Hanford Elementary School District

NOTE LOCATION CHANGE

REGULAR BOARD MEETING AGENDA

Wednesday, February 13, 2019
Community Day School
1390 Dawn Lane, 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# 19-08 Kennedy
  Case# 19-09 Kennedy
- **Public Employee Discipline/Dismissal/Release** *(GC 54957)*
- **Security** *(GC 54957)*

OPEN SESSION

- Take action on closed session items

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

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

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

a) Accept warrant listings dated January 18, 2019; January 25, 2019 and February 1, 2019.
b) Approve minutes of Regular Board Meeting held on January 23, 2019.
c) Approve interdistrict transfers as recommended.
d) Approve donation of $209.70 from Boxtops 4 Education.
e) Approve donation of $2,600.00 from Washington Parent Teacher Club.

- *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.*

f) Approve donation of two wooden/metal benches (value of $150.00) from California Substance Abuse Treatment Facility.
g) Approve donation of $250.00 from Wonderful Giving.
h) Approve donation of dictionaries from Rotary Club to 3rd graders at Roosevelt.
i) Approve donation of $119.00 from Boxtops 4 Education.
j) Approve donation of $300.00 from Mr. Michael Eschete.
k) Approve donation of $500.00 from Wonderful Giving.
l) Approve donation of $600.00 from Hanford Pieology.

3. INFORMATION ITEMS

a) Receive for information the Notice of Completion for the classroom wing addition and relocatable buildings at Martin Luther Kings Jr. School (Mulligan)
b) Receive for information the monthly financial reports for the period for 07/01/2018 – 01/31/2019 (Endo)
c) Receive for information the presentation regarding District Safeguards (Endo)
d) Receive for information a potential solar project at Lincoln Elementary and chiller replacement at MLK Elementary (Endo)

4. BOARD POLICIES AND ADMINISTRATION

a) Consider adoption of Resolution #13-19: Regarding Absent Board Member Compensation (Gabler)
b) Consider approval of the Plan of Work with Tulare County Office of Education and Jefferson Academy (Espindola)
c) Consider approval of the Memorandum of Understanding with Family HealthCare Network and HESD (McConnell)
d) Consider approval of the agreement with Forensic Analytical for environmental consulting services (Mulligan)
e) Consider approval to solicit bids for the Lincoln Kindergarten Wing Additions Project (Mulligan)

5. PERSONNEL (Martinez)

a) Employment

<u>Classified</u>

- Chelsie Grabow, Licensed Vocational Nurse – 6.0 hrs., Kennedy, effective 1/22/19
- Kristy Kairis, READY Program Tutor – 4.5 hrs., Simas, effective 1/14/19
- Keshia Spain, READY Program Tutor – 4.5 hrs., Hamilton, effective 1/24/19

<u>Temporary Employees/Substitutes</u>

- Jennifer Aguirre, Short-term Yard Supervisor – 1.5 hrs., Roosevelt, effective 1/22/19 to 4/12/19
- Savannah Bruner, Short-term Yard Supervisor – 2.5 hrs., Kennedy, effective 1/22/19 to 4/12/19
- Ricardo Cuevas, Substitute Computer Maintenance Technician, effective 1/22/19
- Patricia Diaz, Folkloric Dance, Jefferson, effective 1/25/19 to 3/15/19
- Oscar Galloway, Substitute Custodian I and READY Program Tutor, effective 1/22/19

<u>Temporary Employees/Substitutes</u> (Cont.)
- Joseline Martinez, Substitute READY Program Tutor, Translator: Oral Interpreter & Written Translator, effective 1/14/19
- Leticia Martinez, Clerk Typist I, effective 1/14/19
- Ericka Navarrete Navarro, Substitute Translator: Oral Interpreter and Written Translator, effective 1/31/19
- Eddie Parra, Substitute Custodian I, effective 1/22/19
- Melonie Thomas, Short-term Special Circumstance Aide – 5.75 hrs., Monroe, effective 2/6/19 to 3/15/19
- Earlisha White, Short-term Yard Supervisor – 2.0 hrs., Roosevelt, effective 1/14/19 to 4/12/19 (revised)

b) Employment and Certification of Temporary Athletic Team Coaches Pursuant to Title 5 CCR 5594
- Ashley Karasti, Wrestling Coach, Wilson, effective 1/18/19 to 2/16/19

c) Resignations
- Garrett Bazzle, Substitute Custodian I and Yard Supervisor, effective 12/14/18
- Laura Gai, Teacher, Roosevelt, effective 6/7/19
- Allysa Null, Food Service Worker II – 3.0 hrs., Wilson, effective 2/8/19
- Dylan Stewart, Yard Supervisor – 2.0 hrs., Washington, effective 1/31/19
- Alexis Villa, Yard Supervisor – 3.0 hrs., Roosevelt, effective 1/14/19

d) Retirement
- Alison Morton, Teacher, Roosevelt, effective 6/7/19

e) More Hours
- Sylvia Reyna, Yard Supervisor, from 2.5 hrs. to 3.5 hrs., Roosevelt, effective 1/28/19

f) More Hours/Transfer
- Paige Trevino, Food Service Worker II, from 2.5 hrs., Kennedy to 3.0 hrs., Wilson, effective 2/12/19

g) Promotion/More Hours/Transfer
- Amanda Leyva, from READY Program Tutor – 4.5 hrs., Hamilton to Media Services Aide – 5.5 hrs., Roosevelt, effective 1/22/19

h) Voluntary Decrease in Hours
- Christina Jenkins, Yard Supervisor, from 3.5 hrs. to 1.5 hrs., Monroe, effective 1/22/19

i) Voluntary Demotion/Decrease in Hours/Transfer
- Veronica Grever, from Food Service Utility Worker – 3.5 hrs., Food Services to Account Clerk I – 3.0 hrs., Jefferson, effective 1/22/19

j) Job Descriptions
- Custodian I/II, District Kitchen Addendum (revised)
- READY Program Tutor (revised)

k) Volunteers

Name	School
Sheila Crain	Hamilton
Lina Tuon	Hamilton
Teresa Canchola	Jefferson
Blanca Chavez-Arredondo	Jefferson
Mary Farr	Jefferson
Rito Moreno	King
Alma Reyes	King

k) Volunteers (Cont.)

Name	School
Nkauj Xiong	Lincoln
Demi Balbina	Monroe
Emily Berrett	Monroe
Samantha Whaley	Monroe
Jamie Johnson	Roosevelt
Sarafina Donez	Simas
Candra Escobar	Simas
Eva Osuna	Simas
Felix Valdez	Simas
Tiffany Cantu (HESD Employee)	Washington

6. FINANCIAL (Endo)

a) Consider approval of the Kings County Treasurer's Quarterly Compliance Report
b) Consider approval of the contract for audit services with Vavrinek, Trine, Day & Co.
c) Consider adoption of Resolution #14-19: Authorizing the Issuance of HESD Election 2016 General Obligation Bonds, Series B and Actions Related Thereto

ADJOURN MEETING

HANFORD ELEMENTARY SCHOOL DISTRICT
AGENDA REQUEST FORM

TO: Joy Gabler
FROM: Jay Strickland
DATE: January 29, 2019

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

Date you wish to have your item considered: February 13, 2019

ITEM: Administrative Panel Recommendations

PURPOSE:
Case# 19-08 Kennedy
Case# 19-09 Kennedy

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/04/2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 02/13/2019

ITEM:
Consider approval of warrants.

PURPOSE:
The administration is requesting the approval of the warrants as listed on the registers dated: 01/18/19, 01/25/19 and 02/01/19.

FISCAL IMPACT:
See attached.

RECOMMENDATIONS:
Approve the warrants.

13 Hanford Elementary School District

Warrant Register For Warrants Dated 01/18/2019

1/18/2019 7:35:10AM

Warrant Number	Vendor Number	Vendor Name	Amount
12598556	21	ADVENTURE PARK Field Trip	$125.00
12598557	59	AMERIPRIDE UNIFORM SERVICES Laundry/Mop/Mat Services	$3,429.70
12598558	59	AMERIPRIDE UNIFORM SERVICES Kitchen Laundry/Mop/Mat Services	$170.43
12598559	4670	ALICIA ARTHUR Allowance	$200.00
12598560	6253	AT&T Telephone	$2,329.35
12598561	3258	BANK OF AMERICA Study Trip Refund/Travel & Conf	$305.00
12598562	6331	PAUL BORGES Other Services	$70.00
12598563	6658	BRICKS4KIDZ Inst’l Consultant	$1,140.00
12598564	4911	CALIFORNIA DEPT. OF EDUCATION Buildings & Improvements	$1,890.00
12598565	242	STATE OF CALIFORNIA Fuel	$54.22
12598566	1667	CDW GOVERNMENT INC. Equipment	$3,346.83
12598567	7186	CEN-CAL PAVING INC. Grounds Matl’s	$1,571.11
12598568	303	CHAFFEE ZOO Study Trip	$990.00
12598569	304	NICK CHAMPI ENTERPRISES INC. Land Improvements	$35,500.00
12598570	6552	CHILDREN'S STORYBOOK GARDEN Study Trips	$5,250.00
12598571	7316	ASHLEY COSTA Mileage	$78.84
12598572	405	DASSEL'S PETROLEUM INC. Fuel	$6,616.35
12598573	405	DASSEL'S PETROLEUM INC. Kitchen Fuel	$346.72
12598574	5463	SARA DECUIR Mileage	$61.53
12598575	4815	DIGITECH INTEGRATIONS INC Kitchen Alarm Services	$144.00
12598576	4512	DIV. OF STATE ARCHITECT Buildings & Improvements	$42,850.00
12598577	3682	FASTENAL Maintenance Supplies	$6.27
12598578	4092	FITNESS FINDERS INC READY Supplies	$86.70
12598579	6453	FLOWERS BAKING COMPANY Food	$765.00
12598580	6173	FP MAILING SOLUTIONS Leases	$637.77
12598581	1769	FRESNO PRODUCE Food	$4,546.57
12598582	7313	OSCAR GALLOWAY Other Services	$25.00
12598583	1393	GAS COMPANY Gas	$8,328.40
12598584	591	GOLD STAR FOODS Food	$24,836.66
12598585	5541	JOANN GRAHAM Mileage	$79.63
12598586	3656	HANFORD AUTO & TRUCK PARTS Maint/Grounds/Transportation Supplies	$191.00
12598587	7098	HANFORD CHRISTIAN SCHOOL Rentals	$350.00
12598588	7104	EDGAR HERNANDEZ Mileage	$43.16
12598589	779	KEENAN & ASSOC. CPIC Health & Welfare	$5,415.00
12598590	778	KEENAN & ASSOC. MED. EYE SERV. Health & Welfare	$10,205.84
12598591	5290	KEENAN & ASSOCIATES Insurance	$472.86
12598592	1783	KELLER MOTORS Repairs	$68.59
12598593	3962	KINGS COUNTY GLASS Repairs	$185.00
12598594	801	KINGS COUNTY MOBILE LOCKSMITH Repairs	$697.85
12598595	802	KINGS COUNTY PIPE & SUPPLY Maintenance Supplies	$83.34
12598596	808	KINGS WASTE & RECYCLING Garbage	$183.00
12598597	820	SHEILA E KURTZ READY Supplies	$52.11
12598598	986	LAWNMOWER MAN Repairs	$528.98
12598599	838	LAWRENCE TRACTOR COMPANY Grounds Supplies	$335.74
12598600	6236	ALEXANDRIA LEMOS Allowance	$66.57
12598601	4629	LOWE'S OF HANFORD Warehouse	$83.55
12598602	7260	LOWE'S PRO SERVICES Maint/Grounds/Custodial Supplies	$1,125.92
12598603	4704	KELLEY MAYFIELD Payroll Liability Holding	$50.00

Warrant Register For Warrants
Dated 01/18/2019

1/18/2019 7:35:10AM

Warrant Number	Vendor Number	Vendor Name	Amount
12598604	1002	MORGAN & SLATES INC. Maint/Grounds Supplies	$266.52
12598605	6654	MEGAN MUNRO Science Matl’s	$72.92
12598606	5510	NEWEGG.COM IT Supplies	$217.69
12598607	5111	P & R PAPER SUPPLY COMPANY INC Kitchen Supplies	$2,384.97
12598608	3948	PACIFIC TOWING & TRANSPORT Repairs	$575.00
12598609	1168	PRODUCERS DAIRY PRODUCTS Food	$10,430.17
12598610	1184	PROGUARD SERVICE & SOLUTIONS Kitchen Services	$535.33
12598611	1303	SAVE MART SUPERMARKETS Food	$89.91
12598612	1327	SCHOOL SPECIALTY Warehouse	$5,582.07
12598613	1356	SILVAS OIL COMPANY INC. Fuel	$1,144.84
12598614	1367	SISC III Health & Welfare	$563,630.75
12598615	1374	SMART & FINAL STORES (HFD DO) Supplies	$98.41
12598616	1801	SMART & FINAL STORES (HFD KIT) Food	$11.99
12598617	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	$21,955.89
12598618	7122	SQUARED AWAY GRAPHICS Inst’l Matl’s	$250.00
12598619	1403	STANISLAUS FOUNDATION – DENTAL Other Services	$20,550.34
12598620	5622	JOANNA STONE Mileage	$60.44
12598621	3728	JASON STRICKLAND Student Transportation	$50.00
12598622	7127	SUNCO DESIGNS Inst’l Matl’s	$1,498.00
12598623	1444	SYSCO FOODSERVICES OF MODESTO Food	$9,938.33
12598624	6823	TCG GROUP HOLDINGS Other Services	$246.00
12598625	1466	TERMINIX INTERNATIONAL Pest Control	$10.00
12598626	5946	THE HARTFORD Health & Welfare	$1,205.05
12598627	4914	TKO ELECTRONICS INC Technology Matl’s	$8,815.95
12598628	4114	TULARE COUNTY OFFICE OF EDUCATION Travel & Conf	$620.00
12598629	1521	UNITED REFRIGERATION INC. Maintenance Supplies	$1,378.60
12598630	2404	VAVRINEK TRINE DAY & CO. LLP Audit Expenses	$6,000.00
12598631	6943	WEST VALLEY SUPPLY Grounds Supplies	$139.98

Total Amount of All Warrants: **$823,678.74**

Grand Total For All Districts:	**$823,678.74**

13 Hanford Elementary School District

Credit Card Register For Payments
Dated 01/18/2019

1/18/2019 7:35:31AM

Document Number	Vendor Number	Vendor Name	Amount
14024997	2	A-Z BUS SALES INC Transportation Supplies	$2,185.43
14024998	4876	BRAIN POP Software License	$2,395.00
14024999	415	DELRAY TIRE & RETREADING INC. Repairs	$177.42
14025000	5785	EBSCO Inst'l Matl's	$133.06
14025001	652	HANFORD SENTINEL Other Services	$987.00
14025002	1111	J W PEPPER & SON INC Band Supplies	$230.63
14025003	5007	JORGENSEN COMPANY Kitchen Services	$1,361.95
14025004	3354	KAGAN Travel & Conf	$657.00
14025005	4276	LEARNING A-Z Software License	$199.95
14025006	1802	MEDALLION SUPPLY Maint/Grounds Supplies	$486.71
14025007	1121	PERMA-BOUND Books	$218.00
14025008	3131	SHERWIN-WILLIAMS CO Maintenance Supplies	$294.73
14025009	1350	SIGN WORKS Maintenance Supplies	$189.05
14025010	5391	STARFALL EDUCATION Software License	$270.00

