included in its minutes finds that at the time of the meeting: 1) he or she is performing services outside the meeting for the school district or districts, (2) he or she was ill or on jury duty, (3) or the absence was due to a hardship deemed acceptable by the board. Trustee Tawny Robinson was unable to attend the November 9, 2016 meeting due to illness.

FISCAL IMPACT: Not to exceed \$250.

RECOMMENDATIONS: Adopt Resolution #22-17.

**HANFORD ELEMENTARY SCHOOL DISTRICT
RESOLUTION # 22-17
Board of Trustees
Hanford Elementary School District**

**RESOLUTION REGARDING ABSENT BOARD MEMBER COMPENSATION
(Education Code § 35120(c))**

WHEREAS, Education Code section 35120(c) provides that a board member may be paid for any meeting when absent if the board by resolution duly adopted and included in its minutes finds that at the time of the meeting: 1) he or she is performing services outside the meeting for the school district or districts, (2) he or she was ill or on jury duty, (3) or the absence was due to a hardship deemed acceptable by the board.

NOW, THEREFORE BE IT RESOLVED that the Hanford Elementary School District Board of Trustees determines as follows:

1. Board Member Tim Revious was absent from the Hanford Elementary School District's regular board meeting held January 11, 2017 due to:

- ☐ performing services outside the meeting for the school district
- ☒ illness
- ☐ jury duty
- ☐ hardship deemed acceptable by the board

2. Said Board Members shall be paid for the meeting.

PASSED AND ADOPTED THIS 25th day of January, 2017 at a regular meeting, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Robert Garcia, President

Lupe Hernandez, Clerk

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Joy C. Gabler

DATE: January 17, 2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: January 25, 2017

ITEM: Quarterly report (10/1/16 – 12/31/16) 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 2016-17 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: Joy C. Gabler

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: 2016-17

Date for information to be reported publicly at governing board meeting: January 25, 2017

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-		

Joy C. Gabler
Superintendent

Signature

January 26, 2017
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: Joy C. Gabler

FROM: David Endo

DATE: 01/17/2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: 01/25/2017

ITEM:

Receive the following new Board Policy for information:
BP 3470 Debt Issuance and Management Policy

PURPOSE:

This Debt Management Policy (the "Policy") provides written guidelines for the issuance of indebtedness by the Hanford Elementary School District (the "District") in satisfaction of the requirements of S.B. 1029, codified as part of Government Code Section 8855.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

Consider for adoption at the next Board Meeting

Hanford ESD

Board Policy

Debt Issuance and Management Policy

BP 3470

Business and Noninstructional Operations

This Debt Management Policy (the “Policy”) provides written guidelines for the issuance of indebtedness by the Hanford Elementary School District (the “District”) in satisfaction of the requirements of S.B. 1029, codified as part of Government Code Section 8855.

Article I

Purpose and Goals

This Policy provides a framework for debt management and capital planning by the District.

This Policy has been developed to meet following goals:

- (1) Identifying the purposes for which the debt proceeds may be used.
- (2) Identifying the types of debt that may be issued.
- (3) Describing the relationship of the debt to, and integration with, the District’s capital improvement program.
- (4) Establishing policy goals related to the District’s planning goals and objectives.
- (5) Implementing internal control procedures to ensure that the proceeds of the proposed debt issuance will be directed to the intended use upon completion of the issuance.

Article II

Purposes for Which Debt Proceeds May be Used

Section 2.01. Authority and Purposes of the Issuance of Debt

The laws of the State of California (the “State”) authorize the District to incur debt to make lease payments, contract debt, borrow money, and issue bonds for school improvement projects. The District is authorized to contract debt to acquire, construct, reconstruct, rehabilitate, replace, improve, extend, enlarge, and equip such projects; to refund existing debt; or to provide for cash flow needs.

Section 2.02. State Law

Section 18 of Article XVI of the State Constitution contains the “debt limitation” formula applicable to the District.

There are a number of State laws that govern the issuance of general obligation bonds (“GO Bonds”) by school districts. Sections 1(b)(2) (Proposition 46) and 1(b)(3) of Article XIII A (Proposition 39) of the State Constitution allow the District to issue GO Bonds. The statutory authority for issuing GO Bonds is contained in Education Code Section 15000 *et seq.* Additional provisions applicable only to Proposition 39 GO Bonds are contained in Education Code Section 15264 *et seq.* An alternative procedure for issuing GO Bonds is also available in Government Code Section 53506 *et seq.*

The statutory authority for issuing Tax and Revenue Anticipation Notes (“TRANs”) is contained in Government Code Section 53850 *et seq.* Authority for lease financings is found in Education Code Section 17455 *et seq.* and additional authority is contained in Education Code Sections 17400 *et seq.*, 17430 *et seq.* and 17450 *et seq.* The District may also issue Mello-Roos bonds pursuant to Government Code Section 53311 *et seq.*

Section 2.03. Debt Issued to Finance Operating Costs

The District may deem it necessary to finance cash flow requirements under certain conditions. Such cash flow borrowing must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the fiscal year in which the debt is issued.

General operating costs include, but are not limited to, those items normally funded in the District’s annual operating budget.

The District’s Superintendent, or Chief Business Official (“CBO”), will review potential financing methods to determine which method is most prudent for the District. Potential financing sources include tax and revenue anticipation notes, temporary borrowing from the Kings County Treasurer and Tax Collector, and internal temporary interfund borrowing.

Article III

Types of Debt That May be Issued

Section 3.01. Types of Debt Authorized to be Issued

A. Short-Term: The District may issue fixed-rate and/or variable rate short-term debt, which may include TRANs, when such instruments allow the District to meet its cash flow requirements. The District may also issue bond anticipation notes (“BANs”) to provide interim financing for bond projects that will ultimately be paid from GO Bonds.

B. Long-Term: Debt issues may be used to finance essential capital facilities, projects and certain equipment where it is appropriate to spread the cost of the projects over more than one budget year. Long-term debt should not be used to fund District operations.

Long term debt in the form of GO Bonds may be issued under Article XIII A of the State Constitution, either under Proposition 46, which requires approval by at least a two-thirds (66.67%) majority of voters, or Proposition 39, which requires approval by at least 55% of voters, subject to certain accountability requirements and additional restrictions.

The District may also enter into long-term leases and/or COPs for public facilities, property, and equipment.

C. Lease Financing: Lease-purchase obligations are a routine and appropriate means of financing capital equipment and certain capital facilities. However, lease obligations may impact on budget flexibility.

D. Use of General Obligation Bonds: A significant portion of the District's capital projects are projected to be funded by GO Bond proceeds. Projects financed by the GO Bonds will be determined by the constraints of applicable law and the project list approved by voters.

Article IV

Relationship of Debt to and Integration with District's Capital Improvement Program or Budget

Section 4.01. Impact on Operating Budget and District Debt Burden

In evaluating financing options for capital projects, both short and long-term debt amortization will be evaluated when considering a debt issuance, along with the potential impact of debt service, and additional costs associated with new projects on the operating budget of the District. The cost of debt issued for major capital repairs or replacements may be judged against the potential cost of delaying such repairs.

Section 4.02. Capital Improvement Program

The CBO and the facilities staff have responsibility for the planning and management of the District's capital improvement program subject to review and approval by the Board of Trustees. Staff will, as appropriate, supplement and revise any applicable Facilities Master Plan in keeping with the District's current needs for the acquisition, development and/or improvement of District's real estate and facilities. Such plans may include a summary of the estimated cost of each project, schedules for the projects, the expected quarterly cash requirements, and annual appropriations, in order for the projects to be completed.

Section 4.03. Refunding and Restructuring Policy

A. Considerations for Refunding.

1. District's Best Interest. Whenever deemed to be in the best interest of the District, the District shall consider refunding or restructuring outstanding debt if it will be financially advantageous or beneficial for debt repayment and/or structuring flexibility.

2. Net Present Value Analysis. The CBO shall review a net present value analysis of any proposed refunding in order to make a determination regarding the cost-effectiveness of the proposed refunding.

3. Maximization of Expected Net Savings. Another consideration in deciding which debt to refinance and the timing of the refinancing shall be maximization of the District's expected net savings over the life of the bonds.

4. Comply with Existing Legal Requirements. The refunding of any existing debt shall comply with all applicable State and Federal laws governing such issuance.

Article V

Policy Goals Related to District's Planning Goals and Objectives

In following this Policy, the District shall pursue the following goals:

1. The District shall strive to fund capital improvements from voter-approved GO Bond issues to preserve the availability of its General Fund for District operating purposes and other purposes that cannot be funded by such bond issues.
2. The District shall endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.
3. The District shall take all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.
4. The District shall, with respect to GO Bonds, remain mindful of its statutory debt limit in relation to assessed value growth within the school district and the tax burden needed to meet long-term capital requirements.
5. The District shall consider market conditions and District cash flows when timing the issuance of debt.
6. The District shall determine the amortization (maturity) schedule which will fit best within the overall debt structure of the District at the time the new debt is issued.
7. The District shall match the term of the issue to the useful lives of assets funded by that issue whenever practicable and economic, while considering repair and replacement costs of those assets to be incurred in future.
8. The District shall, when planning for the issuance of new debt, consider the impact of such new debt on overlapping debt of local, state and other governments that overlap with the District.
9. The District shall, when issuing debt, assess financial alternatives to include new and innovative financing approaches, including whenever feasible, categorical grants, revolving loans or other State/federal aid, so as to minimize the encroachment on the District's General Fund.
10. The District shall, when planning for the sizing and timing of debt issuance, consider its ability to expend the funds obtained in a timely, efficient and economical manner.

Article VI

Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds

Section 6.01. Structure of Debt Issues

A. Maturity of Debt: The duration of a debt issue shall be consistent, to the extent possible, with the economic or useful life of the improvement or asset that the issue is financing. Accordingly, the final maturity of the debt shall be equal to or less than the useful life of the assets being financed, and the average life of the financing shall not exceed 120% of the average life of the assets being financed. In addition, the District shall consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue.

B. Debt Structure:

1. GO Bonds:

a. *New Money Bond Issuances*: For new money bond issuances, the District shall size the bond issuance consistent with the “spend-down” requirements of the Internal Revenue Code and within any limits approved by the District’s voters. To the extent possible, the District will also consider credit issues, market factors (e.g. bank qualification) and tax law when sizing the District’s bond issuance.

b. *Refunding Bond Issuances*: The sizing of refunding bonds will be determined by the amount of money that will be required to cover the principal of, accrued interest (if any) on, and redemption premium for the bonds to be defeased on the call date and to cover appropriate financing costs.

c. *Maximum Maturity*: All bonds issued by the District shall mature within the limits set forth in applicable provisions of the Education Code or the Government Code. The final maturity of bonds will also be limited to the average useful life of the assets financed or as otherwise required by tax law.

2. Lease-Purchase Obligations: The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed.

C. Debt Service Structure: The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use.

Section 6.02. Use of Proceeds

The District shall be vigilant in using bond proceeds in accordance with the stated purposes at the time such debt was incurred. In furtherance of the policy, and in connection with the issuance of all GO Bonds:

1. As required by Government Code Section 53410, the District shall only use GO Bond proceeds for the purposes approved by the District’s voters; and

2. The CBO shall have the responsibility, no less often than annually, to provide to the District’s Board of Trustees a written report which shall contain at least the following information:

(i) The amount of the Bonds proceeds received and expended during the applicable reporting period; and

- (ii) The status of the acquisition, construction or financing of the school facility projects, as identified in any applicable bond measure, with the proceeds of the GO Bonds.

These reports may be combined with other periodic reports which include the same information, including but not limited to, periodic reports made to the California Debt and Investment Advisory Commission, or continuing disclosure reports or other reports made in connection with the GO Bonds. These requirements shall apply only until the earliest of the following: (i) all the GO Bonds are redeemed or defeased, but if the GO Bonds are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased, or (ii) all proceeds of the GO Bonds, or any investment earnings thereon, are fully expended.

3. The District shall post on the District website the Annual Report of the District's Independent Bond Oversight Committee which has been given the responsibility to review the expenditure of GO Bond proceeds to assure the community that all GO Bond funds have been used for the construction, renovation, repair, furnishing and equipping of school facilities, and not used for teacher or administrator salaries or other operating expenses.

4. The District shall hire an independent auditor to perform an annual independent financial and performance audit of the expenditure of GO Bond proceeds, and to post such audits on the District website.

Hanford Elementary School District

Adopted on February 8, 2017

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department
AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez

DATE: January 13, 2017

FOR: (X) Board Meeting
() Superintendent's Cabinet

(X) Information
() Action

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 25, 2017**

ITEM: Receive the following new Board Policy for information.

PURPOSE: The following new Board Policy is necessary to align with current practices and procedures as well as recommendations by CSBA due to State and federal law mandates.

- BP 4033 – Lactation Accommodation (new)

FISCAL IMPACT: None.

RECOMMENDATION: Consider for adoption at next regular board meeting.

NEW BOARD POLICY

All Personnel

BP 4033

LACTATION ACCOMMODATION

The Governing Board recognizes the immediate and long-term health advantages of breastfeeding for infants and mothers and desires to provide a supportive environment for any district employee to express milk for her infant child upon her return to work following the birth of the child. The Board prohibits discrimination, harassment, and/or retaliation against any district employee who chooses to express breast milk for her infant child while at work.

(cf. 4030 - Nondiscrimination in Employment)

The district shall provide a reasonable amount of break time to accommodate an employee each time she has a need to express breast milk for her infant child. (Labor Code 1030)

To the extent possible, such break time shall run concurrently with the break time already provided to the employee. Any additional break time used by a non-exempt employee for this purpose shall be unpaid. (Labor Code 1030; 29 USC 207)

The employee shall be provided a private location, other than a restroom, which is in close proximity to her work area and meets the requirements of Labor Code 1031 and 29 USC 207, as applicable.

Employees are encouraged to notify their supervisor or other appropriate personnel in advance of their intent to make use of the accommodations offered for employees who are nursing mothers. As needed, the supervisor shall work with the employee to address arrangements and scheduling in order to ensure that the employees' essential job duties are covered during the break time.

Lactation accommodations may be denied only in limited circumstances in accordance with law. (Labor Code 1032; 29 USC 207)

Before an employee's supervisor makes a determination to deny lactation accommodations, he/she shall consult the Superintendent or designee. In any case in which lactation accommodations are denied, the Superintendent or designee shall document the options that were considered and the reasons for denying the accommodations.

Legal Reference:

EDUCATION CODE

200-262.4 Prohibition of discrimination on the basis of sex

CIVIL CODE

43.3 Right of mothers to breastfeed in any public or private location

GOVERNMENT CODE

12940 Discriminatory employment practices

12945 Discrimination based on pregnancy, childbirth, or related medical conditions

BP 4033 (b)

LACTATION ACCOMMODATION*LABOR CODE**1030-1033 Lactation accommodation**CODE OF REGULATIONS, TITLE 2**7291.2-7291.16 Sex discrimination; pregnancy and related medical conditions**UNITED STATES CODE, TITLE 29**207 Fair Labor Standards Act; lactation accommodation**FAIR EMPLOYMENT AND HOUSING COMMISSION DECISIONS**Department of Fair Employment and Housing v. Acosta Tacos (Chavez), FEHC Precedential Decision 09-03P, 2009**Management Resources:**CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS PUBLICATIONS**Rest Periods/Lactation Accommodation, Frequently Asked Questions**CALIFORNIA DEPARTMENT OF PUBLIC HEALTH PUBLICATIONS**Minimum Requirements of the California Lactation Accommodation Law**CENTERS FOR DISEASE CONTROL AND PREVENTION PUBLICATIONS**Lactation Support Program Toolkit**FEDERAL REGISTER**Reasonable Break Time for Nursing Mothers, December 21, 2010, Vol. 75, No. 244, pages 80073-80079**OFFICE OF THE SURGEON GENERAL PUBLICATIONS**The Surgeon General's Call to Action to Support Breastfeeding, 2011**HEALTH RESOURCES AND SERVICES ADMINISTRATION PUBLICATIONS**The Business Case for Breastfeeding: Steps for Creating a Breastfeeding Friendly Worksite, Toolkit, 2008**U.S. DEPARTMENT OF LABOR, WAGE AND HOUR DIVISION, PUBLICATIONS**Fact Sheet #3: Break Time for Nursing Mothers under the FLSA, rev. December 2010**WEB SITES**California Department of Industrial Relations, Division of Labor and Standards Enforcement:**<http://www.dir.ca.gov/dlse>**California Department of Public Health: <http://www.cdph.ca.gov>**California Women, Infants and Children: <http://www.wicworks.ca.gov>**Centers for Disease Control and Prevention: <http://www.cdc.gov>**Health Resources and Services Administration: <http://www.hrsa.gov>**Office of the Surgeon General: <http://www.surgeongeneral.gov>**U.S. Department of Labor, Wage and Hour Division, Break Time for Nursing Mothers:**<http://www.dol.gov/whd/nursingmothers>*

Policy
 adopted: _____, 2017

HANFORD ELEMENTARY SCHOOL DISTRICT
 Hanford, California

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department
AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez

DATE: January 13, 2017

FOR: (X) Board Meeting
() Superintendent's Cabinet

(X) Information
() Action

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 25, 2017**

ITEM: Receive the following revised Board Policy for information.