Total Amount of All Credit Card Payments: **$9,785.93**

Grand Total For All Districts:	**$9,785.93**

13 Hanford Elementary School District

Warrant Register For Warrants Dated 01/25/2019

1/25/2019 7:41:46AM

Warrant Number	Vendor Number	Vendor Name	Amount
12599151	6722	GRACIELA ALVAREZ Reissue Outlaw Warrant	$25.00
12599152	6431	AMAZON.COM Books/Allowance/Inst'l Matl's/Supplies	$1,950.99
12599153	6253	AT&T Telephone	$100.33
12599154	3947	ATKINSON ANDELSON LOYA RUUD & ROMO Legal	$2,555.44
12599155	6112	JENNIFER BAYS Travel & Conf	$94.00
12599156	3710	KELLY BEKEDAM Allowance	$42.95
12599157	7085	TIFFANY CANTU Reissue Outlaw Warrant	$25.00
12599158	2986	JOSEFINA L. CAVANAUGH Allowance	$168.62
12599159	6964	CENTRAL VALLEY PRINT SOLUTIONS Office Supplies	$202.17
12599160	5410	CRUZ CHAVEZ Mileage	$67.80
12599161	7123	CHILD1ST PUBLICATIONS LLC Inst'l Matl's	$349.58
12599162	6933	CHRISTINE CIBRIAN Rewards	$134.89
12599163	4925	LINDA CRUZ Mileage	$23.55
12599164	5853	RITA DIAZ Travel & Conf	$175.00
12599165	4815	DIGITECH INTEGRATIONS INC Leases	$374.00
12599166	5360	EDUPOINT EDUCATIONAL SYSTEMS Other Services	$1,500.00
12599167	497	EMPLOYMENT DEVELOPMENT DEPT. State Unemployment Insurance	$5,609.83
12599168	6994	ESP SURVEYING INC. Buildings & Improvements	$26,040.00
12599169	3517	JENNIFER FAGUNDES Mileage	$23.55
12599170	7302	ALEXIS FARRAR Mileage	$23.90
12599171	1393	GAS COMPANY Gas	$1,836.16
12599172	713	HOUGHTON MIFFLIN Psych Matl's	$1,106.37
12599173	3994	HYATT REGENCY ORANGE COUNTY Travel & Conf	$1,262.10
12599174	2528	INDUSTRIAL PLUMBING SUPPLY Maintenance Supplies	$521.50
12599175	7017	JORDAN JACKSON Payroll Liability Holding	$25.00
12599176	5913	JAMI JENKINS Travel & Conf	$175.00
12599177	7056	JH TACKETT MARKETING Inst'l Matl's	$545.36
12599178	762	TAMMY JOHNSON Special Ed Hearing	$270.45
12599179	6309	KINGS COUNTY ELECTIONS Other Services	$1,999.67
12599180	796	KINGS COUNTY OFFICE OF ED Other Services	$63,588.34
12599181	6986	MORGAN LAMBERT Mileage	$23.90
12599182	4437	MACARIA LOPEZ Reissue Outlaw Warrant	$130.21
12599183	5430	ANDREW MARTINEZ Reissue Outlaw Warrant	$9.99
12599184	5312	MCDERMONT VENTURE INC. Field Trip	$3,230.56
12599185	6290	ANNA MORENO Mileage	$23.90
12599186	1058	OFFICE DEPOT Warehouse	$1,698.84
12599187	6792	PEARSON EDUCATION Textbooks	$546.01
12599188	6939	VERONICA RESENDIS Reissue Outlaw Warrant	$21.00
12599189	6808	CARLOS RODRIGUEZ Mileage	$219.09
12599190	6492	AUDRA SANCHEZ Reussue Outlaw Warrant	$73.18
12599191	6533	SCHOOL LIFE Inst'l Matl's	$853.80
12599192	3485	EVELYN W. SMILEY Benefits Refund	$160.97
12599193	6558	WENDY SOLANO Reissue Outlaw Warrant	$3.48
12599194	1389	PATRICIA SOPER Mileage	$238.82
12599195	2031	SOUTHWEST SCH & OFFICE SUPPLY Warehouse	$15,483.60
12599196	6928	JAZZMYNE SQUIRE Reissue Outlaw Warrant	$21.00
12599197	1403	STANISLAUS FOUNDATION – DENTAL Other Services	$22,430.00
12599198	3128	COURTNEY STONE Supplies	$129.30

Warrant Register For Warrants Dated 01/25/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12599199	2188	SUPPLYWORKS Custodial Supplies	$377.43
12599200	6944	TETER LLP Buildings & Improvements	$36,228.29
12599201	7076	PAIGE TREVINO Reissue Outlaw Warrant	$20.00
12599202	1558	VERIZON WIRELESS Telephone	$775.72
12599203	1575	WALMART COMMUNITY RFCSLLC Inst'l Matl's	$1,314.13
12599204	3863	WILLIAM WILKINSON Mileage	$45.45

Total Amount of All Warrants: **$194,875.22**

Grand Total For All Districts:	**$194,875.22**

13 Hanford Elementary School District

Credit Card Register For Payments
Dated 01/25/2019

1/25/2019 7:42:05AM

Document Number	Vendor Number	Vendor Name	Amount
14025070	176	BSN SPORTS Warehouse	$2,087.53
14025071	179	BUDDY'S TROPHY SUPPLY READY Matl’s	$51.48
14025072	2463	JONES SCHOOL SUPPLY CO. INC. Inst’l Matl’s	$199.08
14025073	831	LAKESHORE LEARNING MATERIALS Inst’l Matl’s	$270.17
14025074	1121	PERMA-BOUND Books	$184.58
14025075	1314	SCHOLASTIC INC. Books	$780.00

Total Amount of All Credit Card Payments: **$3,572.84**

Grand Total For All Districts:	**$3,572.84**

Warrant Register For Warrants Dated 02/01/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12599931	6253	AT&T Telephone	$41.64
12599932	6112	JENNIFER BAYS READY Supplies	$212.36
12599933	5839	BAZIC PRODUCTS Warehouse	$3,035.75
12599934	4415	HEATHER BRASIL Allowance	$200.00
12599935	2784	LISA K. BUTTS Other Services	$100.00
12599936	5560	CALIFORNIA ACADEMY OF SCIENCES Study Trip	$1,134.30
12599937	221	CALIFORNIA STATE RAILROAD Study Trip	$350.00
12599938	1891	DEBRA CAWLEY Travel & Conf	$193.00
12599939	299	CENTRAL VALLEY COMP. CARE INC. Other Services	$79.00
12599940	304	NICK CHAMPI ENTERPRISES INC. Grounds Supplies	$191.12
12599941	324	CHILDS & COMPANY INC. Maintenance Supplies	$51.48
12599942	2357	CINNAMON HILLS YOUTH CENTER Travel & Conf	$200.00
12599943	331	CLASSIC CHARTER INC. Transportation	$12,295.00
12599944	344	CMEA TREASURER CENTRAL SECTION Band Entry Fees	$350.00
12599945	6486	CARA CUMMINGS Travel & Conf	$154.00
12599946	6311	MIKE DANA Other Services	$100.00
12599947	433	DISCOVERY CENTER Study Trip	$1,265.00
12599948	6006	JACQUELYN DOYEL Allowance	$136.28
12599949	3567	E.L. ACHIEVE Travel & Conf	$1,485.00
12599950	549	FRESNO PACIFIC UNIVERSITY Travel & Conf	$85.00
12599951	1393	GAS COMPANY Gas	$4,090.96
12599952	7315	RICHARD L. GIDDENS JR. Other Services	$100.00
12599953	2157	YOLANDA GOMES Athletic Supplies	$11.99
12599954	4135	CHRISTINA GONZALES Allowance	$101.03
12599955	632	CITY OF HANFORD Water/Sewer	$9,672.02
12599956	3024	HILTON HOTEL – ANAHEIM Travel & Conf	$469.36
12599957	6310	LARRY HONDA Other Services	$100.00
12599958	724	HYATT REGENCY – MONTEREY Travel & Conf	$1,714.32
12599959	7231	LIZ IBARRA Recruitment Fair Supplies	$6.44
12599960	759	DARYL L. JOHNSON Allowance	$17.16
12599961	762	TAMMY JOHNSON Postage	$30.70
12599962	3760	KINGS COUNTY AIR Equipment	$4,660.00
12599963	5828	KINGS COUNTY DEPT OF PUBLIC WORKS Fuel	$84.40
12599964	820	SHEILA E KURTZ READY Supplies	$262.39
12599965	2243	MATSON ALARM Other Services	$285.00
12599966	942	KAREN MCCONNELL Travel & Conf	$111.00
12599967	7321	ALICIA MCGOVERN Allowance	$180.04
12599968	2491	MID-COUNTY FIRE EXTINGUISHER Leases	$114.86
12599969	6654	MEGAN MUNRO Parent Inv Supplies	$77.83
12599970	6026	TAGEN ORMONDE Parent Inv Supplies	$30.23
12599971	6207	KATHLEEN SALYER Travel & Conf	$154.00
12599972	4700	MIKE SCHOFIELD Other Services	$100.00
12599973	1389	PATRICIA SOPER Travel & Conf	$193.00
12599974	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	$15,566.34
12599975	1404	STANISLAUS FOUNDATION – ADMIN Other Services	$2,613.25
12599976	1403	STANISLAUS FOUNDATION – DENTAL Other Services	$19,761.11
12599977	4114	TULARE COUNTY OFFICE OF EDUCATION Travel & Conf	$520.00
12599978	3154	UPS Postage	$50.04

Warrant Register For Warrants Dated 02/01/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12599979	7229	LEANN WILLIAMSON Travel & Conf	$154.00
12599980	2857	MARLA YADON Travel & Conf	$66.00

Total Amount of All Warrants: **$82,956.40**

Grand Total For All Districts: **$82,956.40**

13 Hanford Elementary School District

Credit Card Register For Payments
Dated 02/01/2019

2/1/2019 7:42:17AM

Document Number	Vendor Number	Vendor Name	Amount
14025114	3893	ALLIED ELECTRIC MOTOR SERV INC Maintenance Supplies	$634.23
14025115	5119	ATHLETIC STUFF Warehouse	$77.65
14025116	176	BSN SPORTS Warehouse	$470.19
14025117	179	BUDDY'S TROPHY SUPPLY Inst'l Matl's	$44.24

Total Amount of All Credit Card Payments: **$1,226.31**

Grand Total For All Districts:	**$1,226.31**

Hanford Elementary School District
Minutes of the Regular Board Meeting
January 23, 2019

Minutes of the Regular Board Meeting of the Hanford Elementary School District Board of Trustees on January 23, 2019 at the Teacher Resource Center, 934 Katie Hammond Lane, Hanford, CA.

Call to Order President Revious called the meeting to order at 5:30 p.m. Trustee Garcia, Garner, Hernandez and Strickland were present.

HESD Managers Present Joy C. Gabler, Superintendent, and the following administrators were present: Kristina Baldwin, Lindsey Calvillo, Doug Carlton, Anthony Carrillo, Kenny Eggert, David Endo, Javier Espindola, Ramiro Flores, Matthew Gamble, Lucy Gomez, Lindsay Hastings, Rick Johnston, Jaime Martinez, Gerry Mulligan, Jennifer Pitkin, Julie Pulis, Jill Rubalcava, and Jay Strickland.

Closed Session Trustees immediately adjourned to closed session for the purpose of:
- Student Discipline pursuant to Education Code section 48918

Open Session Trustees returned to open session at 6:12 p.m.

Case#19-05, 19-06, 19-07 Trustee Strickland moved to accept the Findings of Fact and expel Case #19-05, #19-06 and #19-07 for the remainder of the 2018-2019 school year for violation of Education Code 48900 and/or 48915 as determined by the Administrative Panel at hearings held on January 22, 2019. Parents may apply for Readmission on or after June 7, 2019. Trustee Hernandez seconded; motion carried 5-0:

Garcia – Yes
Garner – Yes
Hernandez – Yes
Revious – 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 (Soccer) Classic on January 24th; Hoop (Basketball) Classic XXV on January 25th; Round Robin Basketball January 26th; Mat Wrestling Classic XXIII on January 29th; Regular Board Meeting on February 13th.

CONSENT ITEMS

Trustee Strickland made a motion to take consent items "a" through "e" together. Trustee Garcia seconded; motion carried 5-0:

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

Trustee Strickland then made a motion to approve consent items "a" through "e". Trustee Garcia seconded; motion carried 5-0:

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

The items approved are as follows:
a) Warrant listings dated December 28, 2019; January 4, 2019 and January 11, 2019.
b) Minutes of Regular Board Meeting held on January 9, 2019.
c) Interdistrict transfers as recommended.
d) Donation of hygiene items with approximate value $500.00 HETA and Aria Health Care.
e) Donation of new backpacks and lunchboxes from Annalisa Rodriguez.

INFORMATION ITEMS

Williams Uniform Report

Joy C. Gabler, Superintendent, reported to the Board that the District received no Williams Complaints for the second quarter (10/1/18 – 12/31/18) of the 2018-2019 school year.

Financial Report 7/01/18-12/31/18

David Endo, Chief Business Official, presented for information the monthly financial reports for the period of 7/01/2018-12/31/2018.

Solar Project at Lincoln

David Endo, Chief Business Official, introduced Chris Bristo from IES (Indoor Environmental Services). Chris Bristo, presented for information a PowerPoint presentation on the potential solar photovoltaic power generation system project at Lincoln Elementary School. The PowerPoint presentation stated who IES is, energy projects from IES, services IES provides, a picture of the location of Lincoln's parking structure and its measurements. It also showed Lincoln's financials throughout the years, a screenshot of Custom Solar Dashboard, website that allows the District to see how it's doing, and the comprehensive energy education plans and developing programs.

Trustee Strickland asked when will it break even and can the District own it. Chris answered in 15 years and yes it can be owned by the District. Trustee Strickland asked if IES has done our lighting. David Endo answered yes and stated it has helped save money.

Trustee Revious asked if there are any grants available? Chris answered not at the moment.

Trustee Garcia asked if the project investment includes the set up? Chris answered yes. Trustee Garcia asked what company are we with? David Endo answered Southern California.

Trustee Garner asked why is Lincoln School the first on the list? David Endo answered it was picked because of the size and location of the parking. Lincoln has a longer parking lot and faces south for the panels.

State Indicators CA School Dashboard & Local Indicators- Basic Services

Doug Carlton, Director of Program Development, Assessment and Accountability, presented for information the State Indicators from California School Dashboard and the Local Indicators for State Priority 1: Basic Services. A PowerPoint presentation highlighted the California School Dashboard's locals and state indicators and their roles. It reviewed the Districts results for instructional material, facilities and teacher credentialing reviewed by local indicators. Also, it reviewed the scoring for ELA and math, chronic absenteeism and suspension rate reviewed by state indicators.

BOARD POLICIES AND ADMINISTRATION

SARCs

Trustee Strickland made a motion to approve the California School Accountability Report Cards (SARCs). Trustee Hernandez seconded; motion carried 5-0:

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

Consolidated Application Funding Categorical Aid Program

Trustee Garcia made a motion to approve the Consolidated Application for Funding Categorical Aid Programs (Winter Release). Trustee Garner seconded; motion carried 5-0:

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

BP 6153

Trustee Garner made a motion to approve the revised Board Policy 6153 – School-Sponsored Trips. Trustee Hernandez seconded; motion carried 5-0:

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

PERSONNEL

Trustee Garcia made a motion to take Personnel items "a" through "e" together. Trustee Strickland seconded; motion carried 5-0:

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

Trustee Garcia then made a motion to approve Personnel items "a" through "e". Trustee Strickland seconded; the motion carried 5-0:

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

Item "a" – Employment

The following items were approved:
Temporary Employees/Substitutes/Yard Supervisors

- Krystal Calderon, Substitute Yard Supervisor, effective 1/14/19; Short-term Yard Supervisor – 1.5 hrs., King, effective 1/14/19 to 3/15/19
- Cesar Calvillo Calderon, Substitute Groundskeeper II, effective 1/10/19
- Inez Carreiro, Short-term Yard Supervisor – 3.5 hrs., Hamilton, effective 1/15/19 to 3/30/19
- Matthew Knevelbaard, Substitute Custodian II, Groundskeeper II, and Maintenance Worker II, effective 1/9/19
- Arianna Nava, Short-term READY Program Tutor – 4.5 hrs., Hamilton, effective 1/14/19 to 4/12/19
- Perla Leon Perez, Substitute Yard Supervisor, effective 1/14/19; Short-term Yard Supervisor – 1.5 hrs., King, effective 1/14/19 to 3/15/19
- Olga Ramirez, Short-term Yard Supervisor – 2.0 hrs., Roosevelt, effective 1/14/19 to 4/12/19
- Raquel Ramirez, Short-term Yard Supervisor – 2.0 hrs., Lincoln, effective 1/14/19 to 3/15/19
- Sonia Ramirez, Substitute Yard Supervisor, effective 1/14/19; Short-term Yard Supervisor – 3.5 hrs., Simas, effective 1/14/19 to 3/15/19
- Jennifer Paul Saylor, Short-term Yard Supervisor – 2.0 hrs., Lincoln, effective 1/14/19 to 3/15/19
- Earlisha White, Substitute Yard Supervisor, effective 1/14/19; Short-term Yard Supervisor – 1.5 hrs., Roosevelt, effective 1/14/19 to 3/15/19
- Jill Yrushlme, Substitute Clerk Typist I, effective 1/14/19

Yard Supervisors

- Loretta King, Yard Supervisor – 2.0 hrs., Wilson, effective 1/14/19 (rehired)

Item "b" – Resignations

- Mirella Garibay, Yard Supervisor – 3.0 hrs., Monroe, effective 12/21/18
- Lisa Herbst, Licensed Vocational Nurse – 6.0 hrs., Kennedy, effective 1/18/19
- Kelechi Ndoh, Substitute Alternative Education Program Aide, READY Program Tutor, Special Education Aide and Yard Supervisor, effective 12/7/18

Item "c" – Voluntary Transfer

- Candy Mullins, Account Clerk I – 3.0 hrs., from Jefferson to Simas, effective 1/14/19

Item "d" – More Hours

- Almira Alcoser, Account Clerk I, from 3.0 hrs. to 3.5 hrs., King, effective 12/10/18
- Barbara Chasmar, Food Service Utility Worker, from 6.5 hrs. to 8.0 hrs., Kennedy, effective 1/14/19
- Jeanette Lewis, Yard Supervisor, from 2.0 hrs. to 3.0 hrs., Hamilton, effective 1/14/19
- Carlos Perez-Reyna, Yard Supervisor, from 2.5 hrs., to 3.5 hrs., Roosevelt, effective 1/14/19
- Gina Wibeto, Food Service Utility Worker, from 6.5 hrs. to 8.0 hrs., Wilson, effective 1/14/19

Item "e" – Volunteers

Name	School
Melissa Deleon	Hamilton
Elizabeth Gonzalez	Lincoln
Raul Padilla	Simas
Roberta Smith	Simas

FINANCIAL

Resolution #11-19 Trustee Garcia made a motion to adopt Resolution #11-19: Kings County Investment Policy. Trustee Hernandez seconded; motion carried 5-0:

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

Resolution #12-19 Trustee Strickland made a motion to adopt Resolution #12-19: Kindergarten Facility Grant Program. Trustee Hernandez seconded; motion carried 5-0:

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

Measure U Audit Report Trustee Garcia made a motion to accept the Building Fund (Measure U) financial audit report. Trustee Garner seconded; motion carried 5-0:

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

Surplus Property Trustee Hernandez made a motion to approve declaration of surplus property. Trustee Garcia seconded; motion carried 5-0:

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

Adjournment There being no further business, President Revious adjourned the meeting at 7:00 p.m.