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

- BP 4040 – Employee Use of Technology (revised)

FISCAL IMPACT: None.

RECOMMENDATION: Consider for adoption at next regular board meeting.

All Personnel

BP 4040(a)

EMPLOYEE USE OF TECHNOLOGY

A. The Governing Board of Trustees recognizes that ~~technology can~~ technological resources enhance employee performance by ~~improving access to and exchange of information,~~ offering effective tools to assist in providing a quality instructional program, ~~and,~~ facilitating communications with parents/guardians, students, and the community; supporting district and school operations; and improving access to and exchange of information. The Board expects all employees to learn ~~the~~ to use of ~~the~~ the available ~~electronic~~ technological resources that will assist them in the performance of their jobs. ~~Staff~~ job responsibilities. As needed, employees shall receive ~~training~~ professional development in the appropriate use of these resources, ~~as needed.~~

(cf. 0440 - District Technology Plan)

(~~cf. 6162.7 - Use of Technology in Instruction~~)

(~~cf. 1100 - Communication with the Public~~)

(~~cf. 1113 - District and School Web Sites~~)

(~~cf. 1114 - District-Sponsored Social Media~~)

(~~cf. 4032 - Reasonable Accommodation~~)

(~~cf. 4131 - Staff Development~~)

(~~cf. 4231 - Staff Development~~)

(~~cf. 4331 - Staff Development~~)

B. Employees shall be responsible for the appropriate use of technology and shall use ~~the district's electronic resources only~~ district technology primarily for purposes related to their employment. ~~Such use is a privilege which may be revoked at any time.~~

(~~cf. 4119.25/4219.25/4319.25 - Political Activities of Employees~~)

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

(~~cf. 4119.11/4219.11/4319.11 - Sexual Harassment~~)

(~~cf. 4119.21/4219.21/4319.21 - Professional Standards~~)

(~~cf. 4119.23/4219.23/4319.23 - Unauthorized Release of Confidential/Privileged Information~~)

(~~cf. 4119.25/4219.25/4319.25 - Political Activities of Employees~~)

(~~cf. 5125 - Student Records~~)

(~~cf. 5125.1 - Release of Directory Information~~)

(~~cf. 6162.6 - Use of Copyrighted Materials~~)

(~~cf. 6163.4 - Student Use of Technology~~)

C. ~~Computer files and communications over electronic networks, including e-mail and voice mail, are not private and employees shall have no expectation of privacy in their use of District technology. The District's technological resources shall not be used to transmit confidential information about students, employees, or district affairs.~~

(~~cf. 4119.23/4219.23/4319.23 - Confidential/Privileged Information~~)

District technology includes, but is not limited to, computers, the district's computer network including servers and wireless computer networking technology (wi-fi), the Internet, email, USB drives, wireless access points (routers), tablet computers, smartphones and smart devices, telephones, cellular telephones, personal digital assistants, pagers, MP3 players, wearable technology, any wireless communication device including emergency radios, and/or future technological innovations, whether accessed on or off site or through district-owned or personally owned equipment or devices.

EMPLOYEE USE OF TECHNOLOGY

The Superintendent or designee shall establish an Acceptable Use Agreement which outlines employee obligations and responsibilities related to the use of district technology. Upon employment and whenever significant changes are made to the district's Acceptable Use Agreement, employees shall be required to acknowledge in writing that they have read and agreed to the Acceptable Use Agreement.

Employees shall not use district technology to access, post, submit, publish, or display harmful or inappropriate matter that is threatening, obscene, disruptive, sexually explicit, or unethical or that promotes any activity prohibited by law, Board policy, or administrative regulations.

Harmful matter includes matter, taken as a whole, which to the average person, applying contemporary statewide standards, appeals to the prurient interest and is matter which depicts or describes, in a patently offensive way, sexual conduct and which lacks serious literary, artistic, political, or scientific value for minors. (Penal Code 313)

The Superintendent or designee shall ensure that all district computers with Internet access have a technology protection measure that protects against access to visual depictions that are obscene, child pornography, or harmful to minors and that the operation of such measures is enforced. The Superintendent or designee may disable the technology protection measure during use by an adult to enable access for bona fide research or other lawful purpose. (20 USC 6777; 47 USC 254)

~~D. The Superintendent or designee shall annually notify employees in writing that they have no reasonable expectation of privacy in the use of any equipment or other technological resources provided by or maintained by the district, including, but not limited to, computer files, email, text messages, instant messaging, and other electronic communications, even when provided their own password. To ensure proper use, the Superintendent or designee reserves the right to search and/or may monitor; employee usage of district technology at any time and without advance notice or consent; information created, saved, accessed, and for any reason allowed by law, sent, received and/or stored in any format by any District employee on District equipment or any equipment connected to the District's network, including e-mail and voice mail systems. If passwords are used, they must be known to the Superintendent or designee so that he/she may have system access when the employee is absent.~~

E. In addition, employees shall be notified that records maintained on any personal device or messages sent or received on a personal device that is being used to conduct district business may be subject to disclosure, pursuant to a subpoena or other lawful request.

Employees shall report any security problem or misuse of district technology to The Superintendent or designee, shall establish administrative regulations which outline employee obligations and responsibilities related to the use of technology, and may establish guidelines and limits on the

Inappropriate use of technological resources. Employees who fail to abide by these regulations shall be subject to district technology may result in a cancellation of the employee's user privileges, disciplinary action, revocation of the user account and/or legal action as appropriate in accordance with law, Board policy and administrative regulation.

EMPLOYEE USE OF TECHNOLOGY

~~(cf. 4118 - Suspension Compulsory Leave - Certificated Personnel)~~

~~(cf. 4218 - Dismissal/Disciplinary Action - Classified Personnel)~~

~~(cf. 4318 - Disciplinary Action - Management, Supervisory, and Confidential Employee)~~

~~(cf. 4118 - Dismissal/Suspension/Disciplinary Action)~~

~~(cf. 4218 - Dismissal/Suspension/Disciplinary Action)~~

F. ~~All employees using these resources shall receive copies of related policies, regulations, and guideline.~~

G. ~~In the event that the use of an electronic resource affects the working conditions of one or more represented employees, the Superintendent or designee shall notify the employees' exclusive representative.~~

~~(cf. 4143/4243 - Contract Negotiations)~~

Legal Reference:

EDUCATION CODE

~~51870-51874~~ Education technology

~~52270-52272~~ Education technology and professional development grants

~~52295.10-52295.55~~ Implementation of Enhancing Education Through Technology grant program

GOVERNMENT CODE

~~3543.1~~ Rights of employee organizations

PENAL CODE

~~502~~ Computer crimes, remedies

~~632~~ Eavesdropping on or recording confidential communications

VEHICLE CODE

~~23123~~ Wireless telephones in vehicles

~~23123.5~~ Mobile communication devices; text messaging while driving

~~23125~~ Wireless telephones in school buses

UNITED STATES CODE, TITLE 20

~~6751-6777~~ Enhancing Education Through Technology Act, Title II, Part D, especially:

~~6777~~ Internet safety

UNITED STATES CODE, TITLE 47

254 Universal service discounts (E-rate)

CODE OF FEDERAL REGULATIONS, TITLE 47

~~54.520~~ Internet safety policy and technology protection measures, E-rate discounts

COURT DECISIONS

City of Ontario v. Quon et al. (2010) 000 U.S. 08-1332

BP 4040(d)

EMPLOYEE USE OF TECHNOLOGY

Management Resources:

WEB SITES

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

American Library Association: <http://www.ala.org>

California Department of Education: <http://www.cde.ca.gov>

Federal Communications Commission: <http://www.fcc.gov>

U.S. Department of Education: <http://www.ed.gov>

Policy

adopted: November 7, 2001

revised: May 5, 2010

revised: _____, 2017

HANFORD ELEMENTARY SCHOOL DISTRICT

Hanford, California

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department
AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez

DATE: January 13, 2017

FOR: (X) Board Meeting
() Superintendent's Cabinet

(X) Information
() Action

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 25, 2017**

ITEM: Receive the following revised Board Policy for information.

PURPOSE: CSBA recommends deleting the following Board Policy as it is no longer relevant due to the elimination of the No Child Left Behind Act.

- BP 4112.24 – Teacher Qualifications Under the No Child Left Behind Act (delete)

FISCAL IMPACT: None.

RECOMMENDATION: Consider for deletion at next regular board meeting.

DELETE

Certificated Personnel _____ **BP 4112.24(a)**

~~TEACHER QUALIFICATIONS UNDER THE NO CHILD LEFT BEHIND ACT~~

~~Recognizing the importance of teacher effectiveness in improving student achievement, the Board of Trustees desires to recruit and hire teachers who possess the subject matter knowledge and teaching skills required by the Federal No Child Left Behind (NCLB) Act.~~

~~(cf. 4112.2—Certification)~~

~~(cf. 4112.21—Interns)~~

~~(cf. 4112.22—Staff Teaching Students of Limited English Proficiency)~~

~~(cf. 4112.23—Special Education Staff)~~

~~(cf. 6170—Title I Programs)~~

~~All teachers employed to teach core academic subjects shall be “highly qualified” as defined by federal law and the State Board of Education. (20 USC 6319, 7801; 34 CFR 200.55; 5 CCR 6100-6126)~~

~~The Superintendent or designee shall inform teachers of NCLB requirements and shall identify the additional qualifications, if any, that individual teachers need to demonstrate in order to meet the requirements. He/she shall work with individual teachers to develop a plan for attaining full qualifications.~~

~~The Superintendent or designee shall monitor the distribution of “highly qualified” teachers among district schools and develop strategies, as needed, to encourage teachers who meet NCLB requirements to teach in schools with the lowest student performance.~~

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

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

~~(cf. 0520.4—Quality Education Investment Schools)~~

~~(cf. 4113—Assignment)~~

~~(cf. 4114—Transfers)~~

~~The Superintendent or designee shall report to the Board on the progress of the district's teachers toward becoming fully qualified. Such reports shall include, but need not be limited to, the percentage of teachers in core academic subjects, districtwide and at each school, who meet the definition of a “highly qualified” teacher in accordance with federal law, and the percentage of teachers who are receiving professional development to enable them to satisfy this definition. (20 USC 6319)~~

~~(cf. 4131—Staff Development)~~

~~Legal Reference: (see next page)~~

BP 4112.24(b)

TEACHER QUALIFICATIONS UNDER THE NO CHILD LEFT BEHIND ACT*Legal Reference:*EDUCATION CODE

44500-44508 Peer Assistance and Review Program for Teachers

44662 Performance evaluation; Stull Act review

44664 Teacher evaluation; program to improve performance

44865 Alternative programs

CODE OF REGULATIONS, TITLE 5

6100-6126 Teacher qualifications, No Child Left Behind Act

80021 Short term staff permit

80021.1 Provisional internship permit

80089.3-80089.4 Subject Matter authorizations

UNITED STATES CODE, TITLE 20

1401 Definition of highly qualified special education teacher

6311 Parental notifications

6312 Title I local educational agency plan

6314 Schoolwide programs

6315 Targeted assistance schools

6319 Highly qualified teachers

7345-7345b Small Rural Schools Achievement Program

7801 Definitions, highly qualified teacher

CODE OF FEDERAL REGULATIONS, TITLE 34

200.55-200.57 Highly qualified teachers

200.61 Parent notification regarding teacher qualifications

300.18 Highly qualified teachers

*Management Resources:*CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California's Subject Matter Verification Process for Middle and High School Level Teachers in Special Settings, January 2007

NCLB Teacher Requirements Resource Guide, March 1, 2004

COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS

Standards of Quality and Effectiveness for Professional Teacher Induction Programs, March 2002

Standards of Quality and Effectiveness for Professional Teacher Preparation Programs, September 2001

California Standards for the Teaching Profession, July 1997

U.S. DEPARTMENT OF EDUCATION GUIDANCE

Improving Teacher Quality State Grants, ESEA Title II, Part A, Non-Regulatory Guidance, revised October 5, 2006

New No Child Left Behind Flexibility: Highly Qualified Teachers, Fact Sheet, March 15, 2004

Improving Teacher Quality State Grants Title II, Part A Non-Regulatory Draft Guidance, revised October 5, 2006

WEB SITESCSBA: <http://www.esba.org>California Department of Education: <http://www.cde.ca.gov>Commission on Teacher Credentialing: <http://www.ctc.ca.gov>U.S. Department of Education, No Child Left Behind: <http://www.ed.gov/nclb>

Policy _____ **HANFORD ELEMENTARY SCHOOL DISTRICT**
 adopted: November 10, 2004 _____ Hanford, California
 revised: September 6, 2006
 revised: October 17, 2007
 revised: September 2, 2009

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department
AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez

DATE: January 13, 2017

FOR: (X) Board Meeting
() Superintendent's Cabinet

(X) Information
() Action

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 25, 2017**

ITEM: Receive the following revised Board Policy for information.

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

- BP 4132, 4232, 4332 – Publication or Creation of Materials (revised)

FISCAL IMPACT: None.

RECOMMENDATION: Consider for adoption at next regular board meeting.

All Personnel

BP 4132 (a)

4232

PUBLICATION OR CREATION OF MATERIALS

4332

~~A. The Board of Trustees recognizes that district employees may create copyright materials at work, at home, or both at work and at home. The development of copyright materials during, or in part during, the work day shall be approved by the Superintendent or designee. However, the Superintendent or designee's approval or lack of approval shall not affect the district's ownership of copyrights for materials developed during work hours.~~

- ~~1. Materials written or developed by an employee during the normal work day are considered district property.~~
- ~~2. Materials developed during both school and leisure hours are owned jointly by the employee and the district. In such cases, the Superintendent or designee shall ensure that a contractual agreement is made, clarifying the joint ownership. A partnership entity may be created to hold the copyright on behalf of both parties.~~

The Governing Board recognizes the importance of creating a work environment that encourages employee innovation in creating and developing high-quality materials to improve student achievement and the efficiency of district operations.

(cf. 4119.21/4219.21/4319.21 - Professional Standards)
(cf. 6162.6 - Use of Copyrighted Materials)

The Superintendent or designee shall oversee the development of instructional materials, computer programs, and other copyrightable materials by employees, independent contractors, and consultants. An employee, independent contractor, or consultant shall notify the Superintendent or designee of his/her intent to publish or register a work developed in whole or in part within the scope of his/her employment.

(cf. 3600 - Consultants)

Instructional materials, computer programs, and other copyrightable materials developed by an employee within the scope of his/her employment shall be the property of the district.

(cf. 1113 - District and School Web Sites)
(cf. 4040 - Employee Use of Technology)
(cf. 4119.1/4219.1/4319.1 - Civil and Legal Rights)
(cf. 6161.11 - Supplementary Instructional Materials)
(cf. 6163.1 - Library Media Centers)

If an employee has developed copyrightable material during both work and non-working hours, and the work was within the scope of his/her employment, the Superintendent or designee shall negotiate a contract with the employee to protect the district's right as to the ownership or partial ownership of the copyright.

(cf. 3312 - Contracts)

BP 4132 (b)

4232

4332

PUBLICATION OR CREATION OF MATERIALS

The Superintendent or designee shall ensure that any contract with an independent contractor or consultant contains a provision specifying the district's right to ownership of the copyright of any work produced by the contractor or consultant for the district.

~~B.~~—~~The Board~~Superintendent or designee may secure copyrights in the name of the district for all ~~copyright~~copyrightable works developed by the district. All royalties or revenues from these copyrights shall be used for the benefit of the district. (Education Code 35170)

~~C.~~—~~The Board may market or license any noneducational mainframe electronic software developed by the district. Proceeds from this marketing or licensing shall be used exclusively for educational purposes.~~

*Legal Reference:*EDUCATION CODE

32360 Copyrights; use of funds

32361 Copyrights; use of employee work time

35170 Authority to secure copyrights

35182 Marketing or licensing noneducational mainframe electronic data-processing software

60076 Royalties or other compensation

LABOR CODE

2870-2872 Inventions made by an employee

UNITED STATES CODE, TITLE 17101-122 Subject matter and scope of copyright201 Copyright ~~Law~~ownership and transfer~~201(a) Copyright Law~~COURT DECISIONSCommunity for Creative Non-Violence v. Reid (1989) 490 U.S. 730*Management Resources:*WEB SITESCopyright Clearance Center: <http://www.copyright.com>Copyright Society of the USA: <http://www.csusa.org>U.S. Copyright Office: <http://www.copyright.gov>

Policy

adopted: November 7, 2001

revised: , 2017**HANFORD ELEMENTARY SCHOOL DISTRICT**

Hanford, California

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department
AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez

DATE: January 13, 2017

FOR: (X) Board Meeting
() Superintendent's Cabinet

(X) Information
() Action

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 25, 2017**

ITEM: Receive the following revised Board Policy for information.

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

- BP 4143, 4243 – Negotiations/Consultation (revised)

FISCAL IMPACT: None.

RECOMMENDATION: Consider for adoption at next regular board meeting.

Certificated and Classified PersonnelBP 4143 (a)
4243**NEGOTIATIONS/CONSULTATION**

The Governing Board recognizes its responsibility to represent the public's interests in the collective bargaining process. In ~~negotiating~~ratifying agreements on employee contracts, the Board shall balance the needs of staff and the priorities of the district in order to provide students with a high-quality instructional program based on a sound, realistic budget.

(cf. 0200 - Goals for the School District)

(cf. 3100 - Budget)

(cf. 4140/4240 - Bargaining Units)

(cf. 4141/4241 - Collective Bargaining Agreement)

The Board shall negotiate in good faith with exclusive employee representatives on wages, hours of employment, and other terms and conditions of employment identified in law as being within the scope of representation. (Government Code 3543.2)

The Board believes that effective negotiations require the input of all levels of the administration. The Board shall establish a bargaining team to assist in analyzing contract provisions and conducting contract negotiations.

The Board and Superintendent shall provide its negotiator(s) with expected outcomes and clear parameters for acceptable contract provisions which promote the realization of district goals and priorities.

When the district intends to make any change to matters within the scope of representation, it shall give reasonable written notice of its intent to the exclusive representative for the purpose of providing the exclusive representative a reasonable amount of time to negotiate with the district regarding the proposed changes. (Government Code 3543.2)

A reasonable number of representatives of the employee organization shall have the right to receive reasonable periods of released time without loss of district compensation when meeting and negotiating and/or for the processing of grievances. (Government Code 3543.1)

The Board ~~with~~and its bargaining team shall establish standards of conduct pertaining to the negotiations process for ~~individual Board members and~~ members of the bargaining team. Certain meetings related to negotiations shall ~~not be held in closed session~~open to the public in accordance with Government Code 3549.1 ~~when not~~and 54957.6, except as otherwise required by ~~state open meeting laws (the Brown Act) to be held in public~~law. Matters discussed in these meetings shall be kept in strict confidence In accordance with law.

(cf. 4119.23/4219.23/4319.23 - Unauthorized Release of Confidential/Privileged Information)

(cf. 9010 - Public Statements)

(cf. 9011 - Disclosure of Confidential/Privileged Information)

(cf. 9321 - Closed Session Purposes and Agendas)

The Board and its negotiator(s) shall not knowingly provide the employee organization with inaccurate information regarding the financial resources of the district. (Government Code 3543.5)

NEGOTIATIONS/CONSULTATION

The Board shall closely monitor the progress of negotiations and carefully consider how proposed contract provisions would affect the district's short- and long-term fiscal, programmatic, instructional, and personnel goals.

(cf. ~~3100 - Budget~~)

The Board and/or Superintendent or designee shall keep the public informed about the progress of negotiations and the ways in which negotiations may affect district goals unless otherwise agreed upon by the district and exclusive representative.

(cf. 4143.1/4243.1 - Public Notice - Personnel Negotiations)

Whenever the district has a qualified or negative certification on an interim fiscal report, it shall allow the county office of education at least 10 working days to review and comment on any proposed agreement with exclusive representatives of employees. The district shall provide the County Superintendent of Schools with all information relevant to gain an understanding of the financial impact of any final collective bargaining agreement. (Government Code 3540.2)

(cf. 3460 - Financial Reports and Accountability)

Once the final terms of the agreement have been ratified by the membership of the employee organization, the contract shall be presented to the Board at a public meeting for acceptance.

Any agreement adopted by the Board may be for a term not to exceed three years. (Government Code 3540.1)

In the event of an impasse in negotiations, the ~~Board~~ district shall participate in good faith in ~~state~~ mediation and fact-finding procedures pursuant to Government Code 3548-3548.8. (Government Code 3543.5)

(cf. 4141.6/4241.6 - Concerted Action/Work Stoppage)

Following adoption of the collective bargaining agreement, any subsequent amendments shall be executed in writing and ratified by the Board and the employees' exclusive representative.

Consultation

The exclusive representative of certificated staff may consult with the Board on the definition of educational objectives, the determination of the content of courses and curriculum, and the selection of textbooks.

(cf. 6011 - Academic Standards)

(cf. 6141 - Curriculum Development and Evaluation)

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

(cf. 9310 - Board Policies)

Legal Reference: see next page

NEGOTIATIONS/CONSULTATION

Legal Reference: see next page

EDUCATION CODE

44987 Service as officer of employee organization (certificated)

45210 Service as officer of employee organization (classified)

GOVERNMENT CODE

3540-3549.3 Educational Employment Relations Act

PUBLIC EMPLOYMENT RELATIONS BOARD DECISIONS

Berkeley Council of Classified Employees v. Berkeley Unified School District, (2008) PERB Decision No. 1954

Management Resources:

CSBA PUBLICATIONS

Collective Bargaining DVD-ROM

Maximizing School Board Governance: Collective Bargaining

Before the Strike: Planning Ahead in Difficult Negotiations, 1996

WEB SITES

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

California Public Employee Relations: <http://cper.berkeley.edu>

Center for Collaborative Solutions: <http://www.ccscenter.org>

Public Employment Relations Board: <http://www.perb.ca.gov>

State Mediation and Conciliation Service (SMCS): <http://www.dir.ca.gov/csmcs/smcs.html> [aspix](#)
(10/95) 3/07

Policy

adopted: October 23, 1996

revised: November 7, 2001

revised: September 5, 2007

revised: , 2017

HANFORD ELEMENTARY SCHOOL DISTRICT

Hanford, California

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Joy C. Gabler

DATE: 01/17/17

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/25/17

ITEM: Consider rejection of Claim of Damages: 533381, a minor

PURPOSE: The District has received a Claim for Damages resulting from an alleged injury a student sustained due to the alleged actions of a fellow classmate on October 8, 2016. The District's claims administrator (Keenan & Associates) recommends that the Board reject the Claim. Following rejection of the Claim, the claims administrator will proceed with potential resolution of this Claim on the District's behalf.

FISCAL IMPACT: None at this time.**RECOMMENDATIONS:** Reject Claim of Damages: 533381, a minor

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department

AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez

DATE: January 17, 2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

☐ Information
☒ Action

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 25, 2017**

ITEM: Consider adoption of Resolution No. 21-17, Placement of Classified Employee on Reemployment List following exhaustion of all available leaves of absence.

PURPOSE: To authorize placement of classified employee on a reemployment list for thirty-nine (39) months, in accordance with Education Code Section 45195, due to employee being medically unable to assume the duties of her position.

FISCAL IMPACT: Unknown at this time.

RECOMMENDATION: Adopt Resolutions No. 21-17.

BEFORE THE BOARD OF TRUSTEES
OF THE
HANFORD ELEMENTARY SCHOOL DISTRICT
KINGS COUNTY, CALIFORNIA

In the Matter of Placement of)	
Classified Employee on)	
Reemployment List Following)	RESOLUTION # 21-17
Exhaustion of all Available)	
Leaves of Absence)	

WHEREAS, under Education Code Section 45195 the Hanford Elementary School District must place a classified employee whose available leaves of absence, paid or unpaid, have been exhausted and who is medically unable to assume the duties of his/her position on a reemployment list for thirty (39) months; and

WHEREAS, Paige Hartshorn is a classified employee of the Hanford Elementary School District who is currently not medically able to resume the duties of her position;

WHEREAS, Paige Hartshorn will exhaust all available leaves of absence, both paid and unpaid, as of February 2, 2017; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Hanford Elementary School District that Paige Hartshorn be placed on a reemployment list for a period of thirty-nine (39) months effective February 2, 2017, in accordance with Education Code Section 45195.

IT IS FURTHER RESOLVED that the District Superintendent or her designee is authorized to take any action necessary to consummate the intent of this Resolution.

This RESOLUTION was adopted at a duly-called regular meeting of the Board of Trustees of the Hanford Elementary School District on the 25th day of January, 2017 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

President, Board of Trustees
Hanford Elementary School District
Kings County, California

HANFORD ELEMENTARY SCHOOL DISTRICT
AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 17, 2017

For: ☒ Board Meeting
☐ Superintendent's Cabinet

For: ☐ Information
☒ Action

Date you wish to have your item considered: January 25, 2017

ITEM:

Consider approval of the updated 2016-2017 School Accountability Report Cards (SARC)

PURPOSE: In November 1988, California voters passed [Proposition 98](#), also known as *The Classroom Instructional Improvement and Accountability Act*. This ballot initiative provides California's public schools with a stable source of funding. In return, all public schools in California are required annually to prepare SARC's and disseminate them to the public. SARC's are intended to provide the public with important information about each public school and to communicate a school's progress in achieving its goals.

FISCAL IMPACT: None

RECOMMENDATION:

Approve the updated SARC's.

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy C. Gabler
FROM: Gerry Mulligan *GM*
DATE: January 17, 2017
FOR: ☒ Board Meeting
 ☐ Superintendent's Cabinet
FOR: ☐ Information
 ☒ Action

Date you wish to have your item considered: January 25, 2017

ITEM:

Consider approval of Architectural Services Agreement with Mangini Associates, Inc. – for the exterior painting of Roosevelt and Lincoln Schools.

PURPOSE:

Mangini Associates, Inc. to provide the District with architectural services for the exterior painting of Roosevelt and Lincoln schools.

FISCAL IMPACT:

The estimated architect's fee for this project is \$15,000.

RECOMMENDATION:

Approve Architectural Services Agreement with Mangini Associates, Inc. - TPM for the exterior painting of Roosevelt and Lincoln schools.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler
FROM: Liz Simas
DATE: January 12, 2017

For: ☒ Board Meeting
☐ Superintendent's Cabinet
☐ Information
☒ Action

Date you wish to have your item considered: 01/25/17

ITEM: Receive for approval the following Administrative Regulation for deletion.

AR 6151- Class Size

PURPOSE: The Administrative Regulation is deleted because program requirements for K-3 Class Size Reducation and Morgan-Hart Class Size Reduction programs were eliminated by new law (AB97, 2013).

FISCAL IMPACT (if any): None

RECOMMENDATION (if any): Approve

DELETED

Hanford ESD

Administrative Regulation

Class Size

AR 6151— Instruction

Class Size Reduction in Grades K-3

When establishing a program to reduce class size in the primary grades, the program shall be implemented at each school according to the following priorities:—(Education Code 52124)

- 1.——If only one grade level is reduced at a school, the grade level shall be grade 1.
- 2.——If only two grade levels are reduced at a school, the grade levels shall be grades 1 and 2.
- 3.——If three grade levels are reduced at a school, then those grade levels shall be kindergarten and grades 1 and 2 or grades 1 through 3.——Priority shall be given to the reduction of class sizes in grades 1 and 2 before class sizes of kindergarten or grade 3 are reduced.
- 4.——If four grade levels are reduced at a school, then those grade levels shall be kindergarten through grade 3.——First priority shall be given to the reduction of class sizes in grade 1 and 2; second priority shall be given to the reduction of class size in kindergarten and grade 3.

In all classes that receive funding through the state's class size reduction program for half-day programs, instruction during the reduced class size portion of the school day shall be primarily devoted to reading and mathematics.——(Education Code 52122)

Training shall be provided to teachers participating in the class size reduction program which shall include, but not be limited to, methods for providing each of the following:——(Education Code 52127)

- 1.——Individualized instruction
- 2.——Effective teaching, including classroom management, in smaller classes
- 3.——Identifying and responding to student needs
- 4.——Opportunities to build on the individual strengths of students

(cf. 4131—Staff Development)

Regulation—~~HANFORD ELEMENTARY SCHOOL DISTRICT~~
approved: ~~May 16, 2001—Hanford, California~~

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Karen McConnell

DATE: January 12, 2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: January 25, 2017

ITEM: Receive recommendation that this Board Policy 6164.2 –
Guidance/Counseling Services

PURPOSE: Policy updated to reflect the responsibilities of school counselors, specifies required and optional components to be included in a comprehensive counseling program and requires that certain strategies be included in professional development related to career and vocational counseling.

FISCAL IMPACT: None

RECOMMENDATIONS: Approve

Hanford ESD

Board Policy

Guidance/Counseling Services

BP 6164.2

Instruction

The Board of Trustees recognizes that a structured, coherent and comprehensive counseling program promotes academic achievement and ~~serve~~serves the diverse needs of all district students. Counseling staff shall be available to meet with provide students to with individualized reviews of their educational progress toward academic and/or career and vocational goals and, as appropriate, may discuss ~~academic, social, or personal difficulties, as well as, or~~ other issues that may impact student learning.

The Superintendent or designee shall ensure that all persons employed to provide school counseling, school psychology, and/or school social work services shall possess the appropriate credential from the Commission on Teacher Credentialing authorizing their employment in such positions. Responsibilities of each position shall be clearly defined in a job description.

Responsibilities of school counselors include, but are not limited to:

1. Engaging with, advocating for, and providing support for all students with respect to learning and achievement
2. Planning, implementing, and evaluating programs to promote the academic, career, personal, and social development of all students, including students from low-income families, foster youth, homeless youth, undocumented youth, and students at all levels of academic, social, and emotional abilities
3. Using multiple sources of information to monitor and improve student behavior and achievement
4. Collaborating and coordinating with school and community resources
5. Promoting and maintaining a safe learning environment for all students by providing restorative justice practices, positive behavior interventions, and support services
6. Intervening to ameliorate school-related problems, including issues related to chronic absences
7. Using research-based strategies to reduce stigma, conflict, and student-to-student mistreatment and bullying
8. Improving school climate and student well-being

9. Enhancing students' social and emotional competence, character, health, civic engagement, cultural legacy, and commitment to lifelong learning and the pursuit of high-quality educational programs

10. Providing counseling interventions and support services for students classified as English learners, eligible for free or reduced-priced meals, or foster youth, including enhancing equity and access to the education system and community services

11. Engaging in continued development as a professional school counselor

Educational Counseling

The district's academic counseling program shall help students establish immediate and long-range educational plans, achieve academic standards, prepare for the high school exit examination, and complete the required curriculum in accordance with their individual needs, abilities, and interests. Insofar as possible, parents/guardians shall be included when making educational plans.

Counseling staff shall help all students plan for the future and become aware of their career potential. Academic planning for higher education shall include information about courses needed for admission to colleges and universities, standardized admission tests, financial aid,

No counselor shall unlawfully discriminate against any student. Guidance counseling regarding school programs and career, vocational, or higher education opportunities shall not be differentiated on the basis of any protected category specified in BP 0410 - Nondiscrimination in District Programs and Activities.