Respectfully submitted,

Joy C. Gabler,
Secretary to the Board of Trustees

Approved: __________________________ __________________________

Timothy Revious, President Greg Strickland, Clerk

No	A/D	Sch Req'd	Home Sch	Date
I-186	A	Roosevelt	Pioneer	2/04/2019
I-187	A	Monroe	Pioneer	2/04/2019
I-188	A	Lincoln	Lakeside	2/04/2019
I-189	A	Jefferson	Pioneer	2/04/2019
I-190	A	Jefferson	Pioneer	2/04/2019
I-191	A	Jefferson	Pioneer	2/04/2019
I-192	A	Jefferson	Pioneer	2/04/2019
I-193	A	Jefferson	Kit Carson	2/04/2019
I-194	A	Jefferson	Kit Carson	2/04/2019
I-195	A	Monroe	Pioneer	2/04/2019
I-196	A	Jefferson	KRH	2/04/2019
I-197	A	Jefferson	KRH	2/04/2019
I-198	A	Jefferson	KRH	2/04/2019
I-199	A	Jefferson	Visalia	2/04/2019

No	A/D	Sch Req'd	Home Sch	Date
O-139	A	Central Union	Monroe	2/04/2019
O-140	A	Lemoore	Hamilton	2/04/2019
O-141	A	Lemoore	Hamilton	2/04/2019
O-142	A	Lemoore	Kennedy	2/04/2019
O-143	A	Kit Carson	Kennedy	2/04/2019

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy Gabler

FROM: Ramiro Flores

DATE: 1/15/19

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

FOR: ( ) Information
(X) Action

Date you wish to have your item considered: February 13, 2019

ITEM: Consider approval of donations to Hamilton School from: Box Tops for Education in the amount of $209.70.

PURPOSE: To be used to pay for student rewards.

FISCAL IMPACT:

Increase of $209.70 to 0100-1100-0-1110-1000-430000-029-0000.

RECOMMENDATION: Approve donation.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Lindsay Hastings

DATE: 1/15/19

FOR: X☐ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
X☐ Action

Date you wish to have your item considered: 2/13/19

ITEM: Donation of $2,600.00 from Washington PTC to HESD

PURPOSE: Student Rewards and teacher supplies

FISCAL IMPACT: 0100-1100-0-1110-1000-440000-028-0000 $670.00
0100-1100-0-1110-1000-430000-028-0000 $1,930.00

RECOMMENDATIONS: Accept Donation

ADM-018
7/16

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Lindsay Hastings

DATE: 1/15/19

FOR: X☐ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
X☐ Action

Date you wish to have your item considered: 2/13/19

ITEM: Donation of $150.00 from California Substance Abuse Treatment Facility to HESD-two wooden/metal benches

PURPOSE: Use two donated benches on yard for student use

FISCAL IMPACT:

RECOMMENDATIONS: Accept Donation

ADM-018
7/16

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Anthony Carrillo

DATE: December 18, 2018

For: ☒ Board Meeting
☐ Superintendent's Cabinet

For: ☐ Information
☒ Action

Date you wish to have your item considered: February 13, 2019

ITEM: Consider acceptance of $250.00 donation from Wonderful Giving to Roosevelt School.

PURPOSE: For purchase of attendance and behavior rewards.

FISCAL IMPACT (if any): Increase of $250.00 to account #0100-1100-0-1110-1000-430000-026-0000

RECOMMENDATION (if any): Accept donation.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Anthony Carrillo

DATE: December 18, 2018

For:
- ☒ Board Meeting
- ☐ Superintendent's Cabinet

For:
- ☐ Information
- ☒ Action

Date you wish to have your item considered: February 13, 2019

ITEM: Consider acceptance of dictionaries as a donation from the Rotary Club to all 3rd graders at Roosevelt School.

PURPOSE: To use as an educational resource at home.

FISCAL IMPACT (if any): None

RECOMMENDATION (if any): Accept donation.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Julie Pulis

DATE: January 17, 2019

For: ☒ Board Meeting
☐ Superintendent's Cabinet

For: ☐ Information
☒ Action

Date you wish to have your item considered: February 13, 2019

ITEM: Donation of $119.00 from Boxtops 4 Education

PURPOSE: Accept donation of $119.00

Materials & Supplies $119.00
0100-1100-0-1110-4000-430000-024-0000

FISCAL IMPACT (if any): $119.00

RECOMMENDATION (if any): Action.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Javier Espindola

DATE: January 28, 2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 13, 2019

ITEM: Donation of $300.00 from Mr. Michael Eschete to Jefferson Charter Academy.

PURPOSE: To be used for purchase of materials and classroom incentives.

FISCAL IMPACT: Increase of $300.00 to 0900-1100-0-1110-1000-430000-021-0000

RECOMMENDATIONS: Approve Donation

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Kristina Baldwin

DATE: 01/28/2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☐ Action

Date you wish to have your item considered: February 13, 2019

ITEM: Wonderful Giving Donation--$500.00

PURPOSE: **General Fund/Instructional Supplies**- 0100-1100-0-1110-1000-430000-027-0000

FISCAL IMPACT: $500.00

RECOMMENDATIONS: Approve Donation

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Lindsay Hastings

DATE: 2/1/19

FOR: X☐ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
X☐ Action

Date you wish to have your item considered: 2/13/19

ITEM: $600.00 donation from Hanford Pieology

PURPOSE: Classroom school supplies

FISCAL IMPACT:

RECOMMENDATIONS: Accept Donation

ADM-018
7/16

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy C. Gabler

FROM: Gerry Mulligan

DATE: February 4, 2019

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

FOR: (X) Information
( ) Action

Date you wish to have your item considered: February 13, 2019

ITEM:
A Notice of Completion for the Classroom Wing Addition and Relocatable Buildings at Martin Luther King Jr. Elementary School was filed on February 4, 2019.

PURPOSE:
The Notice of Completion was filed with the Kings County Recorder's Office.

FISCAL IMPACT:
The Notice of Completion was recorded and will be posted for 35 days allowing vendors and subcontractors to present claims for unpaid work prior to release of the 5% retainage to the General Contractor.

RECOMMENDATION:
None.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/04/2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: 02/13/2019

ITEM:
Receive for information monthly financial reports for the period of 07/01/2018-01/31/2019.

PURPOSE:
Attached are financial summaries for all of the District’s funds for the period of 07/01/2018-01/31/2019.

FISCAL IMPACT:
The financial reports are informational only.

RECOMMENDATIONS:
Receive the monthly financial reports.

13 Hanford Elementary School District
Fiscal Year: 2019
Requested by dendo

Fiscal Position Report

January 2019

2/4/2019 10:55:41AM

Fund: 0100 General Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$10,335,562.56	$10,335,562.56		
REVENUES						
1) LCFF Sources	8010-8099	$4,201,657.00	$31,767,121.49	$56,531,564.00	56.19	43.81
2) Federal Revenues	8100-8299	$751,637.29	$1,548,164.92	$3,643,361.88	42.49	57.51
3) Other State Revenues	8300-8599	$426,034.85	$1,453,978.62	$5,834,094.00	24.92	75.08
4) Other Local Revenues	8600-8799	$222,568.11	$1,056,717.08	$2,763,658.81	38.24	61.76
5) Total, Revenues		**$5,601,897.25**	**$35,825,982.11**	**$68,772,678.69**	**52.09**	**47.91**
EXPENDITURES						
1) Certificated Salaries	1000-1999	$2,437,379.92	$14,940,931.51	$27,733,897.00	53.87	46.13
2) Classified Salaries	2000-2999	$944,023.36	$6,315,589.15	$11,327,363.00	55.76	44.24
3) Employee Benefits	3000-3999	$1,354,259.17	$7,962,772.88	$17,171,209.00	46.37	53.63
4) Books and Supplies	4000-4999	$103,405.03	$1,121,014.26	$3,992,585.80	28.08	71.92
5) Services, Oth Oper Exp	5000-5999	$296,732.46	$2,578,764.07	$3,753,807.29	68.70	31.30
6) Capital Outlay	6000-6999	$35,500.00	$394,310.98	$1,587,130.44	24.84	75.16
7) Other Outgo(excl. 7300`s)	7100-7499	$64,112.00	$399,674.31	$1,498,030.00	26.68	73.32
8) Direct/Indirect Support	7300-7399	$0.00	$0.00	($347,000.00)	0.00	100.00
9) Total Expenditures		**$5,235,411.94**	**$33,713,057.16**	**$66,717,022.53**	**50.53**	**49.47**
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	$0.00	$266,670.00	$1,451,093.00	18.38	81.62
3) Contributions	8980-8999	$0.00	$0.00	$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		**$0.00**	**($266,670.00)**	**($1,451,093.00)**	**18.38**	**81.62**
NET INCREASE (DECREASE) IN FUND BALANCE		**$366,485.31**	**$1,846,254.95**	**$604,563.16**		
ENDING FUND BALANCE			**$12,181,817.51**	**$10,940,125.72**		

13 Hanford Elementary School District
Fiscal Year: 2019
Requested by dendo

Fiscal Position Report
January 2019

2/4/2019 10:55:41AM

Fund: 0900 Charter Schools Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$433,160.97	$433,160.97		
REVENUES						
1) LCFF Sources	8010-8099	$327,263.00	$2,065,816.00	$4,155,448.00	49.71	50.29
3) Other State Revenues	8300-8599	$32,090.78	$63,357.02	$318,207.00	19.91	80.09
4) Other Local Revenues	8600-8799	$5,724.88	$8,748.50	$16,851.00	51.92	48.08
5) Total, Revenues		**$365,078.66**	**$2,137,921.52**	**$4,490,506.00**	**47.61**	**52.39**
EXPENDITURES						
1) Certificated Salaries	1000-1999	$156,044.99	$937,634.67	$1,736,369.00	54.00	46.00
2) Classified Salaries	2000-2999	$0.00	$0.00	$0.00	0.00	100.00
3) Employee Benefits	3000-3999	$59,628.16	$328,905.24	$756,392.00	43.48	56.52
4) Books and Supplies	4000-4999	$9,815.43	$57,915.70	$95,151.00	60.87	39.13
5) Services, Oth Oper Exp	5000-5999	$15,739.06	$82,540.58	$1,453,090.77	5.68	94.32
6) Capital Outlay	6000-6999	$0.00	$98,046.87	$104,010.00	94.27	5.73
8) Direct/Indirect Support	7300-7399	$0.00	$0.00	$190,000.00	0.00	100.00
9) Total Expenditures		**$241,227.64**	**$1,505,043.06**	**$4,335,012.77**	**34.72**	**65.28**
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	$0.00	$7,397.00	$190,764.00	3.88	96.12
3) Contributions	8980-8999	$0.00	$0.00	$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		**$0.00**	**($7,397.00)**	**($190,764.00)**	**3.88**	**96.12**
NET INCREASE (DECREASE) IN FUND BALANCE		**$123,851.02**	**$625,481.46**	**($35,270.77)**		
ENDING FUND BALANCE			**$1,058,642.43**	**$397,890.20**		

13 Hanford Elementary School District
Fiscal Year: 2019
Requested by dendo

Fiscal Position Report

January 2019

2/4/2019 10:55:41AM

Fund: 1300 Cafeteria Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$1,446,470.57	$1,446,470.57		
REVENUES						
2) Federal Revenues	8100-8299	$699,039.52	$1,285,325.29	$3,237,659.00	39.70	60.30
3) Other State Revenues	8300-8599	$52,855.18	$97,009.61	$226,156.00	42.89	57.11
4) Other Local Revenues	8600-8799	$15,590.87	$72,483.71	$144,872.00	50.03	49.97
5) Total, Revenues		**$767,485.57**	**$1,454,818.61**	**$3,608,687.00**	**40.31**	**59.69**
EXPENDITURES						
2) Classified Salaries	2000-2999	$90,272.59	$615,564.21	$1,130,467.00	54.45	45.55
3) Employee Benefits	3000-3999	$34,131.45	$217,734.59	$423,183.00	51.45	48.55
4) Books and Supplies	4000-4999	$53,885.65	$845,729.82	$1,798,154.00	47.03	52.97
5) Services, Oth Oper Exp	5000-5999	$2,108.74	($6,278.69)	($19,756.00)	31.78	68.22
6) Capital Outlay	6000-6999	$0.00	$25,045.02	$156,000.00	16.05	83.95
8) Direct/Indirect Support	7300-7399	$0.00	$0.00	$157,000.00	0.00	100.00
9) Total Expenditures		**$180,398.43**	**$1,697,794.95**	**$3,645,048.00**	**46.58**	**53.42**
NET INCREASE (DECREASE) IN FUND BALANCE		**$587,087.14**	**($242,976.34)**	**($36,361.00)**		
ENDING FUND BALANCE			**$1,203,494.23**	**$1,410,109.57**		

Fiscal Position Report

January 2019

Fund: 1400 Deferred Maintenance Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$3,296.98	$3,296.98		
REVENUES						
1) LCFF Sources	8010-8099	$0.00	$300,000.00	$300,000.00	100.00	0.00
4) Other Local Revenues	8600-8799	$827.34	$1,363.80	$2,000.00	68.19	31.81
5) Total, Revenues		**$827.34**	**$301,363.80**	**$302,000.00**	**99.79**	**0.21**
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	$0.00	$0.00	$0.00	0.00	100.00
6) Capital Outlay	6000-6999	$0.00	$129,346.67	$305,296.98	42.37	57.63
9) Total Expenditures		**$0.00**	**$129,346.67**	**$305,296.98**	**42.37**	**57.63**
NET INCREASE (DECREASE) IN FUND BALANCE		**$827.34**	**$172,017.13**	**($3,296.98)**		
ENDING FUND BALANCE			**$175,314.11**	**$0.00**		

Fiscal Position Report

January 2019

Fund: 1500 Pupil Transportation Equip

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$148,916.49	$148,916.49		
REVENUES						
4) Other Local Revenues	8600-8799	$1,146.21	$1,983.18	$2,500.00	79.33	20.67
5) Total, Revenues		**$1,146.21**	**$1,983.18**	**$2,500.00**	**79.33**	**20.67**
OTHER FINANCING SOURCES/USES						
1) Transfers						
A) Transfers In	8910-8929	$0.00	$100,000.00	$100,000.00	100.00	0.00
4) Total, Other Financing Sources/Uses		**$0.00**	**$100,000.00**	**$100,000.00**	**100.00**	**0.00**
NET INCREASE (DECREASE) IN FUND BALANCE		**$1,146.21**	**$101,983.18**	**$102,500.00**		
ENDING FUND BALANCE			**$250,899.67**	**$251,416.49**		

Fiscal Position Report

January 2019

Fund: 2000 SPECIAL RESERVE FUND FOR OTHER POSTE

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$3,446,033.37	$3,446,033.37		
REVENUES						
4) Other Local Revenues	8600-8799	$16,097.67	$30,363.50	$45,000.00	67.47	32.53
5) Total, Revenues		**$16,097.67**	**$30,363.50**	**$45,000.00**	**67.47**	**32.53**
OTHER FINANCING SOURCES/USES						
1) Transfers						
A) Transfers In	8910-8929	$0.00	$174,067.00	$1,241,857.00	14.02	85.98
4) Total, Other Financing Sources/Uses		**$0.00**	**$174,067.00**	**$1,241,857.00**	**14.02**	**85.98**
NET INCREASE (DECREASE) IN FUND BALANCE		**$16,097.67**	**$204,430.50**	**$1,286,857.00**		
ENDING FUND BALANCE			**$3,650,463.87**	**$4,732,890.37**		