In addition, counselors shall affirmatively explore with students the possibility of careers, or courses leading to careers, that are nontraditional for that student's sex. (Education Code 221.5)

For assessing or counseling students, the district shall not use testing or other materials that permit or require impermissible or unlawful differential treatment of students. (5 CCR 4931)

Colleges and prospective employers, including military recruiters, shall not have access to students for recruiting purposes. (10 USC 503; Education Code 49603)

Supplemental School Personal or Mental Health Counseling Program for Students in Grades 7-8

~~The Board has adopted the Supplemental School Counseling Program in order to provide supplemental counseling services to all students in grades 7-8 to be delivered by personnel who hold a valid pupil personnel services credentials. In accordance with law and as specified in administrative regulation, the district's program shall provide for an individualized review of student records, an opportunity for a counselor to meet with students to discuss educational and vocational options, and specialized counseling services for students identified as at risk of not passing the high school exit examination.~~

~~(cf. 6162.52—High School Exit Examination)
(cf. 6179—Supplemental Instruction)~~

~~Personal Counseling~~

~~Counseling staff shall identify~~

~~A school counselor, school psychologist, or school social worker may provide individualized personal, mental health, or family counseling to students in accordance with the specialization(s) authorized by his/her credential. Such services may include, but are not limited to, support related to the student's social and work with students whose personal problems may prevent them from reaching their potential, emotional development, behavior, substance abuse, mental health assessment, depression, or mental illness. As appropriate, students and their parents/guardians shall be informed about community agencies, organizations, or health care providers that offer qualified professional assistance with substance abuse, physical or emotional problems, or other personal problems.~~

~~Written parent/guardian consent shall be obtained before mental health counseling or treatment services are provided to a student, except when the student is authorized to consent to the service pursuant to Family Code 6920-6929, Health and Safety Code 124260, or other applicable law.~~

~~Any information of a personal nature disclosed to a school counselor by a student age 12 years or older or by his/her parent/guardian is confidential and shall not become part of the student record without the written consent of the person who disclosed the confidential information. The information shall not be revealed, released, discussed, or referred to except under the limited circumstances specified in Education Code 49602. (Education Code 49602)~~

~~Counselors shall respect student confidentiality as appropriate and shall consult with the Superintendent or designee or with the district's legal counsel whenever unsure of how to respond to a student's personal problem. Parent/guardian consultation and consent shall be obtained as appropriate.~~

~~A counselor shall consult with the Superintendent or designee and, as appropriate, with the district's legal counsel whenever unsure of how to respond to a student's personal problem or when questions arise regarding the possible release of confidential information regarding a student.~~

~~Crisis Counseling~~

~~The Board recognizes the need for a prompt and effective response when students are confronted with a traumatic incident. School counselors shall assist in the development of the comprehensive school safety plan, emergency and disaster preparedness plan, and other prevention and intervention practices designed to assist students and parents/guardians before, during, and after a crisis.~~

In addition, the Superintendent or designee shall identify crisis counseling resources to train district staff in effective threat assessment, appropriate response techniques, and/or methods to directly help students cope with ~~such crises~~ a crisis if ~~they occur~~ it occurs.

Early identification and intervention plans shall be developed to help identify those students who may be at risk for violence so that support may be provided before they engage in violent or disruptive behavior.

Legal Reference:

EDUCATION CODE

221.5 Prohibited sex discrimination

~~37254 Supplemental instruction based on failure to pass exit exam by end of grade 12~~

~~41505-41508~~ 44266 Pupil Retention Block Grant personnel services credential

48431 Establishing and maintaining high school guidance and placement program

49600-49604 Educational counseling

51250-~~51251~~ School age military dependents

51513 Personal beliefs

~~52378-52380 Supplemental School Counseling Program~~

~~REPEALED EDUCATION CODE FOR CATEGORICAL PROGRAMS~~

~~48431.6 Tenth grade~~ FAMILY CODE

~~6920-6929 Consent by minor for treatment or counseling program~~

HEALTH AND SAFETY CODE

124260 Mental health services; consent by minors age 12 and older

PENAL CODE

11166-11170 Reporting known or suspected cases of child abuse

WELFARE AND INSTITUTIONS CODE

5850-5883 Mental Health Services Act

CODE OF REGULATIONS, TITLE 5

4930-4931 Counseling

80049-80049.1 Pupil personnel services credential

80632-80632.5 Preparation programs for pupil personnel services

UNITED STATES CODE, TITLE 10

503 Military recruiter access to directory information

UNITED STATES CODE, TITLE 20

1232g Family Educational Rights and Privacy Act

7908 Armed forces recruiter access to students and student recruiting information

CODE OF FEDERAL REGULATIONS, TITLE 34

99.1-99.67 Family educational rights and privacy

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California Results-Based School Counseling and Student Support Guidelines, 2007

WEB SITES

American School ~~Counseling~~ Counselor Association: <http://www.schoolcounselor.org>

California Association of School Counselors: <http://www.schoolcounselor-ca.org>

California Department of Education: <http://www.cde.ca.gov>

| Commission on Teacher Credentialing: <http://www.ctc.ca.gov>

U.S. Department of Education, access to military recruiters:
<http://www.ed.gov/policy/gen/guid/fpco/hottopics/ht10-09-02.html>

Policy HANFORD ELEMENTARY SCHOOL DISTRICT

adopted: September 5, 2007 Hanford, California

revised: January 11, 2017

approved:

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Karen McConnell

DATE: December 21, 2016

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: January 25, 2017

ITEM: Receive recommendation that this Administrative Regulation 6164.2 – Guidance/Counseling Services be deleted from policy

PURPOSE: The following Administrative Regulation is no longer necessary as the practices and procedures are reflected in the changes to the Board Policy. CSBA has recommended that the AR be deleted from district policies.

FISCAL IMPACT: None

RECOMMENDATIONS: Approve deleting the AR

DELETE

~~Hanford ESD~~

~~Administrative Regulation~~

~~Guidance/Counseling Services~~

~~AR 6164.2~~

~~Instruction~~

~~Supplemental School Counseling Program for Students in Grades 7-8~~

~~A counselor shall review the academic and deportment record of each student in grades 7 and 8, and meet with each student and, if practicable his/her parent/guardian, to explain the records. At the meeting, the counselor shall also explain the student's educational options, the coursework and academic progress needed for satisfactory completion of middle school or high school and passage of the high school exit examination, and the availability of career technical education. If such services are available to district students, the educational options discussed shall include college preparatory and vocational programs, including regional occupational centers and programs and any other available alternatives. (Education Code 52378)~~

~~(cf. 5125—Student Records)~~

~~(cf. 6146.1—High School Graduation Requirements)~~

~~(cf. 6146.11—Alternative Credits Toward Graduation)~~

~~(cf. 6146.2—Certificate of Proficiency/High School Equivalency)~~

~~(cf. 6146.5—Elementary/Middle School Graduation Requirements)~~

~~(cf. 6162.52—High School Exit Examination)~~

~~(cf. 6178—Vocational Education)~~

~~The Superintendent or designee shall identify students in grades 7 and 8: (Education Code 52378)~~

- ~~1.——Who are at risk of not graduating with the rest of their class~~
- ~~2.——Are not earning credits at a rate that will enable them to pass the high school exit examination~~
- ~~3.——Do not have sufficient training to allow them to fully engage in their chosen career.~~

~~For these identified students, the district shall provide the following additional services:~~

- ~~1.——List of Course Experience: For students in grade 7 who are deemed to be at the far below basic level in English language arts or mathematics pursuant to the California Standards Test administered in grade 6, the district shall provide a list of coursework and experience necessary to assist them to successfully transition to high school and to meet all graduation~~

~~requirements, including passing the high school exit examination. (Education Code 52378)~~

~~A copy of the list of coursework and experience shall be provided to the student and his/her parent/guardian. The list shall also be included in the student's cumulative record. (Education Code 52378)~~

~~2. Individual Conference: For students in grades 7 who have been deemed to be at the far below basic level in English language arts or mathematics pursuant to the California Standards Test, the district shall offer and schedule an individual conference with each student, his/her parent/guardian, and a school counselor. During the conference, the counselor shall apprise the student and his/parent guardian of the following: (Education Code 52378)~~

~~a. Consequences of not passing the high school exit examination~~

~~b. Available programs, courses, and career technical education options needed for satisfactory completion of middle or high school~~

~~c. The student's cumulative records and transcripts~~

~~d. The student's performance on standardized and diagnostic assessments~~

~~e. Available remediation strategies, high school courses, and alternative education options~~

~~f. Information about postsecondary education and training~~

~~g. As applicable, the student's score on the English language arts or mathematics portion of the California Standards Test administered in grade 6~~

~~The individual conference shall be scheduled, to the extent feasible, within the following timelines: (Education Code 52378)~~

~~a. For students in grade 7, the conference shall occur before January of the year in which the student is in grade 7.~~

~~The Superintendent or designee shall annually submit reports to the California Department of Education describing the number and percentage of students receiving various program services. (Education Code 52380)~~

~~Notifications~~

~~Beginning in grade 7, parents/guardians shall be notified at least once before career counseling and course selection so that they may participate in the counseling sessions and decisions. (Education Code 221.5)~~

~~(cf. 5145.6 Parental Notifications)~~

Nondiscrimination

~~No counselor shall unlawfully discriminate against any student. In addition, when exploring the possibility of careers and courses leading to such careers, counseling staff shall not differentiate career, vocational, or higher education opportunities on the basis of the sex of the student. (Education Code 221.5; 5 CCR 4930)~~

~~For appraising or counseling students, the district shall not use testing or other materials that permit or require impermissible or unlawful differential treatment of students. (5 CCR 4931)~~

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

~~(cf. 5145.3—Nondiscrimination/Harassment)~~

Regulation — HANFORD ELEMENTARY SCHOOL DISTRICT

approved: — September 5, 2007 — Hanford, California

revised: —

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department

AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez

DATE: January 17, 2017

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

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 25, 2017**

ITEM: Consider approval of personnel transactions and related matters.

PURPOSE:

a. Employment

Temporary Employees/Substitutes/Yard Supervisors

- Angela Byars-Roberg, Substitute READY Program Tutor, effective 1/9/17
- Angel Fredrick, Short-term Yard Supervisor – 1.0 hr. (Wednesday), Washington, effective 1/18/17 to 6/7/17
- Tara Rodriguez, Kindermusik Coach, Jefferson, effective 1/19/17 to 3/10/17
- Julius Rojas, Short-term READY Program Tutor – 4.5 hrs. (Tuesday), Monroe, effective 1/24/17 to 5/16/17
- Tomas Tafolla, Substitute Alternative Education Program Aide, Educational Tutor K-6, Special Circumstance Aide and Special Education Aide, effective 1/9/17
- Jasmin Williams, Substitute Alternative Education Program Aid and Special Education Aide, effective 1/9/17; Short-term Special Education Aide – 5.75 hrs., Richmond, effective 1/9/17 to 3/3/17

b. Resignations

- Janie Everett, Teacher, Washington, effective 6/7/17
- Lynette Gonzales, Food Service Worker I – 3.5 hrs., Monroe, effective 1/20/17
- Quinton Green, Yard Supervisor – 3.25 hrs., Simas, effective 1/31/17

b. Resignations (cont.)

- Adam Maldonado, Substitute Custodian I, effective 11/2/16
- Sara Maravilla, Substitute Babysitter and Yard Supervisor, effective 10/20/16
- Leanne Smith, Substitute Yard Supervisor, effective 10/26/16

c. Retirement

- Eleanor Guerrero, Teacher, Washington, effective 6/7/17

d. Volunteers

<u>Name</u>	<u>School</u>
Michael Foster	King
Marcos Macias (HESD Employee)	Roosevelt
Amanda Fannin	Washington
Ashley Martin	Washington

RECOMMENDATION: Approve.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/17/2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/25/2017

ITEM:

Consider approval of Resolution #17-17 Resolution of the Board of Trustees of the Hanford Elementary School District Establishing an Independent Citizens' Bond Oversight Committee and Approving Bylaws Therefore.

PURPOSE:

An election was held in the Hanford Elementary School District on November 8, 2016 for the issuance and sale of general obligation bonds of the Hanford Elementary School District (the "District").

Measure U was approved under Proposition 39 which requires that the District establish, populate and empower an independent citizens' bond oversight committee. In connection with the issuance of bonds under Measure U, the District now wishes to establish the Hanford Elementary School District Citizens' Independent Bond Oversight Committee (the "Measure U Committee") and approve the Bylaws which set forth the power and responsibilities of the Committee.

FISCAL IMPACT:

Because the Education Code prohibits the use of bond funds for the support of the Committee, there may be a fiscal impact to the General Fund resulting from the creation of and the District's support of the Committee.

RECOMMENDATIONS:

Approve Resolution #17-17 Resolution of the Board of Trustees of the Hanford Elementary School District Establishing an Independent Citizens' Bond Oversight Committee and Approving Bylaws Therefore.

RESOLUTION NO. 17-17

RESOLUTION OF THE BOARD OF TRUSTEES OF THE HANFORD ELEMENTARY SCHOOL DISTRICT ESTABLISHING AN INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE AND APPROVING BYLAWS THEREFORE

WHEREAS, the Board of Trustees (the "Board") serves as the governing body of the Hanford Elementary School District ("District"); and

WHEREAS, the Board previously adopted a resolution requesting Kings County (the "County") to call an election for general obligation bonds (the "Bond Election") to be held on November 8, 2016 on behalf of the District; and

WHEREAS, notice of the Bond Election has been duly given, and on November 8, 2016 the Bond Election will be held and conducted for the purpose of voting on a measure for the issuance of bonds of the District in the amount of \$24,000,000 ("Measure U").

WHEREAS, in advance of the outcome of the Bond Election, the Board wishes to establish an independent citizens' bond oversight committee in connection with any issuance of bonds under Measure U and to approve Bylaws governing such committee.

NOW, THEREFORE, THE BOARD OF THE HANFORD ELEMENTARY SCHOOL DISTRICT DOES HEREBY FIND, DETERMINE AND CERTIFY AS FOLLOWS:

Section 1. Authorization. The Bond Election is authorized by paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution in accordance with the requirements of the Strict Accountability In Local School Construction Bonds Act of 2000 (the "Act").

Section 2. Establishment of Committee. An independent citizens' bond oversight committee (the "Committee") for Measure U is hereby established for the purposes set forth in the Act.

Section 3. Bylaws. The Committee shall operate pursuant to the Board approved Bylaws. The Committee shall have only those responsibilities granted to them in the Act and in the Bylaws. The Bylaws, as submitted herewith and attached hereto, are hereby approved.

Section 4. Other Actions. Officers of the Board and members of the Committee established hereunder are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

ADOPTED, SIGNED AND APPROVED this 25th day of January, 2017.

BOARD OF TRUSTEES OF THE HANFORD
ELEMENTARY SCHOOL DISTRICT

President

ATTEST:

Secretary

STATE OF CALIFORNIA)
)ss
KINGS COUNTY)

I, _____, do hereby certify that the foregoing Resolution No. 17-17 was duly adopted by the Board of Trustees at a meeting thereof held on January 25, 2017 and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By: _____
Secretary

**HANFORD ELEMENTARY SCHOOL DISTRICT
INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE
BYLAWS**

Section 1. Committee Established. The Hanford Elementary School District (the "District") has placed a bond measure on the November 8, 2016 ballot seeking to obtain an authorization from the District's voters to issue up to \$24,000,000 aggregate principal amount of the District's school facilities bond ("Measure U"). The Measure U election is being conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code of the State ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is obligated to establish an Independent Citizens' Bond Oversight Committee in order to satisfy the accountability requirements of Prop 39. The Board of Trustees of the District (the "Board") hereby establishes the Independent Citizens' Bond Oversight Committee (the "Committee") for Measure U which shall have the duties and rights set forth in these Bylaws. The Committee does not have legal capacity independent from the District.

Section 2. Purposes. The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the *Ralph M. Brown Public Meetings Act* of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to Measure U are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under the Measure. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee's review.

Section 3. Duties. To carry out its stated purposes, the Committee shall perform only the duties set forth in Sections 3.1, 3.2, and 3.3 hereof, and shall refrain from those activities set forth in Sections 3.4 and 3.5.

3.1 **Inform the Public.** The Committee shall inform the public concerning the District's expenditure of bond proceeds. In fulfilling this duty, all official communications to either the Board or the public shall come from the Chair acting on behalf of the Committee. The Chair shall only release information that reflects the majority view of the Committee.

3.2 **Review Expenditures.** The Committee shall review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in Measure U; and (b) no bond proceeds were used for teacher or administrative salaries or other operating expenses in compliance with Attorney General Opinion 04-110, issued on November 9, 2004.

3.3 **Annual Report.** The Committee shall present to the Board, in public session, an annual written report for Measure U which shall include the following:

- (a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and

- (b) A summary of the Committee's proceedings and activities for the preceding year.