13 Hanford Elementary School District
Fiscal Year: 2019
Requested by dendo

Fiscal Position Report

January 2019

2/4/2019 10:55:41AM

Fund: 2100 Building Fund-Local

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$2,792,280.19	$2,792,280.19		
REVENUES						
4) Other Local Revenues	8600-8799	$10,329.80	$21,805.53	$49,187.61	44.33	55.67
5) Total, Revenues		**$10,329.80**	**$21,805.53**	**$49,187.61**	**44.33**	**55.67**
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	$0.00	$0.00	$0.00	0.00	100.00
6) Capital Outlay	6000-6999	$7,705.40	$1,484,302.32	$2,713,278.80	54.71	45.29
9) Total Expenditures		**$7,705.40**	**$1,484,302.32**	**$2,713,278.80**	**54.71**	**45.29**
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	$0.00	$0.00	$128,189.00	0.00	100.00
2) Other Sources/Uses						
A) Sources	8930-8979	$0.00	$0.00	$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		**$0.00**	**$0.00**	**($128,189.00)**	**0.00**	**100.00**
NET INCREASE (DECREASE) IN FUND BALANCE		**$2,624.40**	**($1,462,496.79)**	**($2,792,280.19)**		
ENDING FUND BALANCE			**$1,329,783.40**	**$0.00**		

Fiscal Position Report

January 2019

Fund: 2500 CapitalFacilities Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$198,667.72	$198,667.72		
REVENUES						
4) Other Local Revenues	8600-8799	$44,474.91	$319,066.66	$265,000.00	120.40	(20.40)
5) Total, Revenues		**$44,474.91**	**$319,066.66**	**$265,000.00**	**120.40**	**(20.40)**
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	$0.00	$155,318.18	$165,000.00	94.13	5.87
6) Capital Outlay	6000-6999	$0.00	$0.00	$0.00	0.00	100.00
9) Total Expenditures		**$0.00**	**$155,318.18**	**$165,000.00**	**94.13**	**5.87**
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	$0.00	$0.00	$0.00	0.00	100.00
3) Contributions	8980-8999	$0.00	$0.00	$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		**$0.00**	**$0.00**	**$0.00**	**0.00**	**100.00**
NET INCREASE (DECREASE) IN FUND BALANCE		**$44,474.91**	**$163,748.48**	**$100,000.00**		
ENDING FUND BALANCE			**$362,416.20**	**$298,667.72**		

13 Hanford Elementary School District
Fiscal Year: 2019
Requested by dendo

Fiscal Position Report

January 2019

2/4/2019 10:55:41AM

Fund: 3500 SCHOOL FACILITY PROGRAM

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$610,882.83	$610,882.83		
REVENUES						
3) Other State Revenues	8300-8599	$0.00	$0.00	$0.00	0.00	100.00
4) Other Local Revenues	8600-8799	$3,594.85	$5,898.00	$0.00	0.00	100.00
5) Total, Revenues		**$3,594.85**	**$5,898.00**	**$0.00**	**0.00**	**100.00**
EXPENDITURES						
6) Capital Outlay	6000-6999	$247,050.86	$880,309.07	$4,463,571.83	19.72	80.28
9) Total Expenditures		**$247,050.86**	**$880,309.07**	**$4,463,571.83**	**19.72**	**80.28**
OTHER FINANCING SOURCES/USES						
1) Transfers						
A) Transfers In	8910-8929	$0.00	$689,500.00	$3,852,689.00	17.90	82.10
3) Contributions	8980-8999	$0.00	$0.00	$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		**$0.00**	**$689,500.00**	**$3,852,689.00**	**17.90**	**82.10**
NET INCREASE (DECREASE) IN FUND BALANCE		**($243,456.01)**	**($184,911.07)**	**($610,882.83)**		
ENDING FUND BALANCE			**$425,971.76**	**$0.00**		

13 Hanford Elementary School District
Fiscal Year: 2019
Requested by dendo

Fiscal Position Report

January 2019

2/4/2019 10:55:41AM

Fund: 4000 Special Reserve - Capital Outlay

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$4,008,824.84	$4,008,824.84		
REVENUES						
4) Other Local Revenues	8600-8799	$15,381.79	$31,413.20	$40,000.00	78.53	21.47
5) Total, Revenues		**$15,381.79**	**$31,413.20**	**$40,000.00**	**78.53**	**21.47**
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	$717.50	$1,133.75	$0.00	0.00	100.00
6) Capital Outlay	6000-6999	$4,800.00	$4,800.00	$54,000.00	8.89	91.11
9) Total Expenditures		**$5,517.50**	**$5,933.75**	**$54,000.00**	**10.99**	**89.01**
OTHER FINANCING SOURCES/USES						
1) Transfers						
A) Transfers In	8910-8929	$0.00	$0.00	$300,000.00	0.00	100.00
B) Transfers Out	7610-7629	$0.00	$689,500.00	$3,724,500.00	18.51	81.49
4) Total, Other Financing Sources/Uses		**$0.00**	**($689,500.00)**	**($3,424,500.00)**	**17.13**	**82.87**
NET INCREASE (DECREASE) IN FUND BALANCE		**$9,864.29**	**($664,020.55)**	**($3,438,500.00)**		
ENDING FUND BALANCE			**$3,344,804.29**	**$570,324.84**		

13 Hanford Elementary School District
Fiscal Year: 2019
Requested by dendo

Fiscal Position Report

January 2019

2/4/2019 10:55:41AM

Fund: 6720 Self-Insurance/Other

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		$483,868.56	$483,868.56		
REVENUES						
4) Other Local Revenues	8600-8799	$7,647.59	$273,998.26	$690,000.00	39.71	60.29
5) Total, Revenues		**$7,647.59**	**$273,998.26**	**$690,000.00**	**39.71**	**60.29**
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	$42,980.34	$301,672.65	$658,500.00	45.81	54.19
9) Total Expenditures		**$42,980.34**	**$301,672.65**	**$658,500.00**	**45.81**	**54.19**
NET INCREASE (DECREASE) IN FUND BALANCE		**($35,332.75)**	**($27,674.39)**	**$31,500.00**		
ENDING FUND BALANCE			**$456,194.17**	**$515,368.56**		

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/04/2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: 02/13/2019

ITEM:
Receive presentation regarding District safeguards.

PURPOSE:
Enlight of recent school district malfeasance in the news, the District has developed this presentaion as a review of its safeguards.

FISCAL IMPACT:
None.

RECOMMENDATIONS:
Receive presentation regarding District safeguards.

Hanford Elementary Internal Controls

Prepared by:

Hanford Elementary School District Office

Internal Controls

Definition: a system or plan of accounting and financial organization within a business comprising all the methods and measures necessary for safeguarding its assets, checking the accuracy of its accounting data or otherwise substantiating its financial statements, and policing previously adopted rules, procedures, and policies as to compliance and effectiveness.

- Tested by auditors during their engagement with procedural documentation reviewed each year.
- HESD Manual of Administrative Procedures (MAP) provides guidance to departments and sites on acceptable processes & standards

HANFORD ELEMENTARY SCHOOL DISTRICT
"Promoting Excellence"

Accounts Payable

Purchase Orders required for district purchases

- *Purchase Order requisitions initiated from department or site*
- *Manager approval required for requisition & District Office if restricted funds*
- *Budget and account coding verified by Fiscal Services*
- *Final authorization of purchase order by Chief Business Official*

Purchasing Guidelines

- *Gift card purchases not allowed*
- *All travel approved by Superintendent*
- *District Visa credit card (only one in district) held in Fiscal Services for approved use only*
- *Verification of product receipt required before payment is made to vendor*
- *Bidding requirements & thresholds prescribed for certain purchases*
- *All deliveries are made to the DSF.*

Limited reimbursements allowed without purchase order

- *Typically meal per diem, mileage reimbursements, teacher allowance, and emergencies*

Payroll

Board approval required of all personnel changes

Payroll Processing

- *Payment based on contract or extra duty authorizations*
  - *Superintendent approves new positions or increase in hours*
- *All extra duty approved by:*
  - *Department/Site*
  - *District Office (if restricted funds)*
  - *Human Resources*
  - *Fiscal Services*
- *Salary based on Board approved salary schedules*

Questions?

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/04/2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: 02/13/2019

ITEM:
Receive information for a potential solar project at Lincoln Elementary School and chiller replacement at MLK Elementary.

PURPOSE:
In the process of determining the financial feasibility of adding solar to Lincoln Elementary School, it was suggested that the chiller replacement at Martin Luther King Elementary be reviewed as well. Chris Bristow from provided the attached combined financial analysis for both projects.

FISCAL IMPACT:
None. This item is solely for information.

RECOMMENDATIONS:
Receive information for a potential solar project at Lincoln Elementary School and chiller replacement at Washington Elementary.

HANFORD ELEMENTARY SCHOOL DISTRICT PHASE II ENERGY PROGRAM

IES Indoor Environmental Services

1. **Shade Structure Solar Generation @ Lincoln**
2. **Chiller Pant Replacement @ Martin Luther King**
3. **Ongoing Operations and Maintenance Agreement including 90% Power Production Guarantee.**

Year	District Planning Cost (4)	Project Initial Investment (2)	Solar O&M (3)	Project Utility Savings (1)	Annual Savings	Cumulative Savings
Yr 0: 18-19	$ -	$ (735,066)	$ -	$ -	$ -	$ -
Yr 1: 19-20	$ -	$ -	$ 3,315	$ 32,413	$ 29,098	$ 29,098
Yr 2: 20-21	$ -	$ -	$ 3,414	$ 33,483	$ 30,068	$ 59,166
Yr 3: 21-22	$ -	$ -	$ 3,517	$ 34,588	$ 31,071	$ 90,237
Yr 4: 22-23	$ -	$ -	$ 3,622	$ 35,729	$ 32,107	$ 122,343
Yr 5: 23-24	$ -	$ -	$ 3,731	$ 36,908	$ 33,177	$ 155,520
Yr 6: 24-25	$ -	$ -	$ 3,843	$ 38,126	$ 34,283	$ 189,803
Yr 7: 25-26	$ -	$ -	$ 3,958	$ 39,384	$ 35,426	$ 225,229
Yr 8: 26-27	$ -	$ -	$ 4,077	$ 40,684	$ 36,607	$ 261,836
Yr 9: 27-28	$ -	$ -	$ 4,199	$ 42,026	$ 37,827	$ 299,663
Yr 10: 28-29	$ -	$ -	$ 4,325	$ 43,413	$ 39,088	$ 338,751
Yr 11: 29-30	$ -	$ -	$ 4,455	$ 44,846	$ 40,391	$ 379,142
Yr 12: 30-31	$ -	$ -	$ 4,589	$ 46,326	$ 41,737	$ 420,879
Yr 13: 31-32	$ -	$ -	$ 4,726	$ 47,855	$ 43,128	$ 464,007
Yr 14: 32-33	$ -	$ -	$ 4,868	$ 49,434	$ 44,566	$ 508,572
Yr 15: 33-34	$ -	$ -	$ 5,014	$ 51,065	$ 46,051	$ 554,623
Yr 16: 34-35	$ -	$ -	$ 5,165	$ 52,750	$ 47,586	$ 602,209
Yr 17: 35-36	$ -	$ -	$ 5,320	$ 54,491	$ 49,171	$ 651,380
Yr 18: 36-37	$ -	$ -	$ 5,479	$ 56,289	$ 50,810	$ 702,190
Yr 19: 37-38	$ -	$ -	$ 5,644	$ 58,147	$ 52,503	$ 754,693
Yr 20: 38-39	$ -	$ -	$ 5,813	$ 60,066	$ 54,253	$ 808,946
Yr 21: 39-40	$ -	$ -	$ 5,987	$ 62,048	$ 56,060	$ 865,006
Yr 22: 40-41	$ -	$ -	$ 6,167	$ 64,095	$ 57,928	$ 922,935
Yr 23: 41-42	$ -	$ -	$ 6,352	$ 66,210	$ 59,859	$ 982,793
Yr 24: 42-43	$ -	$ -	$ 6,542	$ 68,395	$ 61,853	$ 1,044,646
Yr 25: 43-44	$ -	$ -	$ 6,739	$ 70,652	$ 63,914	$ 1,108,560
Totals	$ -	$ -	$ 120,862	$ 1,229,422	$ 1,108,560	**$ 1,108,560**

NOTES

(1) Escalation included at 4% annually & reflects 0.7% panel degration per panel warrantee. No utility savings shown 1st year due to construction.
(2) Project is funded District Capital.
(3) Optional contract to provide a 90% power production guarantee and all O&M of the solar installation at Lincoln.
(4) All development and design included. *DSA fees and inspector for solar shade structure not included.*

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Joy C. Gabler

DATE: January 24, 2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 13, 2019

ITEM: Consider adopting Resolution #13-19: 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 Robert Garcia was unable to attend the January 9, 2019 meeting due to illness.

FISCAL IMPACT: Not to exceed $250.

RECOMMENDATIONS: Adopt Resolution #13-19.

HANFORD ELEMENTARY SCHOOL DISTRICT
RESOLUTION # 13-19
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 Robert Garcia was absent from the Hanford Elementary School District's regular board meeting held January 9, 2019 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 13th day of February, 2019 at a regular meeting, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_________________________________ _________________________________
Tim Revious, President   Greg Strickland, Clerk

HANFORD ELEMENTARY SCHOOL DISTRICT

Board Member Absence Verification

In accordance with Board Bylaw 9250, if a member of the Board of Trustees does not attend all Board meetings during the month, he/she is eligible to receive a percentage of the monthly compensation equal to the percentage of meetings attended unless otherwise authorized by the Board in accordance with law. Board members may be paid for meetings they missed when the Board of Trustees finds that they were performing designated services for the district at the time of the meeting or that they were absent because of illness, jury duty, or a hardship deemed acceptable by the Board. (Education Code 35120)

I was absent from the Board meeting conducted on January 9, 2019.

○ I am not requesting compensation for the meeting.

☒ I am requesting compensation for the meeting since I was absent from the meeting for the following reason (*check one*):

- ○ Performing designated service for the district.
- ☒ Illness.
- ○ Jury Duty.
- ○ Hardship (please specify)____________________

Board Member Name: Robert Garcia

Board Member Signature: Robert "Bobby" Garcia Date: 1-23-2019

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Javier Espindola

DATE: January 28, 2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 13, 2019

ITEM: Consider approval of Plan of Work with Tulare County Office of Education and Jefferson Charter Academy.

PURPOSE: Alesha M. Ramirez from Tulare County Office of Education to provide training on team calibration and capacity-building in Spanish Foundational Skills as part of SLA to Jefferson teachers.

FISCAL IMPACT: $9,400.00

RECOMMENDATIONS: Approve

WORK PLAN (CISC REGION 7) *(Not Tulare County)*

JULY 1, 2018 - JUNE 30, 2019

INITIAL OR REVISION DATE: 11/7/18

TULARE COUNTY OFFICE OF EDUCATION
EDUCATIONAL RESOURCE SERVICES

DISTRICT / SCHOOL: **Hanford ESD, Jefferson Charter Academy**

TCOE CONSULTANT(S): **Alesha M. Ramirez**

CONTACT: **Javier Espindola, Principal**

CONTENT AREA: **Spanish Language Arts (SLA)**

CONTACT EMAIL: **jespindola@hanfordesd.org**

CONTACT MOBILE #: 559-585-3700

Please EMAIL or fax (559) 651-0516 the signed Work Plan to:
Gerald Arellano, gerald.arellano@tcoe.org

2018-19 PROFESSIONAL LEARNING GOALS

1) *Team calibration and capacity-building in Spanish Foundational Skills as part of SLA*
2)

#	DATE(S)	CONSULTANT ACTIVITY	DISTRICT RESPONSIBILITY	CONSULTING DAY(S)	PREP & FOLLOW-UP DAY(S)	SUBTOTAL DAY (S)
1	2/13/18	K-8 Dual language staff Spanish Language Arts Spanish Foundational Skills from CC en español, K-8 (Part I)	Schedule teachers and subs	1.00		1.00
2	2/27/18	K-8 Dual language staff Spanish Language Arts Spanish Foundational Skills from CC en español, K-8 (Part II)	Schedule teachers and subs	1.00		1.00
3	5/13/19	K-2 staff Spanish Foundational Skills: Grammar in context with mentor text-invitational process	Schedule teachers and subs	1.00		1.00
4	5/17/19	K-2 staff Spanish Foundational Skills: Grammar in context planning session	Schedule teachers and subs	1.00		1.00
5	5/21/19	K-2 staff Spanish Foundational Skills: Grammar in context planning session	Schedule teachers and subs	1.00		1.00
6	5/30/19	K-2 staff co-plan, co-teach Grammar in context	Schedule teachers and subs	1.00		1.00
7	TBD	Consultant Design and Development	Schedule teachers and subs		2.00	2.00
8			Schedule teachers and subs			0.00
9			Schedule teachers and subs			0.00
10			Schedule teachers and subs			0.00
#REF!		<<<unhide hidden rows if needed	Schedule teachers and subs			0.00

TOTAL DAYS	8.00
CISC REGION 7 RATE	$ 1,175
GRAND TOTAL	**$ 9,400.00**

DISTRICT / SCHOOL SIGNATURE

1-15-19
DATE

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Karen McConnell

DATE: January 31, 2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 27, 2019

ITEM: Memorandum of Understanding between the Family HealthCare Network and the Hanford Elementary School District

PURPOSE: To provide access and health care provided to District students and the community, monthly at the following Hanford Elementary School District schools: Roosevelt, Lincoln and King. The mobile unit will provide routine screenings, labs, immunizations, physical exams for children and adults, sports physicals, well child visits, eligibility assistance and health education.