3.4 Duties of the Board/Superintendent. Either the Board or the Superintendent, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- (i) Approval of contracts,
- (ii) Approval of change orders,
- (iii) Expenditures of bond funds,
- (iv) Handling of all legal matters,
- (v) Approval of project plans and schedules,
- (vi) Approval of all deferred maintenance plans, and
- (vii) Approval of the sale of bonds.

3.5 Measure U Projects Only. In recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the Board has not charged the Committee with responsibility for:

- (a) Projects financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds shall be outside the authority of the Committee.

- (b) The establishment of priorities and order of construction for the bond projects, which shall be made by the Board in its sole discretion.

- (c) The selection of architects, engineers, soils engineers, construction managers, project managers, CEQA consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.

- (d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) which shall be determined by the Board in its sole discretion.

- (e) The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.

- (f) The approval of an annual budget for the Committee that is sufficient to carry out the activities set forth in Prop 39 and included herein.

- (g) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted in the Board's sole discretion as part of carrying out its function under Prop 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive copies of the District's annual, independent performance audit and annual, independent financial audit required by Prop 39 (Article XIII A of the California Constitution) (together, the "Audits") at the same time said Audits are submitted to the District, no later than March 31 of each year, and review the Audits.

(b) Inspect District facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the District's Superintendent.

(c) Review copies of deferred maintenance plans developed by the District.

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

(e) Receive from the Board, within three months of the District receiving the Audits, responses to any and all findings, recommendations, and concerns addressed in the Audits, and review said responses.

Section 5. Membership.

5.1 Number.

The Committee shall consist of at least seven (7) members appointed by the Board from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) member shall be the parent or guardian of a child enrolled in the District.
- One (1) member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the P.T.A. or a school site council.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens' organization.
- One (1) member active in a bona-fide taxpayers association.
- Two (2) members of the community at-large.

5.2 Qualification Standards.

(a) To be a qualified person, he or she must be at least 18 years of age.

(b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

5.3 Ethics: Conflicts of Interest.

(a) Members of the Committee are not subject to the Political Reform Act (Gov. Code §§ 81000 *et seq.*), and are not required to complete Form 700; but each member shall comply with the Committee Ethics Policy attached as “Attachment A” to these Bylaws.

(b) Pursuant to Section 35233 of the Education Code, the prohibitions contained in Article 4 (commencing with Section 1090) of Division 4 of Title 1 of the Government Code (“Article 4”) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code (“Article 4.7”) are applicable to members of the Committee. Accordingly:

(i) Members of the Committee shall not be financially interested in any contract made by them in their official capacities or by the Committee, nor shall they be purchasers at any sale or vendors at any purchase made by them in their official capacity, all as prohibited by Article 4; and

(ii) Members of the Committee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to duties as a member of the Committee or with the duties, functions, or responsibilities of the Committee or the District. A member of the Committee shall not perform any work, service, or counsel for compensation where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of the District’s Board of Trustees, except as permitted under Article 4.7.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, commencing as of the date of appointment by the Board. No member may serve more than three (3) consecutive terms. At the Committee’s first meeting, members will draw lots or otherwise select a minimum of two members to serve for an initial one (1) year term and the remaining members for an initial two (2) year term. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Terms commence on the date the member is appointed to the Committee by the Board of Trustees.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) the District will advertise in the local newspapers, on its website, and in other customary forums, as well as solicit appropriate local groups for applications; (b) the Superintendent will review the applications; and (c) the Superintendent will make recommendations to the Board.

5.6 Removal; Vacancy. The Board may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy. Upon a member’s removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process shall fill any vacancies on the Committee. The Board shall seek to fill vacancies within 90 days of the date of occurrence of a vacancy.

5.7 Compensation. The Committee members shall not be compensated for their services.

5.8 Authority of Members. (a) Committee members shall not have the authority to direct staff of the District; (b) individual members of the Committee retain the right to address the Board, either on behalf of the Committee or as an individual; (c) the Committee shall not establish sub-committees for any purpose; and (d) the Committee shall have the right to request and receive copies of any public records relating to projects funded by the Measures.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee shall meet at least once a year, but shall not meet more frequently than quarterly.

6.2 Location. All meetings shall be held within the boundaries of the District, located in Kings County, California.

6.3 Procedures. All meetings shall be open to the public in accordance with the *Ralph M. Brown Act*, Government Code Section 54950 *et seq.* Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business of the Committee.

Section 7. District Support.

7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:

- (a) preparation of and posting of public notices as required by the *Brown Act*, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the District Board;
- (b) provision of a meeting room, including any necessary audio/visual equipment;
- (c) preparation, translation and copies of any documentary meeting materials, such as agendas and reports; and
- (d) retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.

7.2 District staff and/or District consultants shall attend Committee proceedings in order to report on the status of projects and the expenditure of bond proceeds.

Section 8. Reports. In addition to the Annual Report required in Section 3.3, the Committee may report to the Board from time to time in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officers. The Superintendent shall appoint the initial Chair. Thereafter, the Committee shall elect a Chair and a Vice-Chair who shall act as Chair only when the Chair is absent. The Chair and Vice-Chair shall serve in such capacities for a term of one year and may be re-elected by vote of a majority of the members of the Committee.

Section 10. Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a majority vote of the Board.

Section 11. Termination. The Committee shall automatically terminate and disband concurrently with the Committee's submission of the final Annual Report which reflects the final accounting of the expenditure of all Measure U monies.

CITIZENS' BOND OVERSIGHT COMMITTEE ETHICS POLICY STATEMENT

This Ethics Policy Statement provides general guidelines for Committee members in carrying out their responsibilities. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by bond proceeds, or (2) any construction project which will benefit the Committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by bond proceeds, or (2) any construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (1) bidding on projects funded by the bond proceeds; and (2) any construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code) and all other applicable government entities, and the policies, procedures, rules and regulations of the Hanford Elementary School District.

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.

HANFORD ELEMENTARY SCHOOL DISTRICT APPLICATION FOR INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

The Board of Trustees of the Hanford Elementary School District is seeking qualified, interested individuals to serve on a committee of community leaders which will serve as the Independent Citizens' Oversight Committee ("COC") for the implementation of the District's Measure U school facilities bond program.

Proposition 39 Bond Election

On November 8, 2016, voters residing within the Hanford Elementary School District passed Measure U. Measure U is a \$24,000,000 bond measure that authorizes funding for needed repairs, upgrades, and new construction projects to the District's schools. Proposition 39 required a 55% supermajority for approval; Measure U was passed by 69%.

Establishment of a Citizens' Oversight Committee

After a bond authorized under Proposition 39 is passed, state law requires that the Hanford Elementary School District Board of Trustees appoint an Independent Citizens' Oversight Committee to work with the District.

Committee Responsibilities

In accordance with Education Code Section 15278(b), the Citizens' Oversight Committee shall:

- Inform the public concerning the District's expenditure of bond proceeds of Measure U.
- Review expenditure reports produced by the District to ensure that Measure U bond proceeds were expended only for the purposes set forth in Measure U; and
- Present to the Board in public session, an annual written report outlining their activities and conclusions regarding the expenditure of bond proceeds of Measure U.

The Bylaws which govern the Citizens' Oversight Committee are attached to this Application.

Appointment of Committee Members

All appointments will be made by the Board from applications submitted to the District. The Committee shall consist of at least seven (7) members appointed by the Board from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) member shall be the parent or guardian of a child enrolled in the District.
- One (1) member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the P.T.A. or a school site council.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens' organization.
- One (1) member active in a bona-fide taxpayers association.
- Two (2) members of the community at-large.

Time Commitment and Term

Initial appointments will be staggered, such that some of the initial appointees will be appointed to serve one full two-year term. The other initial appointments will serve a one-year term, but will be eligible for reappointment by the Board for a second and third two-year term.

Would You be Interested in Serving?

If you wish to serve on this important committee, please review the committee Bylaws for more information about the committee's role and responsibilities and complete the attached application. Completed applications should be sent to Hanford Elementary School District by 4:30 PM on _____, 2017.

**Hanford Elementary School District
714 N. White Street, Hanford, CA 93230
Tel: 559.585.3600**

HANFORD ELEMENTARY SCHOOL DISTRICT
APPLICATION FOR INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE 85/192

(Please Print or Type)

Name: _____

Address: _____

Home Phone: _____ Work Phone: _____

FAX #: _____ E-Mail: _____

Why do you want to serve on the Measure U Independent Citizens' Oversight Committee?

Do you have any special area of expertise or experience that you think would be helpful to the committee?

If you have served on other school district, city or community committees please list and briefly describe your role:

I would be able to represent the following constituencies in the District: (check all that apply)

86/192

- ☐ **Business Representative** - Active in a business organization representing local business

Organization: _____

- ☐ **Senior Citizen Group Representative** - Active member in a senior citizens' organization.

Organization: _____

- ☐ **Taxpayer Organization Member** - Active in a bona fide taxpayers' association.

Organization: _____

- ☐ **Parent or Guardian of Child Enrolled in District.**

Child's Name and School: _____

Child's Name and School: _____

- ☐ **Parent /Guardian of Child Enrolled in District & Active in a Parent-Teacher Organization**

Child's Name and School: _____

Child's Name and School: _____

Organization: _____

- ☐ **At-Large Community Member** – Resident of the Hanford Elementary School District.

Name: _____

Name: _____

Please note any additional information you feel should be considered as part of your application:

	YES	NO
1. Are you an employee of the District?*		
2. Are you a vendor, contractor, or consultant to the school district?*		
3. Do you have conflicts that would preclude your attending quarterly meetings?		
4. Do you know of any reason, such as a potential conflict of interest, which would adversely affect your ability to serve on the Independent Citizens' Oversight Committee?*		
5. Are you willing to comply with the ethics code included in the bylaws?		

(*Employees, vendors, contractors, and consultants of the Hanford Elementary School District are prohibited by law from being members of the Citizens' Oversight Committee. Employment which could result in becoming a contractor or subcontractor to the district would also be a potential conflict.)

Signature of Applicant

All answers and statements in this document are true and complete to the best of my knowledge.

Signature _____ Date _____.

Completed applications must be received at

Hanford Elementary School District
714 N. White Street, Hanford, CA 93230

no later than at 4:30 pm, _____, 2017. If you have any questions, please call Hanford Elementary School District at **559.585.3600**.

It is the policy of the Hanford Elementary School District not to unlawfully discriminate on the basis of sex, sexual orientation, gender, ethnic group identification, race, ancestry, national origin, color, religion, marital status, age or mental or physical disability in the educational programs or activities which it operates.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/17/2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/25/2017

ITEM:

Consider approval of consultant agreement with Isom Advisors.

PURPOSE:

Isom Advisors is acting as the District's financial advisor with respect to the general obligation bonds and would like to provide continuing disclosure services with respect to its upcoming and previous general obligation bond issuance.

FISCAL IMPACT:

The cost for disclosure services is \$3,000.

RECOMMENDATIONS:

Approve consultant agreement with Isom Advisors.

Consulting Services Agreement - Continuing Disclosure

This CONSULTING SERVICES AGREEMENT (this "Agreement") is dated as of the latest date set forth on the signature page hereto (the "Effective Date") and is entered into by and between Isom Advisors, a Division of Urban Futures Inc., a California corporation ("Advisor"), and Hanford Elementary School District ("District").

Advisor agrees to:

1. Review ongoing District's Continuing Disclosure ("CD") requirements.
2. Submit to MSRB the necessary filings and documentation to remain compliant with CD requirements including the annual report as well as other material event filings.

District agrees to:

1. Fully cooperate and assist Advisor in providing appropriate data for the development of the Annual Report on behalf of District.

Consideration:

1. In consideration for the above services, District agrees to pay Advisor pursuant to the following:
 - a. An annual fee of \$3,000 plus expenses incurred to prepare the Annual Report paid within 30 days of receipt of invoice.
 - b. In any future year, the District may, at its own discretion, choose not to have Advisor complete the Continuing Disclosure Services, and shall inform Advisor no later than February 1 of said year.
 - c. This agreement shall terminate with 30 days written notice from either party sent via certified mail; any outstanding expenses incurred shall be paid immediately by the District.

Arbitration:

In the event of a dispute between the parties regarding the terms or performance of this Agreement, the parties agree to decide this dispute under the rules of the American Arbitration Association.

Complete Agreement:

The parties agree that this Agreement is the complete agreement between the parties superseding all prior written or oral agreements between the parties. The parties further agree that this Agreement can be altered or modified only through a writing signed and dated by both parties.

Hanford Elementary School District

Isom Advisors, a Division of Urban Futures, Inc.

David Endo
Chief Business Official

Date

Jon Isom
Managing Principal

Date

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/17/2017

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 01/25/2017

ITEM:

Consider acceptance of 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.

There were no findings in the audit report.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

Accept the audit report.

HANFORD ELEMENTARY SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

HANFORD ELEMENTARY SCHOOL DISTRICT**TABLE OF CONTENTS****JUNE 30, 2016**

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HANFORD ELEMENTARY SCHOOL DISTRICT**TABLE OF CONTENTS****JUNE 30, 2016**

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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, 2016, 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 *2015-2016 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, budgetary comparison schedule on page 65, schedule of other postemployment benefits funding progress on page 66, schedule of the district's proportionate share of net pension liability on page 67, and the schedule of district contributions on page 68, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other supplementary information as listed on the table of contents are presented for purposes of additional analysis and are 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 8, 2016, 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 8, 2016

Hanford Elementary School District

HANFORD ELEMENTARY SCHOOL DISTRICT KINGS COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016. 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 2015-2016 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 5,890 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, 2016

FINANCIAL HIGHLIGHTS

- The Hanford Elementary School District's Government-wide Statement of Net Position illustrates total net position of \$(1.6) million, the result of assets and deferred outflows of \$66.1 million minus liabilities and deferred inflows of \$67.7 million.
- General Revenues accounted for \$59.1 million or 85 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$10.4 million or 15 percent of total revenues of \$69.6 million.
- The District had \$65.0 million in expenses related to governmental activities.
- The General Fund reported a positive fund balance of \$10.0 million.

STUDENT ENROLLMENT & DEMOGRAPHIC TRENDS

- The School District has an enrollment of approximately 5,890 students for the current 2015-2016 school year, with enrollment projected to remain static at 5,890 for the coming 2016-2017 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 2016-2017 ADA for the District is 5,301 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.

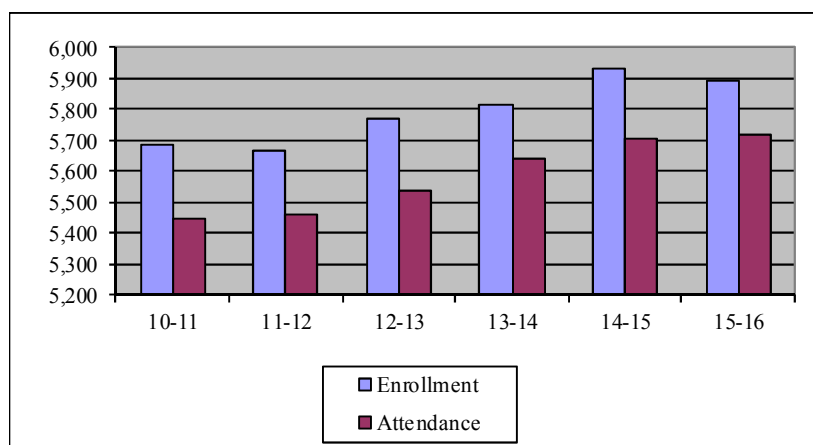


Figure 1. District Enrollment to Actual Attendance Data

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

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", 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, 2016**

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 2015-2016 and 2014-2015, respectively.

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Table 1. Net Position

(Amounts in millions)	Governmental Activities		Difference over/(under)
	2016	2015	
Assets			
Current and other assets	\$ 21.9	\$ 18.2	\$ 3.7
Capital assets	33.0	31.8	1.2
Total Assets	<u>54.9</u>	<u>50.0</u>	<u>4.9</u>
Deferred Outflows of Resources	<u>11.2</u>	<u>3.0</u>	<u>8.2</u>
Liabilities			
Current liabilities	4.5	3.6	0.9
Long-term obligations	8.5	9.1	(0.6)
Net pension liability	45.7	36.6	9.1
Total Liabilities	<u>58.7</u>	<u>49.3</u>	<u>9.4</u>
Deferred Inflows of Resources	<u>9.0</u>	<u>9.8</u>	<u>(0.8)</u>
Net Position			
Net investment in capital assets	27.9	25.9	2.0
Restricted	5.1	5.6	(0.5)
Unrestricted	(34.6)	(37.6)	3.0
Total Net Position	<u><u>\$ (1.6)</u></u>	<u><u>\$ (6.1)</u></u>	<u><u>\$ 4.5</u></u>

Table 2 shows the changes in net position for fiscal years 2015-2016 and 2014-2015, respectively.

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Table 2. Changes in Net Position

(Amounts in millions)	Governmental Activities		Difference over/(under)
	2016	2015	
Revenues			
Program revenues:			
Charges for services	\$ 0.2	\$ 0.3	\$ (0.1)
Operating grants and contributions	10.2	9.6	0.6
General revenues:			
Federal and State aid not restricted	52.6	44.6	8.0
Property taxes	4.2	3.3	0.9
Other general revenues	2.3	2.0	0.3
Total Revenues	69.5	59.8	9.7
Expenses			
Instruction related	43.1	37.8	5.3
Student support services	8.6	6.9	1.7
Administration	4.1	3.8	0.3
Maintenance and operations	6.6	6.1	0.5
Other	2.6	2.5	0.1
Total Expenses	65.0	57.1	7.9
Change in Net Position	\$ 4.5	\$ 2.7	\$ 1.8

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

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 summarizes the District's Governmental Expenditures by function.

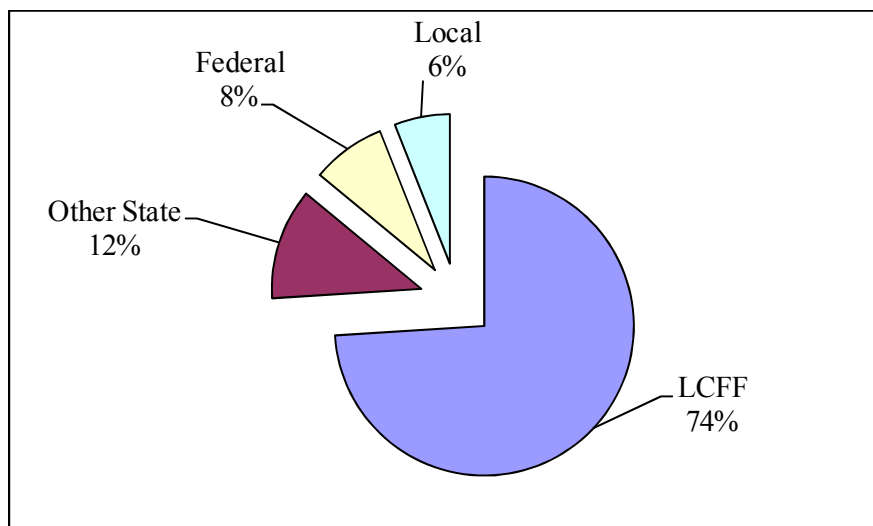


Figure 2. Revenues by Source

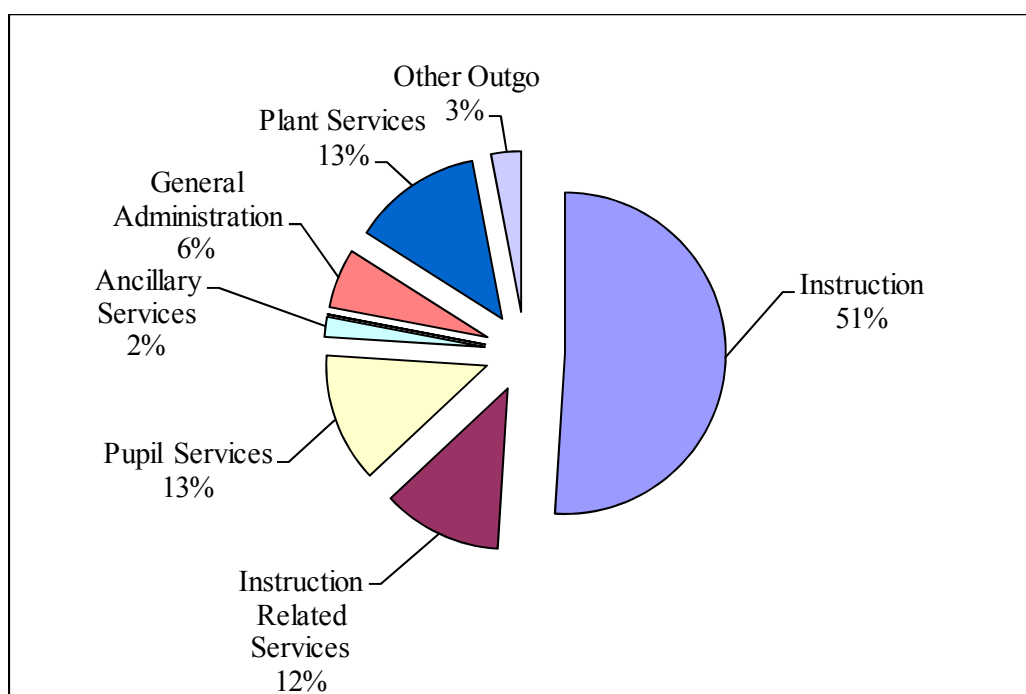


Figure 3. Expenditures by Function

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2016

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 General Fund budget. As revenues from these two sources change, so do District revenues, since 96% 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 \$4.7 million and may be summarized as follows:

\$7.5 million increase in total revenue mainly due to increases state revenue.

\$2.7 million increase in total expenditures mainly due to increases in salaries and benefits.

HANFORD ELEMENTARY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

- CAPITAL ASSETS

At June 30, 2015, the District had \$31.8 million in a broad range of capital assets, including land, buildings, and furniture and equipment, net of accumulated depreciation. At June 30, 2016, the District's net capital assets were \$33.0 million. This amount represents a net increase (including additions and deductions) of \$1.2 million, or 3.8 percent, from last year. Table 3 shows the balances for fiscal years 2015-2016 and 2014-2015.

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

(Amounts in millions)	Governmental Activities		Difference over/(under)
	2016	2015	
Land	\$ 2.1	\$ 2.1	\$ -
Buildings and improvements	28.9	27.4	1.5
Equipment	1.6	1.5	0.1
Construction in Progress	0.4	0.8	(0.4)
Total	\$ 33.0	\$ 31.8	\$ 1.2

- LONG-TERM OBLIGATIONS

At the end of this year, the District had \$8.5 million in long-term obligations outstanding versus \$9.1 million last year, a decrease of 6.6 percent. Table 4 summarizes these debts.

Table 4. Outstanding Obligations

(Amounts in millions)	Governmental Activities		Difference over/(under)
	2016	2015	
General obligation bonds	\$ 5.1	\$ 6.0	\$ (0.9)
Compensated absences	0.3	0.3	-
Other postemployment benefits	3.1	2.8	0.3
Total	\$ 8.5	\$ 9.1	\$ (0.6)

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, 2016**

- **NET PENSION LIABILITY (NPL)**

In the fiscal year ending June 30, 2015, 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. As of June 30, 2016, the District reported Deferred Outflows from pension activities of \$11.2 million, Deferred Inflows from pension activities of \$9.0 million, and a Net Pension Liability of \$45.7 million. 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 David Endo, Chief Business Officer, Hanford Elementary School District, P. O. Box 1067, Hanford, CA 93232.

HANFORD ELEMENTARY SCHOOL DISTRICT**STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental Activities
ASSETS	
Deposits and investments	\$ 20,239,121
Receivables	1,438,044
Stores inventories	184,109
Nondepreciable capital assets	2,421,983
Capital assets being depreciated	55,534,458
Accumulated depreciation	(24,970,116)
Total Assets	54,847,599
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	11,190,358
LIABILITIES	
Accounts payable	4,442,593
Unearned revenue	10,941
Long-term obligations:	
Current portion of long-term obligations other than pensions	909,639
Noncurrent portion of long-term obligations other than pensions	7,589,985
Total Long-Term Obligations	8,499,624
Aggregate net pension liability	45,673,921
Total Liabilities	58,627,079
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	9,027,405
NET POSITION	
Net investment in capital assets	27,875,483
Restricted for:	
Debt service	1,193,163
Capital projects	525,204
Educational programs	1,671,002
Other activities	1,670,372
Unrestricted	(34,551,751)
Total Net Position	\$ (1,616,527)

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

HANFORD ELEMENTARY SCHOOL DISTRICT**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 34,748,728	\$ -	\$ 4,140,341
Instruction-related activities:			
Supervision of instruction	2,805,168	-	1,578,951
Instructional library, media, and technology	884,550	-	-
School site administration	4,683,120	-	114,143
Pupil services:			
Home-to-school transportation	1,091,957	-	144,080
Food services	2,990,073	192,506	2,184,217
All other pupil services	4,519,574	-	612,855
Administration:			
Data processing	466,450	-	-
All other administration	3,650,139	9,320	322,953
Plant services	6,609,824	399	9,282
Ancillary services	1,222,755	-	1,016,472
Interest on long-term obligations	566,263	-	-
Other outgo	785,400	-	110,404
Total Governmental Activities	\$ 65,024,001	\$ 202,225	\$ 10,233,698
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			
Net Position - Ending			

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

Net (Expenses)
Revenues and
Changes in
Net Position
Governmental
Activities
<hr/>
\$ (30,608,387)
(1,226,217)
(884,550)
(4,568,977)
(947,877)
(613,350)
(3,906,719)
(466,450)
(3,317,866)
(6,600,143)
(206,283)
(566,263)
(674,996)
<hr/> (54,588,078) <hr/>
2,398,612
1,650,341
72,327
52,595,144
100,281
2,234,875
<hr/> 59,051,580 <hr/>
4,463,502
(6,080,029)
<hr/> \$ (1,616,527) <hr/>

HANFORD ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016

	General Fund	Special Reserve Capital Outlay Fund	Non-Major Governmental Funds
ASSETS			
Deposits and investments	\$ 12,704,645	\$ 3,212,467	\$ 3,766,436
Receivables	1,243,718	-	194,242
Due from other funds	46,578	-	-
Stores inventories	150,855	-	33,254
Total Assets	\$ 14,145,796	\$ 3,212,467	\$ 3,993,932
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,149,115	\$ -	\$ 136,908
Due to other funds	-	46,578	-
Unearned revenue	10,941	-	-
Total Liabilities	4,160,056	46,578	136,908
Fund Balances:			
Nonspendable	155,905	-	33,664
Restricted	1,617,522	-	3,408,555
Committed	-	-	179,535
Assigned	1,388,919	3,165,889	235,270
Unassigned	6,823,394	-	-
Total Fund Balances	9,985,740	3,165,889	3,857,024
Total Liabilities and Fund Balances	\$ 14,145,796	\$ 3,212,467	\$ 3,993,932

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

Total Governmental Funds	
<hr/>	
\$	19,683,548
	1,437,960
	46,578
	184,109
<hr/>	
\$	21,352,195
<hr/>	

\$	4,286,023
	46,578
	10,941
<hr/>	
	4,343,542
<hr/>	

	189,569
	5,026,077
	179,535
	4,790,078
	6,823,394
<hr/>	
	17,008,653
<hr/>	
\$	21,352,195
<hr/>	

HANFORD ELEMENTARY SCHOOL DISTRICT
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total Fund Balance - Governmental Funds	\$ 17,008,653
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	\$ 57,956,441
Accumulated depreciation is	<u>(24,970,116)</u>
Net Capital Assets	32,986,325
Expenditures relating to contributions made to pension plans were recognized on the modified accrual basis, but are not recognized on the accrual basis.	3,886,702
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.	399,087
The net change in proportionate share of net pension liability as of the measurement date is not recognized as an expenditure under the modified accrual basis, but is recognized on the accrual basis over the expected average remaining service life of members receiving pension benefits.	2,084,131
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.	(3,185,816)
The differences between expected and actual experience in the measurement of the total pension liability are not recognized on the modified accrual basis, but are recognized on the accrual basis over the expected average remaining service life of members receiving pension benefits.	76,318
The changes of assumptions is not recognized as an expenditure under the modified accrual basis, but is recognized on the accrual basis over the expected average remaining service life of members receiving pension benefits.	(698,382)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.	(45,673,921)

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

HANFORD ELEMENTARY SCHOOL DISTRICT
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION, Continued
 JUNE 30, 2016**

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	\$ 5,110,842	
Compensated absences	335,670	
Other postemployment benefits (OPEB)	<u>3,053,112</u>	
Total Long-Term Obligations		\$ (8,499,624)
Total Net Position - Governmental Activities		<u><u>\$ (1,616,527)</u></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, 2016

	General Fund	Special Reserve Capital Outlay Fund	Non-Major Governmental Funds
REVENUES			
Local Control Funding Formula	\$ 47,469,207	\$ -	\$ 3,332,019
Federal sources	2,872,661	-	2,617,810
Other State sources	7,225,941	366,486	648,972
Other local sources	2,451,025	82,687	2,536,951
Total Revenues	60,018,834	449,173	9,135,752
EXPENDITURES			
Current			
Instruction	32,574,642	-	1,772,491
Instruction-related activities:			
Supervision of instruction	2,656,814	-	90,828
Instructional library, media and technology	786,054	-	65,956
School site administration	4,267,862	-	352,052
Pupil services:			
Home-to-school transportation	944,306	-	45,937
Food services	14,248	-	2,995,080
All other pupil services	4,288,504	-	181,305
Administration:			
Data processing	479,850	-	-
All other administration	3,127,265	-	326,272
Plant services	5,430,002	12,534	958,635
Facility acquisition and construction	206,500	944,343	807,330
Ancillary services	1,152,687	-	362
Other outgo	785,400	-	-
Debt service			
Principal	-	-	858,127
Interest and other	-	-	582,406
Total Expenditures	56,714,134	956,877	9,036,781
Excess (Deficiency) of Revenues Over Expenditures	3,304,700	(507,704)	98,971
Other Financing Sources (Uses)			
Transfers in	-	1,481,855	472
Transfers out	(1,300,472)	-	(181,855)
Net Financing Sources (Uses)	(1,300,472)	1,481,855	(181,383)
NET CHANGE IN FUND BALANCES	2,004,228	974,151	(82,412)
Fund Balance - Beginning	7,981,512	2,191,738	3,939,436
Fund Balance - Ending	\$ 9,985,740	\$ 3,165,889	\$ 3,857,024

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

Total Governmental Funds	
<hr/>	
\$	50,801,226
	5,490,471
	8,241,399
	5,070,663
	<hr/>
	69,603,759
	<hr/>
	34,347,133
	2,747,642
	852,010
	4,619,914
	990,243
	3,009,328
	4,469,809
	479,850
	3,453,537
	6,401,171
	1,958,173
	1,153,049
	785,400
	858,127
	582,406
	<hr/>
	66,707,792
	<hr/>
	2,895,967
	<hr/>
	1,482,327
	(1,482,327)
	<hr/>
	-
	<hr/>
	2,895,967
	14,112,686
	<hr/>
\$	17,008,653
	<hr/>

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, 2016**

Total Net Change in Fund Balances - Governmental Funds **\$ 2,895,967**

**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	\$ 2,528,270	
Depreciation expense	<u>(1,381,407)</u>	1,146,863

Loss on disposal of capital assets is reported in the government-wide Statement of Activities, but is not recorded in the governmental funds. (3,237)

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 \$52,682. (52,682)

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. (206,734)

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	858,127
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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: (251,704)

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

HANFORD ELEMENTARY SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES, Continued
FOR THE YEAR ENDED JUNE 30, 2016**

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.