FISCAL IMPACT: Minor Fiscal Impact

RECOMMENDATIONS: Approve

MEMORANDUM OF UNDERSTANDING

Between

Family HealthCare Network

And

Hanford Elementary School District

Martin Luther King, Jr. Elementary School

This Memorandum of Understanding (MOU) is made and entered into this 31st day of January, 2019 by and between Family HealthCare Network, 305 E. Center Avenue, Visalia CA 93291 (hereinafter referred to as "FHCN") and Hanford Elementary School District, specifically, Martin Luther King, Jr. Elementary School, 820 Hume Avenue, Hanford, CA 93230 (hereinafter referred to as "HESD-MLK").

1. Purpose:

This MOU is being entered into for the purposes of identifying key roles of each of the organizations when working together to implement the mobile health project as partners. As two separate organizations, FHCN and HESD-MLK have a common mission to provide services that strengthen youth, families and communities.

Both organizations will maintain open communication and operate transparently as partners, serving mutually in a multitude of ways to promote and deliver the program's services successfully. Each entity will retain autonomy and execute its own management decisions within its respective independent organization.

2. Organizations Roles and Responsibilities:

A. HESD-MLK will provide the following:

1. Provide adequate space to park the 38-foot mobile health unit in an appropriate area on school grounds during mutually approved scheduled timeframes at HESD-MLK, 820 Hume Avenue, Hanford, CA 93230.

2. Provide access to a restroom for FHCN staff, as available.

3. Provide a space for patient waiting such as a 10 x 10 pop up canopy.

4. Provide access to electrical power for a 30' 125/250 Vac power cord for shore power using a 50 AMP Reel Model, as available.

4. Partner and support FHCN to promote mobile health unit availability.

5. Communicate with FHCN within two weeks of any modifications to the agreed upon schedule.

B. FHCN will provide the following:

1. FHCN will provide access to a full service mobile health unit for students, families, and the local community to access within the organization's scope of services.
2. FHCN will use only the designated location which has been agreed upon by HESD-MLK.
3. FHCN will offer mobile health services to students, families, and the local community on an agreed upon schedule between FHCN and HESD-MLK.
4. FHCN will contract for and provide General Liability Insurance in the amount of at least $1,000,000.00 and name HESD-MLK as an additional insured. Proof of such insurance shall be provided to HESD-MLK prior to commencement of services for the designated site location of the mobile health unit.
5. FHCN will maintain mobile health unit on FHCN auto insurance.
6. FHCN will maintain current licensure for the mobile health unit, drivers and health service providers.
7. FHCN will ensure that proper safety equipment will be on the mobile health unit.
8. FHCN will communicate with HESD-MLK on any modifications to the agreed upon schedule between FHCN and HESD-MLK. Modifications may occur due to low utilization, vehicle maintenance needs, and staffing levels.

3. <u>Hold Harmless Provision:</u>

A. Each party agrees to defend, hold harmless, and indemnify the other ~~party's~~ (and the other party's Board Members, officers, employees, trustees, agents, successors, and assigns) against all claims, suits, expenses, losses, penalties, fines, costs, and liability whether in contract, tort, or strict liability (including, but not limited to, personal injury, death at any time, and property damage) arising out of or made necessary by: (a) the indemnifying party's breach of the terms of this MOU, (b) the act or omission of the indemnifying party, its Board Members, employees, officers, agents, and assigns in connection with the performance of this MOU, and (c) the presence of the indemnifying party, its Board Members, officers, employees, agents, assigns, or invitees on the other party's premises.

B. In the event that any action or proceeding is brought against any party by reason of any claim or demand discussed in this section, upon notice, the indemnifying party shall defend the action or proceeding at the indemnifying party's expense, through counsel reasonably satisfactory to the other party or parties. The obligation to indemnify set forth in this section shall include reasonable attorneys' fees and investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand is made.

C. The indemnifying party's obligations under this section shall apply regardless of whether the other party (or any of its Board Members, officers, employees, trustees, or agents) is actively or passively negligent, but shall not apply to any loss, liability, fine, penalty, forfeiture, cost, or damage determined by an arbitrator or court of competent jurisdiction to be caused by the sole active negligence or willful misconduct of the other party, its officers, employees, trustees, or agents.

D. These indemnification obligations shall survive the expiration and/or termination of this MOU for any claims that occur during the period of the MOU.

4. Effective Date and Duration. The MOU and the obligations hereunder shall be effective upon signatures and dates of all parties. The agreement and the scope of services under this MOU will cover all services rendered as of January 31, 2019 and end December 31, 2019.

5. Termination of MOU for Convenience of Either Party. Either party may terminate this MOU at any time by giving to the other party thirty (30) days written notice of each termination. Termination for convenience shall be effective at 11:59 p.m., Pacific Standard Time on the intended date for termination (the "Termination Date"). The termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.

6. Termination of MOU for Cause. If either party fails to perform its duties under this MOU or if either party breaches any of the material terms or provisions of the MOU, then the non-breaching party shall have the right to terminate this MOU effective immediately upon giving written notice to the breaching party. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.

7. Entire Agreement and Modification. This MOU supersedes all previous agreements and constitutes the entire understanding of the parties hereto. All parties specifically acknowledge that in entering into and executing this MOU that they shall rely solely upon the provisions contained in this MOU.

8. Enforceability. If any term, covenant, condition, or provision of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

9. Employment Status. FHCN and its officers, employees, or agents shall, during the entire term of the MOU, be construed to be an independent contractor and nothing in this MOU is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow HESD-MLK to exercise direction or control over the professional manner in which FHCN performs the services which are the subject matter of this MOU. FHCN understands and agrees that its employees shall not and will not be eligible for membership in for any benefits from any HESD-MLK group plan for hospital, surgical, or medical insurance, or for membership in any HESD-MLK retirement program, or for paid vacation, sick leave or other leave, with or without pay, or for any other benefit which accrues to a HESD-MLK employee.

10. Attorney Fees. If the parties become involved in arbitration or litigation concerning this MOU or the performance of this MOU, the prevailing party shall be entitled to an award of reasonable costs and expenses of arbitration or litigation, including expert witness fees and attorney fees.

11. <u>Compensation/Billing.</u> Compensation for this program for the duration of the MOU is at no cost to HESD-MLK.

12. <u>Confidentiality.</u> Services provided by FHCN are confidential in nature. All student records, health records or other records provided to FHCN and their officers, agents, or employees, except as authorized by law are confidential and are not to be shared with other parties. Confidential information obtained by HESD-MLK or its Board Members, officers, agents, or employees, in the course of receiving services and/or residential placements under this MOU may not be disclosed except as authorized by law or unless HESD-MLK secures prior written authorization from HESD-MLK and the parent/guardian of the child. FHCN and HESD-MLK and its Board Members, officers, agents, and employees, agree to obey all applicable laws and regulation, including without limitation the provisions of the Health Information Portability and Accountability Act, the Public Health Service Act (42 U.S.C. Section 290ee-3), Title 42 of the Code of Federal Regulations, any other applicable Federal, State, or local laws, regulations, directives, or guidelines. All student records by HESD-MLK are confidential as provided for by the California Education Code and the Federal Educational Rights and Privacy Act. FHCN agrees to have all of its employees abide by these confidentiality laws regarding student records.

13. <u>Third Party Rights.</u> Nothing in this MOU shall be construed to give any rights or benefits to anyone other than FHCN and HESD-MLK.

14. <u>Litigation.</u> This MOU represents the entire understanding of FCH and HESD-MLK as to those matters contained herein and supersedes and cancels any prior oral or written understanding, promises, representations, or agreement(s) with respect to those matters covered hereunder. This MOU may not be modified or altered except in writing and signed by all the parties hereto.

15. <u>Legal Compliance.</u> Each party shall comply with all laws as may be applicable for the provision of services within the scope of this MOU, and within the State and Federal audit compliance requirements as set forth by the State Department of Mental Health and Federal regulations.

Organization representative and signatory authority:

Hanford Elementary School District- Martin Luther King, Jr., Elementary School Superintendent	Family HealthCare Network President & CEO
__________________________	__________________________
Joy Gabler	Kerry Hydash

MEMORANDUM OF UNDERSTANDING

Between

Family HealthCare Network

And

Hanford Elementary School District

Lincoln Elementary School

This Memorandum of Understanding (MOU) is made and entered into this 31st day of January, 2019 by and between Family HealthCare Network, 305 E. Center Avenue, Visalia CA 93291 (hereinafter referred to as "FHCN") and Hanford Elementary School District, specifically, Lincoln Elementary School, 832 S Harris St, Hanford, CA 93230 (hereinafter referred to as "HESD-LES").

1. Purpose:

This MOU is being entered into for the purposes of identifying key roles of each of the organizations when working together to implement the mobile health project as partners. As two separate organizations, FHCN and LES have a common mission to provide services that strengthen youth, families and communities.

Both organizations will maintain open communication and operate transparently as partners, serving mutually in a multitude of ways to promote and deliver the program's services successfully. Each entity will retain autonomy and execute its own management decisions within its respective independent organization.

2. Organizations Roles and Responsibilities:

A. HESD-LES will provide the following:

1. Provide adequate space to park the 38-foot mobile health unit in an appropriate area on school grounds during mutually approved scheduled timeframes at HESD-LES, 832 S Harris St, Hanford, CA 93230.

2. Provide access to a restroom for FHCN staff, as available.

3. Provide a space for patient waiting such as a 10 x 10 pop up canopy.

4. Provide access to electrical power for a 30' 125/250 Vac power cord for shore power using a 50 AMP Reel Model, as available.

4. Partner and support FHCN to promote mobile health unit availability.

5. Communicate with FHCN within two weeks of any modifications to the agreed upon schedule.

B. FHCN will provide the following:

1. FHCN will provide access to a full service mobile health unit for students, families, and the local community to access within the organization's scope of services.
2. FHCN will use only the designated location which has been agreed upon by HESD-LES.
3. FHCN will offer mobile health services to students, families, and the local community on an agreed upon schedule between FHCN and HESD-LES.
4. FHCN will contract for and provide General Liability Insurance in the amount of at least $1,000,000.00 and name HESD-LES as an additional insured. Proof of such insurance shall be provided to HESD-LSD prior to commencement of services for the designated site location of the mobile health unit.
5. FHCN will maintain mobile health unit on FHCN auto insurance.
6. FHCN will maintain current licensure for the mobile health unit, drivers and health service providers.
7. FHCN will ensure that proper safety equipment will be on the mobile health unit.
8. FHCN will communicate with HESD-LES on any modifications to the agreed upon schedule between FHCN and HESD-LES. Modifications may occur due to low utilization, vehicle maintenance needs, and staffing levels.

3. <u>Hold Harmless Provision:</u>

A. Each party agrees to defend, hold harmless, and indemnify the other party~~'s~~ (and the other party's Board Members, officers, employees, trustees, agents, successors, and assigns) against all claims, suits, expenses, losses, penalties, fines, costs, and liability whether in contract, tort, or strict liability (including, but not limited to, personal injury, death at any time, and property damage) arising out of or made necessary by: (a) the indemnifying party's breach of the terms of this MOU, (b) the act or omission of the indemnifying party, its Board Members, employees, officers, agents, and assigns in connection with the performance of this MOU, and (c) the presence of the indemnifying party, its Board Members, officers, employees, agents, assigns, or invitees on the other party's premises.

B. In the event that any action or proceeding is brought against any party by reason of any claim or demand discussed in this section, upon notice, the indemnifying party shall defend the action or proceeding at the indemnifying party's expense, through counsel reasonably satisfactory to the other party or parties. The obligation to indemnify set forth in this section shall include reasonable attorneys' fees and investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand is made.

C. The indemnifying party's obligations under this section shall apply regardless of whether the other party (or any of its Board Members, officers, employees, trustees, or agents) is actively or passively negligent, but shall not apply to any loss, liability, fine, penalty, forfeiture, cost, or damage determined by an arbitrator or court of competent jurisdiction to be caused by the sole active negligence or willful misconduct of the other party, its officers, employees, trustees, or agents.

D. These indemnification obligations shall survive the expiration and/or termination of this MOU for any claims that occur during the period of the MOU.

4. Effective Date and Duration. The MOU and the obligations hereunder shall be effective upon signatures and dates of all parties. The agreement and the scope of services under this MOU will cover all services rendered as of January 31, 2019 and end December 31, 2019.

5. Termination of MOU for Convenience of Either Party. Either party may terminate this MOU at any time by giving to the other party thirty (30) days written notice of each termination. Termination for convenience shall be effective at 11:59 p.m., Pacific Standard Time on the intended date for termination (the "Termination Date"). The termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.

6. Termination of MOU for Cause. If either party fails to perform its duties under this MOU or if either party breaches any of the material terms or provisions of the MOU, then the non-breaching party shall have the right to terminate this MOU effective immediately upon giving written notice to the breaching party. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.

7. Entire Agreement and Modification. This MOU supersedes all previous agreements and constitutes the entire understanding of the parties hereto. All parties specifically acknowledge that in entering into and executing this MOU that they shall rely solely upon the provisions contained in this MOU.

8. Enforceability. If any term, covenant, condition, or provision of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

9. Employment Status. FHCN and its officers, employees, or agents shall, during the entire term of the MOU, be construed to be an independent contractor and nothing in this MOU is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow HESD-LES to exercise direction or control over the professional manner in which FHCN performs the services which are the subject matter of this MOU. FHCN understands and agrees that its employees shall not and will not be eligible for membership in for any benefits from any HESD-LES group plan for hospital, surgical, or medical insurance, or for membership in any HESD-LES retirement program, or for paid vacation, sick leave or other leave, with or without pay, or for any other benefit which accrues to a HESD-LES employee.

10. Attorney Fees. If the parties become involved in arbitration or litigation concerning this MOU or the performance of this MOU, the prevailing party shall be entitled to an award of reasonable costs and expenses of arbitration or litigation, including expert witness fees and attorney fees.

11. Compensation/Billing. Compensation for this program for the duration of the MOU is at no cost to HESD-LES.

12. Confidentiality. Services provided by FHCN are confidential in nature. All student records, health records or other records provided to FHCN and their officers, agents, or employees, except as authorized by law are confidential and are not to be shared with other parties. Confidential information obtained by HESD-LES or its Board Members, officers, agents, or employees, in the course of receiving services and/or residential placements under this MOU may not be disclosed except as authorized by law or unless HESD-LES secures prior written authorization from HESD-LES and the parent/guardian of the child. FHCN and HESD-LES and its Board Members, officers, agents, and employees, agree to obey all applicable laws and regulation, including without limitation the provisions of the Health Information Portability and Accountability Act, the Public Health Service Act (42 U.S.C. Section 290ee-3), Title 42 of the Code of Federal Regulations, any other applicable Federal, State, or local laws, regulations, directives, or guidelines. All student records by HESD-LES are confidential as provided for by the California Education Code and the Federal Educational Rights and Privacy Act. FHCN agrees to have all of its employees abide by these confidentiality laws regarding student records.

13. Third Party Rights. Nothing in this MOU shall be construed to give any rights or benefits to anyone other than FHCN and HESD-LES.

14. Litigation. This MOU represents the entire understanding of FCH and HESD-LES as to those matters contained herein and supersedes and cancels any prior oral or written understanding, promises, representations, or agreement(s) with respect to those matters covered hereunder. This MOU may not be modified or altered except in writing and signed by all the parties hereto.

15. Legal Compliance. Each party shall comply with all laws as may be applicable for the provision of services within the scope of this MOU, and within the State and Federal audit compliance requirements as set forth by the State Department of Mental Health and Federal regulations.

Organization representative and signatory authority:

Hanford Elementary School District- Lincoln Elementary School Superintendent	Family HealthCare Network President & CEO
________________________	________________________
Joy Gabler	Kerry Hydash

MEMORANDUM OF UNDERSTANDING

Between

Family HealthCare Network

And

Hanford Elementary School District

Roosevelt Elementary School

This Memorandum of Understanding (MOU) is made and entered into this 31st day of January, 2019 by and between Family HealthCare Network, 305 E. Center Avenue, Visalia CA 93291 (hereinafter referred to as "FHCN") and Hanford Elementary School District, specifically, Roosevelt Elementary School, 870 W. Davis, Hanford, CA 93230 (hereinafter referred to as "HESD-ROO").

1. <u>Purpose:</u>

This MOU is being entered into for the purposes of identifying key roles of each of the organizations when working together to implement the mobile health project as partners. As two separate organizations, FHCN and HESD-ROO have a common mission to provide services that strengthen youth, families and communities.

Both organizations will maintain open communication and operate transparently as partners, serving mutually in a multitude of ways to promote and deliver the program's services successfully. Each entity will retain autonomy and execute its own management decisions within its respective independent organization.

2. <u>Organizations Roles and Responsibilities:</u>

A. HESD-ROO will provide the following:

1. Provide adequate space to park the 38-foot mobile health unit in an appropriate area on school grounds during mutually approved scheduled timeframes at HESD-ROO, 820 Hume Avenue, Hanford, CA 93230.

2. Provide access to a restroom for FHCN staff, as available.

3. Provide a space for patient waiting such as a 10 x 10 pop up canopy.

4. Provide access to electrical power for a 30' 125/250 Vac power cord for shore power using a 50 AMP Reel Model, as available.

4. Partner and support FHCN to promote mobile health unit availability.

5. Communicate with FHCN within two weeks of any modifications to the agreed upon schedule.

B. FHCN will provide the following:

1. FHCN will provide access to a full service mobile health unit for students, families, and the local community to access within the organization's scope of services.

2. FHCN will use only the designated location which has been agreed upon by HESD-ROO.

3. FHCN will offer mobile health services to students, families, and the local community on an agreed upon schedule between FHCN and HESD-ROO.

4. FHCN will contract for and provide General Liability Insurance in the amount of at least $1,000,000.00 and name HESD-ROO as an additional insured. Proof of such insurance shall be provided to HESD-ROO prior to commencement of services for the designated site location of the mobile health unit.

5. FHCN will maintain mobile health unit on FHCN auto insurance.

6. FHCN will maintain current licensure for the mobile health unit, drivers and health service providers.

7. FHCN will ensure that proper safety equipment will be on the mobile health unit.

8. FHCN will communicate with HESD-ROO on any modifications to the agreed upon schedule between FHCN and HESD-ROO. Modifications may occur due to low utilization, vehicle maintenance needs, and staffing levels.

3. <u>Hold Harmless Provision:</u>

A. Each party agrees to defend, hold harmless, and indemnify the other party~~'s~~ (and the other party's Board Members, officers, employees, trustees, agents, successors, and assigns) against all claims, suits, expenses, losses, penalties, fines, costs, and liability whether in contract, tort, or strict liability (including, but not limited to, personal injury, death at any time, and property damage) arising out of or made necessary by: (a) the indemnifying party's breach of the terms of this MOU, (b) the act or omission of the indemnifying party, its Board Members, employees, officers, agents, and assigns in connection with the performance of this MOU, and (c) the presence of the indemnifying party, its Board Members, officers, employees, agents, assigns, or invitees on the other party's premises.

B. In the event that any action or proceeding is brought against any party by reason of any claim or demand discussed in this section, upon notice, the indemnifying party shall defend the action or proceeding at the indemnifying party's expense, through counsel reasonably satisfactory to the other party or parties. The obligation to indemnify set forth in this section shall include reasonable attorneys' fees and investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand is made.

C. The indemnifying party's obligations under this section shall apply regardless of whether the other party (or any of its Board Members, officers, employees, trustees, or agents) is actively or passively negligent, but shall not apply to any loss, liability, fine, penalty, forfeiture, cost, or damage determined by an arbitrator or court of competent jurisdiction to be caused by the sole active negligence or willful misconduct of the other party, its officers, employees, trustees, or agents.

D. These indemnification obligations shall survive the expiration and/or termination of this MOU for any claims that occur during the period of the MOU.

4. Effective Date and Duration. The MOU and the obligations hereunder shall be effective upon signatures and dates of all parties. The agreement and the scope of services under this MOU will cover all services rendered as of January 31, 2019 and end December 31, 2019.

5. Termination of MOU for Convenience of Either Party. Either party may terminate this MOU at any time by giving to the other party thirty (30) days written notice of each termination. Termination for convenience shall be effective at 11:59 p.m., Pacific Standard Time on the intended date for termination (the "Termination Date"). The termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.

6. Termination of MOU for Cause. If either party fails to perform its duties under this MOU or if either party breaches any of the material terms or provisions of the MOU, then the non-breaching party shall have the right to terminate this MOU effective immediately upon giving written notice to the breaching party. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.

7. Entire Agreement and Modification. This MOU supersedes all previous agreements and constitutes the entire understanding of the parties hereto. All parties specifically acknowledge that in entering into and executing this MOU that they shall rely solely upon the provisions contained in this MOU.

8. Enforceability. If any term, covenant, condition, or provision of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

9. Employment Status. FHCN and its officers, employees, or agents shall, during the entire term of the MOU, be construed to be an independent contractor and nothing in this MOU is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow HESD-ROO to exercise direction or control over the professional manner in which FHCN performs the services which are the subject matter of this MOU. FHCN understands and agrees that its employees shall not and will not be eligible for membership in for any benefits from any HESD-ROO group plan for hospital, surgical, or medical insurance, or for membership in any HESD-ROO retirement program, or for paid vacation, sick leave or other leave, with or without pay, or for any other benefit which accrues to a HESD-ROO employee.

10. Attorney Fees. If the parties become involved in arbitration or litigation concerning this MOU or the performance of this MOU, the prevailing party shall be entitled to an award of reasonable costs and expenses of arbitration or litigation, including expert witness fees and attorney fees.

11. Compensation/Billing. Compensation for this program for the duration of the MOU is at no cost to HESD-ROO.

12. Confidentiality. Services provided by FHCN are confidential in nature. All student records, health records or other records provided to FHCN and their officers, agents, or employees, except as authorized by law are confidential and are not to be shared with other parties. Confidential information obtained by HESD-ROO or its Board Members, officers, agents, or employees, in the course of receiving services and/or residential placements under this MOU may not be disclosed except as authorized by law or unless HESD-ROO secures prior written authorization from HESD-ROO and the parent/guardian of the child. FHCN and HESD-ROO and its Board Members, officers, agents, and employees, agree to obey all applicable laws and regulation, including without limitation the provisions of the Health Information Portability and Accountability Act, the Public Health Service Act (42 U.S.C. Section 290ee-3), Title 42 of the Code of Federal Regulations, any other applicable Federal, State, or local laws, regulations, directives, or guidelines. All student records by HESD-ROO are confidential as provided for by the California Education Code and the Federal Educational Rights and Privacy Act. FHCN agrees to have all of its employees abide by these confidentiality laws regarding student records.

13. Third Party Rights. Nothing in this MOU shall be construed to give any rights or benefits to anyone other than FHCN and HESD-ROO.

14. Litigation. This MOU represents the entire understanding of FCH and HESD-ROO as to those matters contained herein and supersedes and cancels any prior oral or written understanding, promises, representations, or agreement(s) with respect to those matters covered hereunder. This MOU may not be modified or altered except in writing and signed by all the parties hereto.

15. Legal Compliance. Each party shall comply with all laws as may be applicable for the provision of services within the scope of this MOU, and within the State and Federal audit compliance requirements as set forth by the State Department of Mental Health and Federal regulations.

Organization representative and signatory authority:

Hanford Elementary School District- Roosevelt Elementary School Superintendent	Family HealthCare Network President & CEO
________________________	________________________
Joy Gabler	Kerry Hydash

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy C. Gabler

FROM: Gerry Mulligan

DATE: February 4, 2019

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

FOR: ( ) Information
(X) Action

Date you wish to have your item considered: February 13, 2019

ITEM
Consider approval of agreement with Forensic Analytical for environmental consulting services.

PURPOSE
Services to be performed at various sites include: asbestos, lead, or other hazardous building materials inspections, sampling of material and laboratory analysis costs, indoor air quality investigations and air sampling, drafting of remediation/abatement specifications, project monitoring, and post-remediation/abatement clearance air sampling.

FISCAL IMPACT
The estimated fee for this agreement is $10,000.

RECOMMENDATION
Approve agreement Forensic Analytical for environmental consulting services.

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy C. Gabler

FROM: Gerry Mulligan

DATE: February 4, 2019

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

FOR: ( ) Information
(X) Action

Date you wish to have your item considered: February 13, 2019

ITEM:
Consider approval to solicit bids for the Lincoln Kindergarten Wing Addition project.

PURPOSE:
The District would like to solicit bids for a new Kindergarten wing addition at Lincoln School. Once a bid is awarded, we expect to start the project on June 10, 2019. The entire project will be required to be completed by December 10, 2019.

FISCAL IMPACT:
The total estimated cost for labor and materials on this project is $1,900,000.

RECOMMENDATION:
Authorize the solicitation of bids for the Lincoln Kindergarten Wing Addition project.

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department

AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez

DATE: February 4, 2019

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

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **February 13, 2019**

ITEM: Consider approval of personnel transactions and related matters.

PURPOSE:

a. Employment

Classified

- Chelsie Grabow, Licensed Vocational Nurse – 6.0 hrs., Kennedy, effective 1/22/19
- Kristy Kairis, READY Program Tutor – 4.5 hrs., Simas, effective 1/14/19
- Keshia Spain, READY Program Tutor – 4.5 hrs., Hamilton, effective 1/24/19

Temporary Employees/Substitutes

- Jennifer Aguirre, Short-term Yard Supervisor – 1.5 hrs., Roosevelt, effective 1/22/19 to 4/12/19
- Savannah Bruner, Short-term Yard Supervisor – 2.5 hrs., Kennedy, effective 1/22/19 to 4/12/19
- Ricardo Cuevas, Substitute Computer Maintenance Technician, effective 1/22/19
- Patricia Diaz, Folkloric Dance, Jefferson, effective 1/25/19 to 3/15/19
- Oscar Galloway, Substitute Custodian I and READY Program Tutor, effective 1/22/19
- Joseline Martinez, Substitute READY Program Tutor, Translator: Oral Interpreter & Written Translator, effective 1/14/19
- Leticia Martinez, Clerk Typist I, effective 1/14/19
- Ericka Navarrete Navarro, Substitute Translator: Oral Interpreter and Written Translator, effective 1/31/19

Temporary Employees/Substitutes (cont.)

- Eddie Parra, Substitute Custodian I, effective 1/22/19
- Melonie Thomas, Short-term Special Circumstance Aide – 5.75 hrs., Monroe, effective 2/6/19 to 3/15/19
- Earlisha White, Short-term Yard Supervisor – 2.0 hrs., Roosevelt, effective 1/14/19 to 4/12/19 (revised)

Yard Supervisors

- Lizeth Barazza Alcala, Yard Supervisor – 2.0 hrs., Simas, effective 1/14/19 (rescind)

b. Employment and Certification of Temporary Athletic Team Coaches Pursuant to Title 5 CCR 5594

- Ashley Karasti, Wrestling Coach, Wilson, effective 1/18/19 to 2/16/19

c. Resignations

- Garrett Bazzle, Substitute Custodian I and Yard Supervisor, effective 12/14/18
- Laura Gai, Teacher, Roosevelt, effective 6/7/19
- Allysa Null, Food Service Worker II – 3.0 hrs., Wilson, effective 2/8/19
- Dylan Stewart, Yard Supervisor – 2.0 hrs., Washington, effective 1/31/19
- Alexis Villa, Yard Supervisor – 3.0 hrs., Roosevelt, effective 1/14/19

d. Retirement

- Alison Morton, Teacher, Roosevelt, effective 6/7/19

e. More Hours

- Sylvia Reyna, Yard Supervisor, from 2.5 hrs. to 3.5 hrs., Roosevelt, effective 1/28/19

f. More Hours/Transfer

- Paige Trevino, Food Service Worker II, from 2.5 hrs., Kennedy to 3.0 hrs., Wilson, effective 2/12/19

g. Promotion/More Hours/Transfer

- Amanda Leyva, from READY Program Tutor – 4.5 hrs., Hamilton to Media Services Aide – 5.5 hrs., Roosevelt, effective 1/22/19

h. Voluntary Decrease in Hours

- Christina Jenkins, Yard Supervisor, from 3.5 hrs. to 1.5 hrs., Monroe, effective 1/22/19

i. Voluntary Demotion/Decrease in Hours/Transfer

- Veronica Grever, from Food Service Utility Worker – 3.5 hrs., Food Services to Account Clerk I – 3.0 hrs., Jefferson, effective 1/22/19

j. Job Descriptions

- Custodian I/II, District Kitchen Addendum (revised)
- READY Program Tutor (revised)

k. Volunteers

Name	School
Sheila Crain	Hamilton
Lina Tuon	Hamilton
Teresa Canchola	Jefferson
Blanca Chavez-Arredondo	Jefferson
Mary Farr	Jefferson
Rito Moreno	King
Alma Reyes	King
Nkauj Xiong	Lincoln
Demi Balbina	Monroe
Emily Berrett	Monroe
Samantha Whaley	Monroe
Jamie Johnson	Roosevelt
Sarafina Donez	Simas
Candra Escobar	Simas
Eva Osuna	Simas
Felix Valdez	Simas
Tiffany Cantu (HESD Employee)	Washington

RECOMMENDATION: Approve.

HANFORD ELEMENTARY SCHOOL DISTRICT

Job Description:

CUSTODIAN I/II, DISTRICT KITCHEN ADDENDUM

DEFINITION

Under general supervision, performs routine cleaning work, transports hot food carts, and performs other related tasks in the District Kitchen and School Site Kitchens as needed.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the ~~Coordinator~~ Manager (or designee) of Food Services and does not supervise any other employee.

EXAMPLES OF DUTIES

Working from a prepared work schedule, keeps all storage rooms (including refrigerators and freezers) organized, rotating stock, and monitoring dates as new shipments arrive or product is entered back into inventory.

Stores incoming orders and pulls food items for the cooks and school site kitchens daily. Notifies supervisor of delivery or inventory shortages as they occur.

Assists in keep~~s~~ing all steam kettles, pots, pans, racks, carts, shelves, and machines clean and ready for use.

Cleans inside and outside of ovens, ~~and~~ hood vents, and transport carts, doing minor maintenance as needed.

Drives, cleans, and maintains in proper running order vehicles assigned to the District Kitchen ~~and~~ reporting mechanical problems and safety concerns as needed.

Assists in ~~potting up and~~ loading food into hot food carts and transport~~s~~ing food carts to school sites as assigned.

Performs related duties as assigned.

Ability to:

Drive a delivery truck and a standing or sitting forklift

Work for extended periods of time in refrigerators and freezers.

License/Certificates:

Possession of a valid Class 3 or Class C California Driver's License and a good driving record.

Possess or able to secure and maintain a Fork Lift Certification

Possess or able to secure and maintain Food Safety Certification

Working Conditions/Hazardous Conditions:

In addition to the conditions listed in the Custodian I/II job description, this position must also have the physical ability to push or pull food carts on and off ramps, climb into a delivery truck and onto forklifts. Hazardous conditions include walking into freezers with icy flooring; working in areas with hot temperatures and hot equipment or extreme cold.

Approved: 06/09/92
Revised: __/__/__

HANFORD ELEMENTARY SCHOOL DISTRICT
Job Description

Recreation Enrichment Academics Devoted to Youth

"READY" Program Tutor

DEFINITION:

To assist in the supervision and training of students enrolled in the Recreation Enrichment Academics Devoted to Youth (READY) program. Provide various supportive services in order to carry out activities to improve the attendance, academic performance and general well being of students enrolled in the READY program.

DISTINGUISHING CHARACTERISTICS:

The READY Program Tutor is distinguished from other instructional Tutors in that they are required to perform a variety of supportive services to students enrolled in the after-school READY program in order to carry out the program goals. The READY Program Tutors must be able to adjust activities to meet the needs of the students in both structured and unstructured activities. The program design requires the READY Tutor to independently monitor, instruct and engage students in groups up to approximately 25 students. They must be able to administer first aid and medical assistance ~~including C.P.R.~~ as needed.

SUPERVISON RECEIVED AND EXCERCISED:

The READY Program Tutor works under the ~~functional~~ direction and supervision of the ~~READY Program Specialist~~ school site Principal, in conjunction with the Assistant Superintendent of Special Services. Functional work direction is provided by the READY Site Lead. ~~The Principal or designee supervises the READY Program Tutor.~~

ESSENTIAL FUNCTIONS:

- Supervises and fosters a safe and nurturing learning environment.
- Provides homework and tutoring assistance.
- Prepares instructional and work materials based on program focus.
- ~~Works~~ Assists ~~with~~ students individually and in small or large groups, utilizing a variety of instructional and enrichment materials provided by the READY program ~~leaders~~.
- Assists the ~~Program Specialist~~ Principal in implementing the READY program goals of improving literacy ~~standards~~ of students through the use of recreational, academic and enrichment activities in a classroom type setting ~~for them~~. ~~The following list is an example of the activities:~~

- ~~Listens to and reads to~~ Uses a variety of literary methods to enhance students reading skills and techniques such as read alouds, grouping students ~~in~~ into small groups based on their reading needs and exploration of text, utilizing storytelling activities, acting out plays and exploring poems.

- Uses a variety of methods to explore mathematics ~~Works~~ with students by working on basic skills ~~in the areas of mathematics~~, implementing problem solving strategies and providing hands on ~~and~~ ~~active~~ learning.

- Provides visual and performing arts activities including arts and crafts, music and songs to enhance students experience with various cultures.

- Participates and leads recreational activities with students, including but not limited to~~:~~ games, dancing, sports, board games and play activities.

- Supervises students in structured and unstructured settings.~~,~~ ~~maintaining~~ Maintains student discipline ~~and order within student groups.~~ in all settings.

- Records student academic progress, behavior and attendance as required by the ~~Program Specialist~~ Assistant Superintendent and READY Program criteria. Assists in completing documents for program activities.