Change in Net Position of Governmental Activities

\$	60,759
\$	4,463,502

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

HANFORD ELEMENTARY SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets	
Deposits and investments	\$ 555,573
Receivables	84
Total Current Assets	<u>555,657</u>
LIABILITIES	
Current Liabilities	
Accounts payable	<u>156,570</u>
Total Current Liabilities	<u>156,570</u>
NET POSITION	
Unrestricted	<u>399,087</u>
Total Net Position	<u><u>\$ 399,087</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, 2016

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges to other funds and miscellaneous revenues	\$ 688,505
Total Operating Revenues	<u>688,505</u>
OPERATING EXPENSES	
Professional and contract services	<u>630,956</u>
Total Operating Expenses	<u>630,956</u>
Operating Income	<u>57,549</u>
NONOPERATING REVENUES	
Interest income	<u>3,210</u>
Total Nonoperating Revenues	<u>3,210</u>
Change in Net Position	60,759
Total Net Position - Beginning	<u>338,328</u>
Total Net Position - Ending	<u><u>\$ 399,087</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, 2016

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from premiums	\$ 688,439
Cash payments for insurance claims	(631,683)
Net Cash Provided by Operating Activities	<u>56,756</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	3,210
Net Cash Provided by Investing Activities	<u>3,210</u>
Net Increase in Cash and Cash Equivalents	59,966
Cash and Cash Equivalents - Beginning	495,607
Cash and Cash Equivalents - Ending	<u><u>\$ 555,573</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 57,549
Changes in assets and liabilities:	
Receivables	(66)
Accounts payable	(727)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 56,756</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, 2016**

	Agency Funds
ASSETS	
Deposits and investments	\$ 33,689
Total Assets	\$ 33,689
LIABILITIES	
Due to student groups	\$ 33,689
Total Liabilities	\$ 33,689

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

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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 20, Special Reserve Fund for Postemployment Benefits, 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 \$1,388,919, \$1,388,919, and \$2,445, respectively.

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).

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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.

Cafeteria Fund The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

Deferred Maintenance Fund The Deferred Maintenance Fund is used to account separately for State apportionments and the District's contributions for deferred maintenance purposes (*Education Code* Sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

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).

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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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.

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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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.

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.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

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, 2016, 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.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position.

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.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

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 pension related items.

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 pension related items.

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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Fund Balances - Governmental Funds

As of June 30, 2016, 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.

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 \$5,059,741 of restricted net position.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

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.

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.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

Change in Accounting Principles

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 District has implemented the provisions of this Statement as of June 30, 2016.

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.

The provisions in this Statement effective as of June 30, 2016, include the provisions for assets accumulated for purposes of providing pensions through defined benefit plans and the amended provisions of Statements No. 67 and No. 68. The District has implemented these provisions as of June 30, 2016. The provisions in this Statement related to defined benefit pensions that are not within the scope of Statement No. 68 are effective for periods beginning after June 15, 2016.

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 District has implemented the provisions of this Statement as of June 30, 2016.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement No. 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The District has implemented the provisions of this Statement as of June 30, 2016.

New Accounting Pronouncements

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*.

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

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement

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

In December 2015, the GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement No. 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Early implementation is encouraged.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

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

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Early implementation is encouraged.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

In March 2016, the GASB issued Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Early implementation is encouraged.

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

Deposits and investments as of June 30, 2016, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 20,239,121
Fiduciary funds	33,689
Total Deposits and Investments	<u>\$ 20,272,810</u>

Deposits and investments as of June 30, 2016, consist of the following:

Cash on hand and in banks	\$ 45,689
Cash in revolving	5,460
Investments	20,221,661
Total Deposits and Investments	<u>\$ 20,272,810</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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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.

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.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

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	<u>\$ 20,270,233</u>	<u>\$ -</u>	<u>\$ 20,270,233</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Kings County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016****NOTE 4 - RECEIVABLES**

Receivables at June 30, 2016, consist of intergovernmental grants, entitlements, and local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Federal Government				
Categorical aid	\$ 384,864	\$ -	\$ -	\$ 384,864
State Government				
Grants and entitlements	776,196	88,843	-	865,039
Local Sources	82,658	105,399	84	188,141
Total	<u>\$ 1,243,718</u>	<u>\$ 194,242</u>	<u>\$ 84</u>	<u>\$ 1,438,044</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, are as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 2,052,315	\$ -	\$ -	\$ 2,052,315
Construction in progress	810,697	366,141	807,170	369,668
Total Capital Assets Not Being Depreciated	<u>2,863,012</u>	<u>366,141</u>	<u>807,170</u>	<u>2,421,983</u>
Capital Assets Being Depreciated				
Land improvements	5,964,716	225,365	-	6,190,081
Buildings and improvements	41,942,203	2,173,837	-	44,116,040
Furniture and equipment	4,730,806	570,097	72,566	5,228,337
Total Capital Assets Being Depreciated	<u>52,637,725</u>	<u>2,969,299</u>	<u>72,566</u>	<u>55,534,458</u>
Less Accumulated Depreciation				
Land improvements	4,683,956	150,701	-	4,834,657
Buildings and improvements	15,724,703	918,386	-	16,643,089
Furniture and equipment	3,249,380	312,320	69,330	3,492,370
Total Accumulated Depreciation	<u>23,658,039</u>	<u>1,381,407</u>	<u>69,330</u>	<u>24,970,116</u>
Governmental Activities Capital Assets, Net	<u>\$ 31,842,698</u>	<u>\$ 1,954,033</u>	<u>\$ 810,406</u>	<u>\$ 32,986,325</u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

Depreciation expense was charged to the following functions as follows:

Governmental Activities

Instruction	\$ 632,500
Supervision of instruction	53,902
School site administration	101,931
Home-to-school transportation	75,462
Food services	98,767
All other pupil services	37,908
Ancillary services	27,502
All other general administration	155,316
Plant services	198,119
Total Depreciation Expenses Governmental Activities	<u>\$ 1,381,407</u>

NOTE 6 - INTERFUND TRANSACTIONS**Interfund Receivables/Payables (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2016, between major governmental funds are as follows:

	Interfund Receivables	Interfund Payables
Major Governmental Funds		
General	\$ 46,578	\$ -
Special Reserve Capital Outlay	-	46,578
Total All Governmental Funds	<u>\$ 46,578</u>	<u>\$ 46,578</u>

The Special Reserve Capital Outlay Fund owes the General Fund to repay construction costs. \$ 46,578

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

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, 2016, consist of the following:

The General Fund transferred to the Special Reserve Capital Outlay Fund for capital projects.	\$ 1,300,000
The General Fund transferred to the Cafeteria Fund for uncollected food service charges.	472
The Charter School Fund transferred to the Special Reserve Capital Outlay Fund for capital projects.	181,855
Total	<u><u>\$ 1,482,327</u></u>

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2016, consist of the following:

	General Fund	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Vendor payables	\$ 2,260,088	\$ 136,908	\$ 156,570	\$ 2,553,566
Salaries and benefits	3,953	-	-	3,953
Deferred payroll	1,711,417	-	-	1,711,417
LCFF funding	173,657	-	-	173,657
Total	<u><u>\$ 4,149,115</u></u>	<u><u>\$ 136,908</u></u>	<u><u>\$ 156,570</u></u>	<u><u>\$ 4,442,593</u></u>

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2016, consists of the following:

	General Fund
Federal financial assistance	<u><u>\$ 10,941</u></u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016****NOTE 9 - LONG-TERM OBLIGATIONS****Summary**

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

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
General obligation bonds-					
1993 Issuance	\$ 281,623	\$ -	\$ 138,127	\$ 143,496	\$ 143,496
2003 Issuance	1,345,000	-	325,000	1,020,000	340,000
2010 issuance	4,220,000	-	395,000	3,825,000	410,000
Unamortized bond premium-					
2003 Issuance	3,396	-	1,132	2,264	1,132
2010 Issuance	135,093	-	15,011	120,082	15,011
Compensated absences - net	282,988	52,682	-	335,670	-
Other postemployment benefits	2,801,408	1,076,893	825,189	3,053,112	-
Total	<u>\$ 9,069,508</u>	<u>\$ 1,129,575</u>	<u>\$ 1,699,459</u>	<u>\$ 8,499,624</u>	<u>\$ 909,639</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.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate %	Original Issue	Bonds Outstanding July 1, 2015	Redeemed	Bonds Outstanding June 30, 2016
1993 ¹	2002-17	5.15-5.8	<u>\$ 1,750,000</u>	<u>\$ 281,623</u>	<u>\$ 138,127</u>	<u>\$ 143,496</u>
2003	2005-19	2.0-3.5	<u>\$ 4,775,000</u>	<u>\$ 1,345,000</u>	<u>\$ 325,000</u>	<u>\$ 1,020,000</u>
2010	2012-24	2.0-5.0	<u>\$ 5,740,000</u>	<u>\$ 4,220,000</u>	<u>\$ 395,000</u>	<u>\$ 3,825,000</u>

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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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, 2016, are as follows:

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Interest portion</u>	<u>Maturity Value</u>
2017	\$ 143,496	\$ 406,504	\$ 550,000

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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2017	\$ 340,000	\$ 29,060	\$ 369,060
2018	350,000	17,500	367,500
2019	330,000	5,775	335,775
Total	\$ 1,020,000	\$ 52,335	\$ 1,072,335

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, 2016, amounted to \$2,264.

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.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

The bonds mature through 2024 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
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	485,000	89,450	574,450
2022-2024	1,595,000	122,124	1,717,124
Total	<u>\$ 3,825,000</u>	<u>\$ 761,906</u>	<u>\$ 4,586,906</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, 2016, amounted to \$120,082.

Compensated Absences

The long-term portion of compensated absences for the District at June 30, 2016, amounted to \$335,670.

Other Postemployment Benefits (OPEB) Obligation

The District's annual required contribution for the year ended June 30, 2016, was \$964,836, and contributions made by the District during the year were \$663,164, (includes implicit subsidy rate of 1.2544). Interest on the net OPEB obligation and adjustments to the annual required contribution were \$112,057 and \$(162,025), respectively, which resulted in an increase to the net OPEB obligation of \$251,704. As of June 30, 2016, the net OPEB obligation was \$3,053,112. See Note 12 for additional information regarding the OPEB obligation and the postemployment benefits plan.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016****NOTE 10 - FUND BALANCES**

Fund balances are composed of the following elements:

	General Fund	Special Reserve Capital Outlay Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	\$ 5,050	\$ -	\$ 410	\$ 5,460
Stores inventories	150,855	-	33,254	184,109
Total Nonspendable	<u>155,905</u>	<u>-</u>	<u>33,664</u>	<u>189,569</u>
Restricted				
Legally restricted programs	1,617,522	-	1,690,188	3,307,710
Capital projects	-	-	525,204	525,204
Debt service	-	-	1,193,163	1,193,163
Total Restricted	<u>1,617,522</u>	<u>-</u>	<u>3,408,555</u>	<u>5,026,077</u>
Committed				
Deferred maintenance program	-	-	179,535	179,535
Assigned				
Transportation Equipment	125,779	-	-	125,779
Charter school activities	-	-	235,270	235,270
Postemployment benefits	1,263,140	-	-	1,263,140
Future capital projects	-	3,165,889	-	3,165,889
Total Assigned	<u>1,388,919</u>	<u>3,165,889</u>	<u>235,270</u>	<u>4,790,078</u>
Unassigned				
Reserve for economic uncertainties	3,500,000	-	-	3,500,000
Remaining unassigned	3,323,394	-	-	3,323,394
Total Unassigned	<u>6,823,394</u>	<u>-</u>	<u>-</u>	<u>6,823,394</u>
Total	<u>\$ 9,985,740</u>	<u>\$ 3,165,889</u>	<u>\$ 3,857,024</u>	<u>\$ 17,008,653</u>

NOTE 11 - EXPENDITURES (BUDGET VERSUS ACTUAL)

At June 30, 2016, there were no District major funds that exceeded the budgeted amounts.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

NOTE 12 - 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 45 retirees and beneficiaries currently receiving benefits and approximately 470 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 2015-2016, the District contributed \$528,670 to the plan excluding the implicit rate subsidy factor of 1.2544 percent, all of which was used for current premiums (approximately 78 percent of total premiums). Plan members receiving benefits contributed \$145,201, or approximately 22 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	112,057
Adjustment to annual required contribution	<u>(162,025)</u>
Annual OPEB cost	914,868
Contributions made	<u>(663,164)</u>
Increase in net OPEB obligation	251,704
Net OPEB obligation, beginning of year	<u>2,801,408</u>
Net OPEB obligation, end of year	<u><u>\$ 3,053,112</u></u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016****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
2016	\$ 914,868	\$ 663,164	72.49%	\$ 3,053,112
2015	920,927	581,196	63.11%	2,801,408
2014	928,339	512,826	55.24%	2,461,677

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 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, 2015	\$ -	\$ 9,362,395	\$ 9,362,395	0%	\$ 35,225,292	26.58%

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, 2016**

In the July 1, 2015, 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, 2015, was 30 years.

NOTE 13 - 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, 2016, 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 2016, 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, 2016****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, 2014 to June 30, 2016 (in thousands):

	<u>Dental Care</u>
Liability Balance, June 30, 2014	\$ 136,721
Claims and changes in estimates	20,576
Liability Balance, June 30, 2015	157,297
Claims and changes in estimates	(727)
Liability Balance, June 30, 2016	<u>\$ 156,570</u>
Assets available to pay claims at June 30, 2016	<u>\$ 555,657</u>

NOTE 14 - 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).

For the fiscal year ended June 30, 2016, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 34,307,537	\$ 7,180,565	\$ 6,073,021	\$ 2,830,139
CalPERS	11,366,384	4,009,793	2,954,384	1,085,768
Total	<u>\$ 45,673,921</u>	<u>\$ 11,190,358</u>	<u>\$ 9,027,405</u>	<u>\$ 3,915,907</u>

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.

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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, 2014, 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.

The STRP provisions and benefits in effect at June 30, 2016, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
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	9.20%	8.56%
Required employer contribution rate	10.73%	10.73%
Required state contribution rate	7.12589%	7.12589%

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, 2016, are presented above and the District's total contributions were \$2,751,552.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, 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	\$ 34,307,537
State's proportionate share of the net pension liability associated with the District	18,144,905
Total	<u>\$ 52,452,442</u>

The net pension liability was measured as of June 30, 2015. 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. The District's proportionate share for the measurement period June 30, 2015 and June 30, 2014, respectively was 0.051 percent and 0.482 percent, resulting in a net increase in the proportionate share of 0.0028 percent.

For the year ended June 30, 2016, the District recognized pension expense of \$2,830,139. In addition, the District recognized pension expense and revenue of \$1,405,527 for support provided by the State. At June 30, 2016, 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	\$ 2,751,552	\$ -
Net change in proportionate share of net pension liability	1,725,901	-
Difference between projected and actual earnings on pension plan investments	2,703,112	5,499,734
Differences between expected and actual experience in the measurement of the total pension liability	-	573,287
Total	<u>\$ 7,180,565</u>	<u>\$ 6,073,021</u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

The deferred outflows 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 subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ (1,157,467)
2018	(1,157,467)
2019	(1,157,467)
2020	675,779
Total	<u>\$ (2,796,622)</u>

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability and the differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the 2014-2015 measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ 192,102
2018	192,102
2019	192,102
2020	192,102
2021	192,102
Thereafter	192,104
Total	<u>\$ 1,152,614</u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016****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, 2014, and rolling forward the total pension liability to June 30, 2015. The financial reporting actuarial valuation as of June 30, 2014, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
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.

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's 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 independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation is based on Teachers' Retirement Board of the California State Teachers' Retirement System (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%

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

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%)	\$ 51,801,710
Current discount rate (7.60%)	\$ 34,307,537
1% increase (8.60%)	\$ 19,768,467

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, 2014 annual actuarial valuation report, Schools Pool Actuarial Valuation, 2014. 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>.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

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, 2016, are summarized as follows:

	<u>School Employer Pool (CalPERS)</u>	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
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	11.847%	11.847%

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, 2016, are presented above and the total District contributions were \$1,135,150.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2016, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$11,366,384. The net pension liability was measured as of June 30, 2015. 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. The District's proportionate share for the measurement period June 30, 2015 and June 30, 2014, respectively was 0.0771 percent and 0.0740 percent, resulting in a net increase in the proportionate share of 0.0032 percent.

For the year ended June 30, 2016, the District recognized pension expense of \$1,085,768. At June 30, 2016, 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	\$ 1,135,150	\$ -
Net change in proportionate share of net pension liability	358,230	-
Difference between projected and actual earnings on pension plan investments	1,866,807	2,256,002
Differences between expected and actual experience in the measurement of the total pension liability	649,606	-
Changes of assumptions	-	698,382
Total	<u>\$ 4,009,793</u>	<u>\$ 2,954,384</u>

The deferred outflows 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 subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ (285,299)
2018	(285,299)
2019	(285,299)
2020	466,703
Total	<u>\$ (389,194)</u>

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and the differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the 2014-2015 measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ 106,708
2018	106,708
2019	93,038
Total	<u>\$ 306,454</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, 2014, and rolling forward the total pension liability to June 30, 2015. The financial reporting actuarial valuation as of June 30, 2014, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.65%
Investment rate of return	7.65%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

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, 2016**

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	51%	5.25%
Global fixed income	19%	0.99%
Private equity	10%	6.83%
Real estate	10%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	2%	4.50%
Liquidity	2%	-0.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.65 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 (6.65%)	\$ 18,499,736
Current discount rate (7.65%)	\$ 11,366,384
1% increase (8.65%)	\$ 5,434,524

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016**

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 \$1,521,783 (7.12589 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.