- Sets up and cleans up supplies and equipment for use in the after-school program. Assists in the preparation of materials and activities for the READY program. Maintains a neat, clean, orderly and attractive environment for students and staff.

- Works with the READY Staff and ~~Program Specialist~~ School Site Administration to motivate students to participate in the READY program.

- Communicates with the ~~Program Specialist~~ School Site Principal regarding events or activities that have occurred during the after-school program.

- Encourages students to make wise choices and develop responsible behaviors.

- Communicates efficiently and effectively with ~~Program Specialist~~ School Site Administration reporting safety, health or fire hazards.

- Administers first aid and medical assistance as needed.

- Establishe~~s~~ Develops and maintains positive, cooperative relationships with students, parents, teachers and site personnel ~~with school personnel, parents, and students.~~

- Maintains regular attendance, dependability and punctuality.

OTHER DUTIES:

- Performs other duties as assigned.

NECESSARY EMPLOYMENT STANDARDS:

Knowledge of:

- The general needs and behavior of students
- Correct use of English, spelling, grammar and punctuation. Basic mathematical concepts.
- Audio visual equipment

Ability to:

- Establish and maintain effective relationships with adults and students
- Understand and carry out oral and written directions
- Communicate clearly and concisely
- Work independently, exercising sound judgment and initiative in implementing tasks and recognizing problems.
- Relate to students from various ethnic and cultural backgrounds
- Work independently and productively with children in grades one through six.
- Show initiative when working with children using various materials, adjusting materials to meet the individual needs of students.
- To analyze problems and adjust activities as appropriate.

EDUCATION AND EXPERIENCE:

Any combination or education and experience that could likely provide the required knowledge, skills and abilities are qualifying. A typical way to obtain the knowledge, skills and abilities would be:

Education: Equivalent to graduation from high school. ~~Must meet the following requirements as defined in the ESEA Act of January 2002 Section 1119: Complete two years of higher education study, OR Hold or Obtain an Associate's degree OR Pass a formal state or local academic assessment that demonstrates knowledge of and the ability to assist in teaching, reading, writing, and mathematics or reading, writing and mathematics readiness.~~

Completion of or proof of enrollment in or progress towards 12 semester units of college level course work, preferably in child development.

Experience: Experience working with children in formal or informal settings.

Testing: Obtain a passing score on the ~~Comprehensive Test of Basic Skills (CTBS) and/or the~~ California High School ~~Minimum~~ Proficiency Exam ~~test~~ and California Paraprofessional Exam*

*In lieu of the California Paraprofessional Exam provide documentation of successful completion of two years of higher education study (48 units) or Associates Degree (AA) or higher educational degree.

Passing score on CBEST will meet both testing requirements listed above.

HIGHLY DESIRABLE:

- Valid First Aid and basic C.P.R. cards.
- Bilingual – Spanish Speaking Skills

WORKING CONDITIONS:

Environment: Indoor and outdoor environment

Physical Abilities: Seeing to monitor student behavior during academic activities, hearing and speaking to exchange information related to activities, bending at the waist, kneeling, standing, crouching, walking for extending periods of time, jumping, running hopping and skipping to participate with children in activities, ability to tolerate heat in an outside setting, and to tolerate noise and traffic; dexterity of hands and fingers to operate assigned equipment; and ability to lift students weighing up to 50 lbs.

Adopted: 07/24/01
Revised: 09/20/06
Revised: 02/06/08
Revised: __/__/__

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/04/2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 02/13/2019

ITEM:
Consider approval of the Kings County Treasurer's Quarterly Compliance Report.

PURPOSE:
Enclosed is the Kings County Investment Pool compliance report for the quarter ending 12/31/2018. The interest rate for the quarter was 1.8208%.

FISCAL IMPACT:
None.

RECOMMENDATIONS:
Approve the Kings County Treasurer's Quarterly Compliance Report.

COUNTY OF KINGS
DEPARTMENT OF FINANCE

JAMES P. ERB, CPA • DIRECTOR OF FINANCE
1400 W. LACEY BLVD • HANFORD, CA 93230

ACCOUNTING DIVISION
(559) 852-2455 • FAX: (559) 587-9935

TAX COLLECTOR • TREASURER DIVISION
TAX: (559) 852-2479 • TREASURER (559) 852-2477
FAX: (559) 582-1236

DATE: January 28, 2019

TO: Treasury Depositors
Board of Supervisors
County Treasury Oversight Committee

FROM: James P. Erb, CPA, Director of Finance

SUBJECT: Quarterly Portfolio Compliance Report

Enclosed is the Kings County Treasurer's - Quarterly Compliance Report for the period October 1 – December 31, 2018. The interest rate for the quarter for funds held by the Treasury was 1.8208%.

If you have any questions on the report or the portfolio, please feel free to call Tammy Phelps, Assistant Director of Finance - Treasury, at 852-2462.

Encl. 1

Kings County Treasurer's
Statement of Interest Earnings

For the Period October 1, 2018 - December 31, 2018		
POOLED INVESTMENT ACCOUNT:		
Gross Interest Earnings (on Accrual Basis)		$1,829,210
Less:	Administrative Expenses	(104,398)
	Banking Expenses	(3,680)
Net Interest Earnings Apportioned		$1,721,132
Portfolio Return of Investment:		
Average Pooled Funds Invested		$366,659,758
Gross Yield on Investments		1.9793%
Net Yield on Investments		1.8623%
Treasury Return on Investment:		
Average Pooled Funds In Treasury		$375,025,908
Gross Yield Pooled Treas Funds		1.9351%
Net Yield on Pooled Treasury Funds		1.8208%
DIRECT INVESTMENT ACCOUNT:		
Average Direct Funds Invested		$0
TOTAL AVERAGE FUNDS INVESTED:		$366,659,758

YIELD TRENDS Gross Yield History*		
Quarter	Pool	LAIF
Dec-18	1.9793%	2.3994%
Sep-18	1.8644%	2.1570%
Jun-18	1.7292%	1.9042%
Mar-18	1.4226%	1.5095%
Dec-17	1.3133%	1.2049%
Sep-17	1.2618%	1.0741%
Jun-17	1.2309%	0.9239%
Mar-17	1.1653%	0.7761%
Dec-16	1.1055%	0.6778%
Sep-16	0.9785%	0.6046%
Jun-16	1.0600%	0.5473%
Mar-16	0.8967%	0.4643%
Dec-15	1.0016%	0.3672%
Sep-15	0.8794%	0.3195%
Jun-15	0.8477%	0.2836%
Mar-15	0.7391%	0.2601%
Dec-14	0.9132%	0.2542%
Sep-14	0.7690%	0.2418%

*The yield history represents gross portfolio yields; costs have not been deducted.

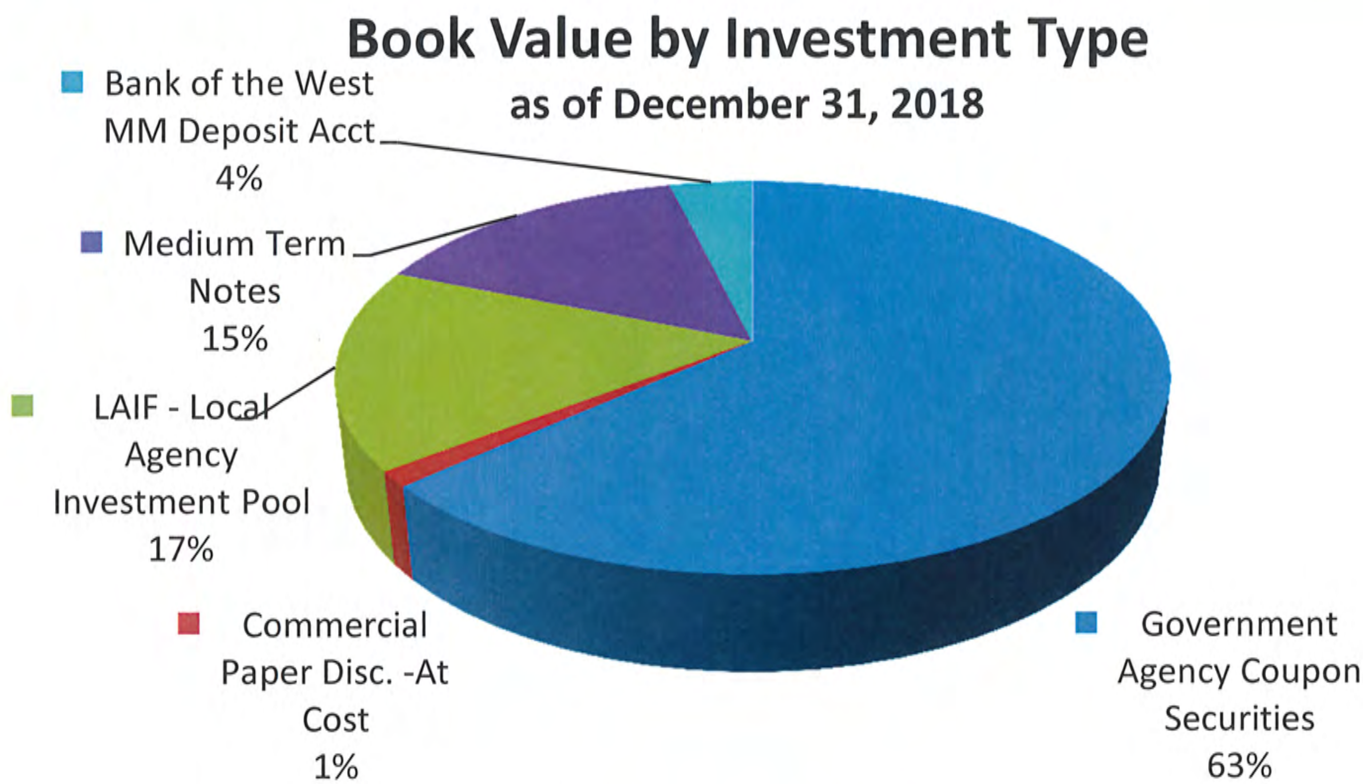
Kings County Treasurer's
Liquidity Projections for the Period January 1, 2019 - December 31, 2019
(In Thousands)

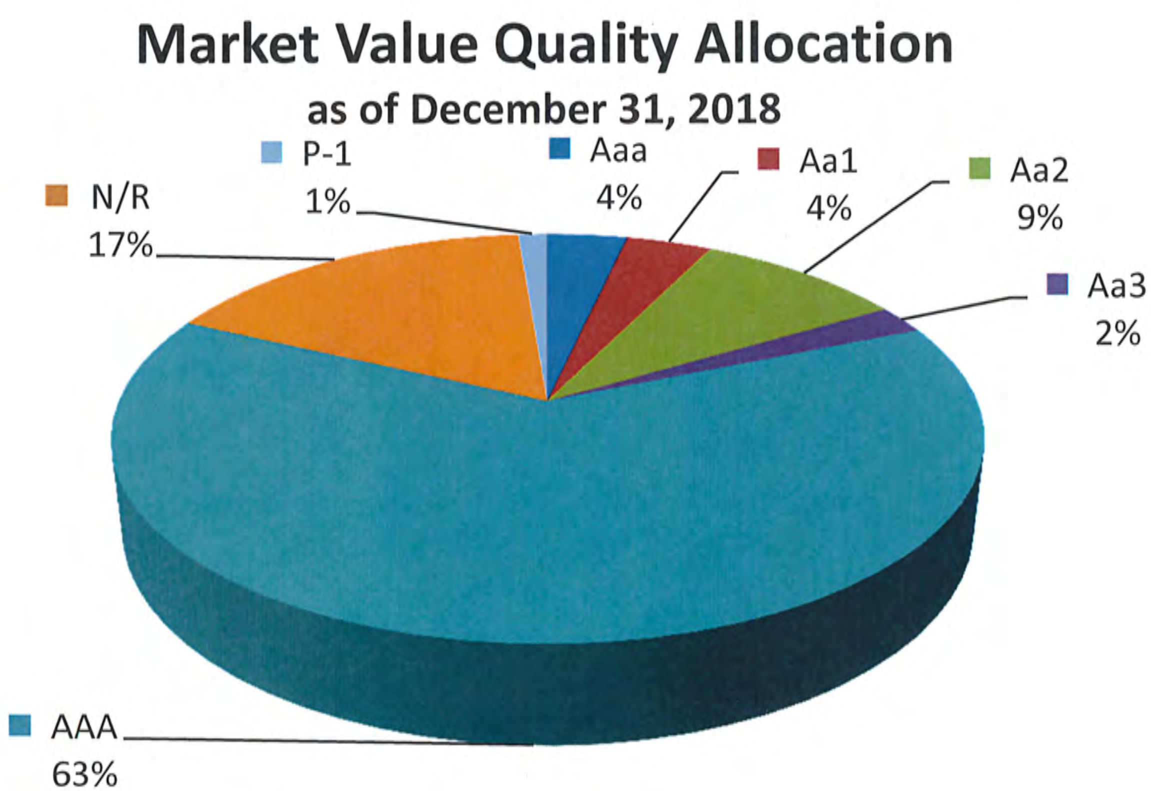
	A	B	C		D	E	F	G
				INVESTMENTS				
ACTUAL MONTH/ YEAR	TREASURER'S RECEIPTS ACTUAL	TREASURER'S DISBURSEMENTS ACTUAL	TREASURER'S SURPLUS or (DEFICIT) (A-B)	MONTH YEAR	PORTFOLIO MATURITIES	LAIF	TOTAL (D+E)	ESTIMATE SURPLUS (F+C)
Jul-18	44,809	72,602	(27,793)	Jul-19	4,000	65,000	69,000	41,207
Aug-18	41,604	63,599	(21,995)	Aug-19	19,000	41,207	60,207	38,212
Sep-18	74,862	56,531	18,331	Sep-19	12,000	38,212	50,212	68,543
Oct-18	57,587	64,050	(6,463)	Oct-19	14,000	65,000	79,000	72,537
Nov-18	82,940	62,579	20,361	Nov-19	16,000	65,000	81,000	101,361
Dec-18	116,283	96,209	20,074	Dec-19	16,000	65,000	81,000	101,074
Jan-18	60,211	88,528	(28,317)	Jan-19	5,000	65,000	70,000	41,683
Feb-18	48,788	58,190	(9,402)	Feb-19	15,000	41,683	56,683	47,281
Mar-18	72,019	60,881	11,138	Mar-19	11,000	47,281	58,281	69,419
Apr-18	93,597	65,745	27,852	Apr-19	2,000	65,000	67,000	94,852
May-18	66,853	75,978	(9,125)	May-19	4,000	65,000	69,000	59,875
Jun-18	85,281	63,499	21,782	Jun-19	14,000	59,875	73,875	95,657
TOTALS	844,834	828,391	16,443		132,000			

NOTE: Maximum LAIF balance was increased on January 1, 2016 from $50,000,000 to $65,000,000.

Sufficient liquidity exists to meet the mandated six months cash flow expenditure requirements. The historical receipts have been adjusted for expected non-re-occurring participant activity.

KINGS COUNTY POOLED INVESTMENTS
PORTFOLIO STATISTICS





Kings County
1400 W. Lacey Blvd.
Kings County Govt. Center
Hanford, CA
(559)582-3211

Kings County Investment Pool
Portfolio Management
Portfolio Summary
December 31, 2018

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM 365 Equiv.	YTM 360 Equiv.
Government Agency Coupon Securities	248,050,000.00	246,550,954.00	248,075,115.78	63.35	603	1.936	1.909
Commercial Paper Disc. -At Cost	5,000,000.00	4,974,950.00	4,919,333.33	1.26	65	2.521	2.486
LAIF - Local Agency Investment Pool	65,000,000.00	65,000,000.00	65,000,000.00	16.60	1	2.210	2.180
Medium Term Notes	59,000,000.00	58,354,540.00	58,558,944.50	14.95	700	2.409	2.376
Bank of the West MM Deposit Acct	15,052,190.61	15,052,190.61	15,052,190.61	3.84	1	2.110	2.081
Investments	**392,102,190.61**	**389,932,634.61**	**391,605,584.22**	**100.00%**	**488**	**2.066**	**2.038**
Cash and Accrued Interest							
Passbook/Checking (not included in yield calculations)	15,298,884.47	15,298,884.47	15,298,884.47		1	1.000	0.986
Accrued Interest at Purchase *		0.00	0.00				
Ending Accrued Interest		1,693,376.68	1,693,376.68				
Subtotal		16,992,261.15	16,992,261.15				
Total Cash and Investments Value	**407,401,075.08**	**406,924,895.76**	**408,597,845.37**		**488**	**2.066**	**2.038**

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	666,276.17	3,520,093.27
Average Daily Balance	**395,215,558.87**	**361,891,676.31**
Effective Rate of Return	**1.98%**	**1.93%**

* 92,629.03 Accrued at Purchase is Included in Book Value.

The Pooled Portfolio was in compliance during the quarter ending December 31, 2018, with California Government Code Sections 53601 et.seq. and 53635, and the Director of Finance's Statement of Investment Policy dated January 1, 2018. Market prices are provided by Union Bank of California and are as of the last business day of the month. Ratings listed in the Portfolio Reports are issued by Moody's Rating Agency. If you have any questions about the Pooled Investment Fund, please call Tammy Phelps, Assistant Director of Finance - Treasury, at (559) 852-2462.