NOTE 15 - 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, 2016.

Litigation

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

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016****Construction Commitments**

As of June 30, 2016, the District had the following commitments with respect to the unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Monroe new administration building	\$ 60,000	Unknown
Data center remodel	350,000	12/2016
Central kitchen remodel	1,100,000	10/2016
JFK shade structure	50,000	10/2016
Total remaining construction commitments	<u>\$ 1,560,000</u>	

NOTE 16 - 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, 2016, the District made payment of \$294,078 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, 2016, the District made payment of \$5,681,692 to SISC III for health insurance.

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

During the year ended June 30, 2016, the District made payment of \$707,319 to KCSIS for workers' compensation insurance.

REQUIRED SUPPLEMENTARY INFORMATION

HANFORD ELEMENTARY SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variances -
	Original	Final		Favorable (Unfavorable) Final to Actual
REVENUES				
Local Control Funding Formula	\$ 45,151,337	\$ 47,469,207	\$ 47,469,207	\$ -
Federal sources	2,935,944	2,872,661	2,872,661	-
Other State sources	2,591,308	7,225,941	7,225,941	-
Other local sources	1,883,000	2,451,025	2,451,025	-
Total Revenues ¹	52,561,589	60,018,834	60,018,834	-
EXPENDITURES				
Current				
Certificated salaries	25,210,553	24,503,831	24,503,831	-
Classified salaries	9,072,947	9,725,086	9,725,086	-
Employee benefits	11,713,908	13,199,802	13,199,802	-
Books and supplies	3,987,756	4,914,095	4,914,095	-
Services and operating expenditures	3,104,381	3,249,893	3,249,893	-
Other outgo	805,866	495,400	495,400	-
Capital outlay	1,403,300	626,027	626,027	-
Total Expenditures ¹	55,298,711	56,714,134	56,714,134	-
Excess (Deficiency) of Revenues				
Over Expenditures	(2,737,122)	3,304,700	3,304,700	-
Other Financing Uses				
Transfers out	(1,500)	(1,300,472)	(1,300,472)	-
Total Financing Uses	(1,500)	(1,300,472)	(1,300,472)	-
NET CHANGE IN FUND BALANCES	(2,738,622)	2,004,228	2,004,228	-
Fund Balance - Beginning	7,981,512	7,981,512	7,981,512	-
Fund Balance - Ending	\$ 5,242,890	\$ 9,985,740	\$ 9,985,740	\$ -

¹ Due to the consolidation of Fund 15, Pupil Transportation Fund and Fund 20, Special Reserve Fund for Postemployment Benefits 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.

See accompanying notes to required supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)
FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2016

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, 2015	\$ -	\$ 9,362,395	\$ 9,362,395	0%	\$ 35,225,292	26.58%
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%

See accompanying notes to required supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2016</u>	<u>2015</u>
CalSTRS		
District's proportion of the net pension liability (asset)	<u>0.0510%</u>	<u>0.0482%</u>
District's proportionate share of the net pension liability (asset)	\$ 34,307,537	\$ 28,163,133
State's proportionate share of the net pension liability (asset) associated with the District	<u>18,144,905</u>	<u>17,006,116</u>
Total	<u>\$ 52,452,442</u>	<u>\$ 45,169,249</u>
District's covered - employee payroll	<u>\$ 23,320,878</u>	<u>\$ 21,702,145</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	<u>147.11%</u>	<u>129.77%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74%</u>	<u>77%</u>
 CalPERS		
District's proportion of the net pension liability (asset)	<u>0.0771%</u>	<u>0.0740%</u>
District's proportionate share of the net pension liability (asset)	<u>\$ 11,366,384</u>	<u>\$ 8,395,535</u>
District's covered - employee payroll	<u>\$ 8,524,832</u>	<u>\$ 7,842,555</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	<u>133.33%</u>	<u>107.05%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>79%</u>	<u>83%</u>

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

See accompanying notes to required supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2016</u>	<u>2015</u>
CalSTRS		
Contractually required contribution	\$ 2,751,552	\$ 2,070,894
Contributions in relation to the contractually required contribution	<u>2,751,552</u>	<u>2,070,894</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	<u>\$ 25,643,541</u>	<u>\$ 23,320,878</u>
Contributions as a percentage of covered - employee payroll	<u>10.73%</u>	<u>8.88%</u>
CalPERS		
Contractually required contribution	\$ 1,135,150	\$ 1,003,458
Contributions in relation to the contractually required contribution	<u>1,135,150</u>	<u>1,003,458</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	<u>\$ 9,581,751</u>	<u>\$ 8,524,832</u>
Contributions as a percentage of covered - employee payroll	<u>11.847%</u>	<u>11.771%</u>

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

See accompanying notes to required supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

NOTE 1 - PURPOSE OF SCHEDULES**Budgetary Comparison Schedule**

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Other Postemployment Benefits (OPEB) Funding Progress

This schedule is intended to show trends about the funding progress of the District's actuarially determined liability for postemployment benefits other than pensions.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

NOTE 2 - CHANGES IN BENEFIT TERMS AND ASSUMPTIONS**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuation for either CalSTRS and CalPERS.

Changes in Assumptions

The CalSTRS plan rate of investment return assumption was not changed from the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.50 percent to 7.65 percent since the previous valuation.

SUPPLEMENTARY INFORMATION

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

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	\$ 2,039,470
Title II, Part A, Teacher Quality	84.367	14341	278,471
Title III, Limited English Proficiency	84.365	14346	127,231
Special Education Programs			
Local Assistance	84.027	13379	195,758
IDEA, Mental Health Allocation Plan, Part B, Section 611	84.027	14468	62,752
Subtotal Special Education Programs			<u>258,510</u>
Total U.S. Department of Education			<u>2,703,682</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	118,880
Medi-Cal Billing Option	93.778	10013	50,099
Total U.S. Department of Health and Human Services			<u>168,979</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through CDE:			
Child Nutrition Cluster			
National School Lunch	10.555	13391	1,944,946
Especially Needy Breakfast	10.553	13526	562,412
Meals Supplements - Snack	10.555	13391	93,631
Summer Food Program	10.559	13004	16,821
Food Distribution - Commodities	10.555	13391	133,382
Subtotal Child Nutrition Cluster			<u>2,751,192</u>
Total U.S. Department of Agriculture			<u>2,751,192</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,623,853</u></u>

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2016

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

ADMINISTRATION

Paul J. Terry, Ed.D.	Superintendent
David Endo	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, 2016**

	Second Period Report	Annual Report
HANFORD ELEMENTARY SCHOOL DISTRICT		
Regular ADA		
Transitional kindergarten through third	2,455.71	2,456.86
Fourth through sixth	1,770.35	1,764.41
Seventh and eighth	1,081.01	1,076.58
Total Regular ADA	<u>5,307.07</u>	<u>5,297.85</u>
Extended Year Special Education		
Transitional kindergarten through third	0.97	0.97
Total Extended Year Special Education	<u>0.97</u>	<u>0.97</u>
Community Day School		
Transitional kindergarten through third	4.45	4.81
Fourth through sixth	5.13	6.11
Seventh and eighth	7.39	8.84
Total Community Day School	<u>16.97</u>	<u>19.76</u>
Total ADA	<u>5,325.01</u>	<u>5,318.58</u>
JEFFERSON CHARTER ACADEMY		
Regular ADA - All classroom based		
Transitional kindergarten through third	188.26	187.96
Fourth through sixth	145.13	144.86
Seventh and eighth	59.72	59.83
Total Regular ADA	<u>393.11</u>	<u>392.65</u>

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2016****HANFORD ELEMENTARY SCHOOL DISTRICT**

Grade Level	1986-1987 Minutes Requirement	2015-2016 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	48,980	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		52,180	180	N/A	Complied
Grade 2		52,180	180	N/A	Complied
Grade 3		52,180	180	N/A	Complied
Grades 4 - 6	54,000				
Grade 4		55,380	180	N/A	Complied
Grade 5		55,380	180	N/A	Complied
Grade 6		55,380	180	N/A	Complied
Grades 7 - 8	54,000				
Grade 7		57,239	180	N/A	Complied
Grade 8		57,239	180	N/A	Complied

JEFFERSON CHARTER ACADEMY

Grade Level	1986-1987 Minutes Requirement	2015-2016 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	48,980	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		52,180	180	N/A	Complied
Grade 2		52,180	180	N/A	Complied
Grade 3		52,180	180	N/A	Complied
Grades 4 - 6	54,000				
Grade 4		55,380	180	N/A	Complied
Grade 5		55,380	180	N/A	Complied
Grade 6		55,380	180	N/A	Complied
Grades 7 - 8	54,000				
Grade 7		57,239	180	N/A	Complied
Grade 8		57,239	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, 2016**

There were no adjustments to the Unaudited Actual Financial Report which required reconciliation to the audited financial statements at June 30, 2016.

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

	(Budget) 2017 ¹	2016	2015	2014
GENERAL FUND				
Revenues ⁴	\$ 60,985,203	\$ 60,016,389	\$ 49,940,640	\$ 47,346,669
Expenditures	60,244,847	56,714,134	48,104,751	47,277,264
Other uses and transfers out	840,000	2,647,472	501,801	1,701,545
Total Expenditures and Other Uses ⁴	61,084,847	59,361,606	48,606,552	48,978,809
INCREASE (DECREASE) IN FUND BALANCE	\$ (99,644)	\$ 654,783	\$ 1,334,088	\$ (1,632,140)
ENDING FUND BALANCE	\$ 8,497,177	\$ 8,596,821	\$ 7,942,038	\$ 6,607,950
AVAILABLE RESERVES ²	\$ 7,876,038	\$ 6,823,394	\$ 6,004,597	\$ 5,397,160
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	12.89%	11.49%	12.35%	11.02%
LONG-TERM OBLIGATIONS	Not Available	\$ 8,499,624	\$ 9,069,508	\$ 9,561,373
AVERAGE DAILY ATTENDANCE AT P-2 ³	5,301	5,325	5,372	5,640

The General Fund balance has increased by \$1,988,871 over the past two years. The fiscal year 2016-2017 budget projects a decrease of \$99,644 (1.16 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 surpluses in two of the past three years but anticipates incurring a deficit during the 2016-2017 fiscal year. Total long-term obligations have decreased by \$1,061,749 over the past two years due primarily to the payment of bonded debt.

Average daily attendance has decreased by 315 ADA over the past two years primarily due to the opening of Jefferson Charter School. Further decline of 24 ADA is anticipated during fiscal year 2016-2017.

¹ Budget 2017 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 School average daily attendance.

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

See accompanying note to supplementary information.

HANFORD ELEMENTARY SCHOOL DISTRICT**SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2016**

<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, 2016**

	Charter School Fund	Cafeteria Fund	Deferred Maintenance Fund
ASSETS			
Deposits and investments	\$ 295,154	\$ 1,639,513	\$ 197,855
Receivables	38,684	57,212	-
Stores inventories	-	33,254	-
Total Assets	\$ 333,838	\$ 1,729,979	\$ 197,855
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 45,088	\$ 59,607	\$ 18,320
Total Liabilities	45,088	59,607	18,320
Fund Balances:			
Nonspendable	-	33,664	-
Restricted	53,480	1,636,708	-
Committed	-	-	179,535
Assigned	235,270	-	-
Total Fund Balances	288,750	1,670,372	179,535
Total Liabilities and Fund Balances	\$ 333,838	\$ 1,729,979	\$ 197,855

See accompanying note to supplementary information.

Capital Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
\$ 440,751	\$ 1,193,163	\$ 3,766,436
98,346	-	194,242
-	-	33,254
<u>\$ 539,097</u>	<u>\$ 1,193,163</u>	<u>\$ 3,993,932</u>
\$ 13,893	\$ -	\$ 136,908
<u>13,893</u>	<u>-</u>	<u>136,908</u>
-	-	33,664
525,204	1,193,163	3,408,555
-	-	179,535
-	-	235,270
<u>525,204</u>	<u>1,193,163</u>	<u>3,857,024</u>
\$ 539,097	\$ 1,193,163	\$ 3,993,932

HANFORD ELEMENTARY SCHOOL DISTRICT
**NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016**

	Charter School Fund	Cafeteria Fund
REVENUES		
Local Control Funding Formula	\$ 3,032,019	\$ -
Federal sources	-	2,617,810
Other State sources	412,913	205,103
Other local sources	31,619	274,064
Total Revenues	3,476,551	3,096,977
EXPENDITURES		
Current		
Instruction	1,772,491	-
Instruction-related activities:		
Supervision of instruction	90,828	-
Instructional library, media, and technology	65,956	-
School site administration	352,052	-
Pupil services:		
Home-to-school transportation	45,937	-
Food services	-	2,995,080
All other pupil services	181,305	-
Administration:		
All other administration	145,000	145,000
Plant services	389,837	6,206
Facility acquisition and construction	-	756,440
Ancillary services	362	-
Debt service		
Principal	-	-
Interest and other	-	-
Total Expenditures	3,043,768	3,902,726
Excess (Deficiency) of Revenues Over Expenditures	432,783	(805,749)
Other Financing Sources (Uses)		
Transfers in	-	472
Transfers out	(181,855)	-
Net Financing Sources (Uses)	(181,855)	472
NET CHANGE IN FUND BALANCES	250,928	(805,277)
Fund Balance - Beginning	37,822	2,475,649
Fund Balance - Ending	\$ 288,750	\$ 1,670,372

See accompanying note to supplementary information.

Deferred Maintenance Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
\$ 300,000	\$ -	\$ -	\$ 3,332,019
-	-	-	2,617,810
-	-	30,956	648,972
1,550	605,910	1,623,808	2,536,951
301,550	605,910	1,654,764	9,135,752
-	-	-	1,772,491
-	-	-	90,828
-	-	-	65,956
-	-	-	352,052
-	-	-	45,937
-	-	-	2,995,080
-	-	-	181,305
-	36,272	-	326,272
151,326	411,266	-	958,635
-	50,890	-	807,330
-	-	-	362
-	-	858,127	858,127
-	-	582,406	582,406
151,326	498,428	1,440,533	9,036,781
150,224	107,482	214,231	98,971
-	-	-	472
-	-	-	(181,855)
-	-	-	(181,383)
150,224	107,482	214,231	(82,412)
29,311	417,722	978,932	3,939,436
\$ 179,535	\$ 525,204	\$ 1,193,163	\$ 3,857,024

HANFORD ELEMENTARY SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2016

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

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:		\$ 5,490,471
Reconciling item:		
Food Distribution - Commodities	10.555	133,382
Total Schedule of Expenditures of Federal Awards		<u>\$ 5,623,853</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, 2016**

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, 2016, 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 8, 2016.

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*.

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 8, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its Federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Vannink, Trine, Day & Co, LLP

Fresno, California
December 8, 2016



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 *2015-2016 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, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State 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 *2015-2016 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, 2016.

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
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	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
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
Educator Effectiveness	Yes
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
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No (see below)
Immunizations	Yes
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Non Classroom-Based Instruction/Independent Study for Charter Schools	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 procedures for Independent Study because the independent study ADA was under the level that requires testing.

We did not perform Continuation Education procedures because the program is not offered by the District.

The District did not have any employees retire under the CalSTRS Early Retirement Incentive program; therefore, testing was not required.

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

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

We did not perform 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 procedures related to the Before School Education and Safety Program.

The District does not offer Independent Study - Course Based program; therefore, we did not perform any procedures related to Independent Study - Course Based Program.

We did not perform procedures for the Non Classroom-Based Instruction/Independent Study nor for Determination of Funding for Non Classroom-Based Instruction because the Charter School is classroom-based.

Additionally, we did not perform 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 8, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

HANFORD ELEMENTARY SCHOOL DISTRICT**SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2016**

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 200.516(a) of the Uniform Guidance?	<u>No</u>
Identification of major Federal programs:	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Part A, Basic Grants</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</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, 2016**

None reported.

HANFORD ELEMENTARY SCHOOL DISTRICT**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

HANFORD ELEMENTARY SCHOOL DISTRICT**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

HANFORD ELEMENTARY SCHOOL DISTRICT**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

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