1-28-2019

James P. Erb, CPA, Kings County Director of Finance

Reporting period 12/01/2018-12/31/2018

Run Date: 01/14/2019 - 13:49

Portfolio POOL
RC
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.5

Kings County Investment Pool
Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Government Agency Coupon Securities												
3133EG2S3	160044	Federal Farm Credit Bank		01/03/2017	2,000,000.00	1,999,940.00	1,999,605.00	1.280	AAA	1.302	2	01/03/2019
3133EFVD6	150047	Federal Farm Credit Bank		02/01/2016	2,000,000.00	1,998,480.00	2,000,000.00	1.320	AAA	1.302	31	02/01/2019
3130A8XU2	160005	Federal Home Loan Banks		08/08/2016	2,000,000.00	1,997,080.00	2,000,000.00	1.020	AAA	1.006	38	02/08/2019
3130A8V26	160003	Federal Home Loan Banks		08/12/2016	2,000,000.00	1,996,820.00	2,000,000.00	1.050	AAA	1.036	42	02/12/2019
3134G9EB9	150067	Federal Home Loan Mort. Co.		05/13/2016	2,000,000.00	1,997,420.00	2,000,000.00	1.200	AAA	1.184	43	02/13/2019
3135G0ZA4	150034	Federal Nat'l Mortgage Assoc.		01/12/2016	2,000,000.00	1,998,440.00	2,005,810.92	1.875	AAA	1.263	49	02/19/2019
3130A8YM9	160006	Federal Home Loan Banks		08/30/2016	2,000,000.00	1,995,400.00	2,000,000.00	1.000	AAA	0.986	58	02/28/2019
3130A86L2	150074	Federal Home Loan Banks		06/01/2016	2,000,000.00	1,995,860.00	2,000,000.00	1.200	AAA	1.184	59	03/01/2019
3136G3AP0	150052	Federal Nat'l Mortgage Assoc.		03/15/2016	2,000,000.00	1,995,100.00	2,000,000.00	1.250	AAA	1.233	73	03/15/2019
3136G3BR5	150054	Federal Nat'l Mortgage Assoc.		03/22/2016	2,000,000.00	1,994,700.00	2,000,000.00	1.300	AAA	1.282	80	03/22/2019
3134G8WG0	150059	Federal Home Loan Mort. Co.		04/26/2016	2,000,000.00	1,992,060.00	2,000,000.00	1.200	AAA	1.184	115	04/26/2019
3134G92M8	160004	Federal Home Loan Mort. Co.		08/22/2016	2,000,000.00	1,989,380.00	2,000,000.00	1.125	AAA	1.110	141	05/22/2019
3136G2Y76	150051	Federal Nat'l Mortgage Assoc.		02/24/2016	2,000,000.00	1,990,420.00	2,000,000.00	1.300	AAA	1.282	143	05/24/2019
3133EGCA1	150072	Federal Farm Credit Bank		06/03/2016	2,000,000.00	1,987,520.00	1,999,800.00	1.060	AAA	1.066	153	06/03/2019
3136G3AQ8	150053	Federal Nat'l Mortgage Assoc.		03/07/2016	2,000,000.00	1,989,660.00	2,000,000.00	1.320	AAA	1.302	157	06/07/2019
3135G0K77	150071	Federal Nat'l Mortgage Assoc.		06/13/2016	2,000,000.00	1,988,560.00	2,000,000.00	1.250	AAA	1.233	163	06/13/2019
3134G9QW0	150075	Federal Home Loan Mort. Co.		06/14/2016	2,000,000.00	1,988,440.00	2,000,000.00	1.280	AAA	1.262	164	06/14/2019
3136G3PS8	150073	Federal Nat'l Mortgage Assoc.		06/14/2016	2,000,000.00	1,988,040.00	2,000,000.00	1.200	AAA	1.184	164	06/14/2019
3136G3RD9	150080	Federal Nat'l Mortgage Assoc.		06/21/2016	2,000,000.00	1,989,140.00	2,000,000.00	1.375	AAA	1.356	171	06/21/2019
3134G9SL2	150079	Federal Home Loan Mort. Co.		06/28/2016	2,000,000.00	1,987,360.00	2,000,000.00	1.300	AAA	1.282	178	06/28/2019
3137EAEB1	160024	Federal Home Loan Mort. Co.		11/15/2016	2,000,000.00	1,980,920.00	1,993,621.58	0.875	AAA	1.183	199	07/19/2019
3134G8Y86	150061	Federal Home Loan Mort. Co.		04/26/2016	2,000,000.00	1,983,720.00	2,000,000.00	1.250	AAA	1.233	206	07/26/2019
3137EADK2	150035	Federal Home Loan Mort. Co.		01/12/2016	2,000,000.00	1,983,360.00	1,997,466.77	1.250	AAA	1.361	212	08/01/2019
3136G3Q99	160002	Federal Nat'l Mortgage Assoc.		08/15/2016	2,000,000.00	1,983,100.00	2,000,000.00	1.250	AAA	1.233	226	08/15/2019
3134G9CX3	150064	Federal Home Loan Mort. Co.		05/16/2016	2,000,000.00	1,982,380.00	2,000,000.00	1.300	AAA	0.872	227	08/16/2019
3136G2XJ1	150050	Federal Nat'l Mortgage Assoc.		02/23/2016	2,000,000.00	1,982,740.00	2,000,000.00	1.270	AAA	1.253	234	08/23/2019
3135G0P49	160029	Federal Nat'l Mortgage Assoc.		11/17/2016	2,000,000.00	1,978,680.00	1,994,511.89	1.000	AAA	1.263	239	08/28/2019
3133EGTB1	160009	Federal Farm Credit Bank		09/06/2016	2,000,000.00	1,980,880.00	1,999,333.33	1.190	AAA	1.207	248	09/06/2019
3133EGTT2	160010	Federal Farm Credit Bank		09/12/2016	2,000,000.00	1,980,460.00	2,000,000.00	1.200	AAA	1.184	254	09/12/2019
313383VN8	160031	Federal Home Loan Banks		11/18/2016	2,000,000.00	1,990,940.00	2,013,343.05	2.000	AAA	1.300	255	09/13/2019
3136G3BB0	150055	Federal Nat'l Mortgage Assoc.		03/16/2016	2,000,000.00	1,982,300.00	2,000,000.00	1.375	AAA	1.356	258	09/16/2019
3135G0P31	160008	Federal Nat'l Mortgage Assoc.		09/20/2016	2,000,000.00	1,980,960.00	2,000,000.00	1.300	AAA	1.282	262	09/20/2019
3136G4AE3	160011	Federal Nat'l Mortgage Assoc.		09/27/2016	2,000,000.00	1,978,980.00	2,000,000.00	1.200	AAA	1.184	269	09/27/2019
3135GOR39	160023	Federal Nat'l Mortgage Assoc.		11/15/2016	2,000,000.00	1,973,500.00	1,994,322.95	1.000	AAA	1.272	296	10/24/2019
3130A7QP3	150062	Federal Home Loan Banks		04/25/2016	2,000,000.00	1,978,760.00	2,000,000.00	1.350	AAA	1.332	297	10/25/2019
3135G0J95	150063	Federal Nat'l Mortgage Assoc.		04/28/2016	2,000,000.00	1,979,060.00	2,000,000.00	1.350	AAA	1.332	300	10/28/2019

Kings County Investment Pool
Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Government Agency Coupon Securities												
3136G4EM1	160013	Federal Nat'l Mortgage Assoc.		10/28/2016	2,000,000.00	1,977,240.00	2,000,000.00	1.250	AAA	1.233	300	10/28/2019
3136G4FY4	160015	Federal Nat'l Mortgage Assoc.		11/08/2016	2,000,000.00	1,976,460.00	2,000,000.00	1.250	AAA	1.233	311	11/08/2019
3130AA3R7	160027	Federal Home Loan Banks		11/17/2016	2,000,000.00	1,978,340.00	2,000,095.94	1.375	AAA	1.351	318	11/15/2019
3133EGJ30	160020	Federal Farm Credit Bank		11/18/2016	2,000,000.00	1,972,280.00	2,000,000.00	1.100	AAA	1.085	321	11/18/2019
3136G3Z40	160007	Federal Nat'l Mortgage Assoc.		08/22/2016	2,000,000.00	1,974,460.00	2,000,000.00	1.200	AAA	1.184	325	11/22/2019
3136G3MK8	150070	Federal Nat'l Mortgage Assoc.		05/25/2016	2,000,000.00	1,976,860.00	2,000,000.00	1.350	AAA	1.332	328	11/25/2019
3136G3RC1	150078	Federal Nat'l Mortgage Assoc.		05/27/2016	2,000,000.00	1,977,740.00	2,000,000.00	1.400	AAA	1.381	328	11/25/2019
3136G3LV5	150069	Federal Nat'l Mortgage Assoc.		05/26/2016	2,000,000.00	1,976,780.00	2,000,000.00	1.350	AAA	1.332	329	11/26/2019
3134GAWS9	160018	Federal Home Loan Mort. Co.		11/29/2016	2,000,000.00	1,974,040.00	2,000,000.00	1.200	AAA	1.184	332	11/29/2019
3130AA4M7	160026	Federal Home Loan Banks		12/02/2016	2,000,000.00	1,979,800.00	2,000,000.00	1.500	AAA	1.479	335	12/02/2019
3133EGT88	160040	Federal Farm Credit Bank		12/12/2016	2,000,000.00	1,976,700.00	2,000,000.00	1.450	AAA	1.430	345	12/12/2019
3136G3RL1	150077	Federal Nat'l Mortgage Assoc.		06/16/2016	2,000,000.00	1,978,580.00	2,000,000.00	1.500	AAA	1.479	349	12/16/2019
3133EGW92	160047	Federal Farm Credit Bank		01/10/2017	2,000,000.00	1,977,480.00	2,000,000.00	1.500	AAA	1.479	352	12/19/2019
3136G3RP2	150082	Federal Nat'l Mortgage Assoc.		06/23/2016	2,000,000.00	1,978,320.00	2,000,000.00	1.500	AAA	1.479	356	12/23/2019
3136G4JK0	160035	Federal Nat'l Mortgage Assoc.		12/27/2016	2,000,000.00	1,979,120.00	2,000,000.00	1.550	AAA	1.529	360	12/27/2019
3130AADC9	160039	Federal Home Loan Banks		12/30/2016	2,000,000.00	1,978,640.00	2,000,000.00	1.500	AAA	1.479	363	12/30/2019
3134GAYY4	160025	Federal Home Loan Mort. Co.		12/30/2016	2,000,000.00	1,977,700.00	2,000,000.00	1.500	AAA	1.479	363	12/30/2019
3133EG3J2	160045	Federal Farm Credit Bank		01/10/2017	2,000,000.00	1,980,640.00	1,999,890.00	1.550	AAA	1.532	374	01/10/2020
3136G4KM4	160043	Federal Nat'l Mortgage Assoc.		01/17/2017	2,000,000.00	1,982,400.00	2,000,000.00	1.750	AAA	1.726	381	01/17/2020
3136G3J55	160001	Federal Nat'l Mortgage Assoc.		07/27/2016	2,000,000.00	1,972,480.00	1,999,357.14	1.270	AAA	1.274	391	01/27/2020
3133EG5R2	160052	Federal Farm Credit Bank		02/06/2017	2,000,000.00	1,981,700.00	2,000,000.00	1.670	AAA	1.647	401	02/06/2020
3133EJCN7	170017	Federal Farm Credit Bank		03/15/2018	3,000,000.00	2,985,150.00	2,989,678.08	2.070	AAA	2.274	409	02/14/2020
3130A9W49	160017	Federal Home Loan Banks		11/25/2016	2,000,000.00	1,970,100.00	2,000,000.00	1.250	AAA	1.233	419	02/24/2020
3130ADR61	170019	Federal Home Loan Banks		03/16/2018	3,000,000.00	2,989,380.00	2,996,486.20	2.270	AAA	2.318	430	03/06/2020
313378J77	160028	Federal Home Loan Banks		11/17/2016	2,000,000.00	1,982,900.00	2,014,457.19	1.875	AAA	1.361	437	03/13/2020
3134GBEB4	160058	Federal Home Loan Mort. Co.		03/30/2017	2,000,000.00	1,978,600.00	2,000,000.00	1.700	AAA	1.677	451	03/27/2020
3130AB4C7	160060	Federal Home Loan Banks		04/24/2017	2,000,000.00	1,977,920.00	2,000,000.00	1.700	AAA	1.677	479	04/24/2020
3136G4FG3	160014	Federal Nat'l Mortgage Assoc.		10/27/2016	2,000,000.00	1,970,260.00	2,000,000.00	1.375	AAA	1.356	482	04/27/2020
3130AAK56	160046	Federal Home Loan Banks		01/30/2017	2,000,000.00	1,978,640.00	2,000,000.00	1.750	AAA	1.726	485	04/30/2020
3137EADR7	160030	Federal Home Loan Mort. Co.		11/17/2016	2,000,000.00	1,969,120.00	1,999,852.41	1.375	AAA	1.361	486	05/01/2020
3133EGD69	160019	Federal Farm Credit Bank		11/07/2016	2,000,000.00	1,967,940.00	1,999,571.43	1.320	AAA	1.316	492	05/07/2020
3130A9VT5	160016	Federal Home Loan Banks		11/22/2016	2,000,000.00	1,964,600.00	2,000,000.00	1.250	AAA	1.233	507	05/22/2020
3136G4JB0	160033	Federal Nat'l Mortgage Assoc.		11/30/2016	2,000,000.00	1,974,400.00	2,000,000.00	1.625	AAA	1.603	511	05/26/2020
3134GAYM0	160022	Federal Home Loan Mort. Co.		11/28/2016	2,000,000.00	1,968,380.00	2,000,000.00	1.400	AAA	1.381	513	05/28/2020
3133EGP33	160032	Federal Farm Credit Bank		12/01/2016	2,000,000.00	1,975,340.00	2,000,000.00	1.650	AAA	1.627	517	06/01/2020
313383HU8	160034	Federal Home Loan Banks		11/30/2016	2,000,000.00	1,976,920.00	2,007,802.83	1.750	AAA	1.462	528	06/12/2020

Kings County Investment Pool
Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Government Agency Coupon Securities												
3134GSD51	180009	Federal Home Loan Mort. Co.		12/12/2018	3,000,000.00	3,001,380.00	2,999,100.00	3.000	Aaa	2.979	528	06/12/2020
3130ABNQ5	160066	Federal Home Loan Banks		06/28/2017	2,000,000.00	1,972,520.00	1,999,499.07	1.625	AAA	1.620	542	06/26/2020
3130ABPV2	160068	Federal Home Loan Banks		06/30/2017	2,000,000.00	1,971,920.00	2,000,000.00	1.690	AAA	1.667	545	06/29/2020
3136G4JN4	160036	Federal Nat'l Mortgage Assoc.		12/29/2016	2,000,000.00	1,976,100.00	2,000,000.00	1.700	AAA	1.677	545	06/29/2020
3133EHSE4	170000	Federal Farm Credit Bank		07/24/2017	2,000,000.00	1,973,140.00	2,000,000.00	1.700	AAA	1.677	570	07/24/2020
3136G4LG6	160055	Federal Nat'l Mortgage Assoc.		02/28/2017	2,000,000.00	1,973,400.00	2,000,000.00	1.800	AAA	1.775	605	08/28/2020
313370US5	180013	Federal Home Loan Banks		12/10/2018	3,000,000.00	3,015,870.00	3,026,062.92	2.875	AAA	2.742	619	09/11/2020
3130AE2V1	170028	Federal Home Loan Banks		04/30/2018	3,000,000.00	2,998,470.00	3,000,000.00	2.550	AAA	2.515	668	10/30/2020
3133EJ2M0	180012	Federal Farm Credit Bank		12/11/2018	3,000,000.00	3,002,400.00	3,000,000.00	2.960	AAA	2.919	710	12/11/2020
3134GB6C1	170010	Federal Home Loan Mort. Co.		12/18/2017	3,000,000.00	2,964,690.00	3,000,000.00	2.000	AAA	1.973	717	12/18/2020
3134GBSW3	160067	Federal Home Loan Mort. Co.		06/28/2017	2,000,000.00	1,967,660.00	1,999,770.33	1.750	AAA	1.732	721	12/22/2020
3134GB5E8	170009	Federal Home Loan Mort. Co.		12/28/2017	3,000,000.00	2,962,320.00	3,000,000.00	2.000	AAA	1.973	727	12/28/2020
3130ADC26	170013	Federal Home Loan Banks		01/29/2018	3,000,000.00	2,974,410.00	3,000,000.00	2.200	AAA	2.170	759	01/29/2021
3134GSDF9	170015	Federal Home Loan Mort. Co.		02/28/2018	3,000,000.00	2,992,530.00	3,000,000.00	2.420	AAA	2.387	787	02/26/2021
3133EJ2S7	180014	Federal Farm Credit Bank		12/12/2018	3,000,000.00	3,012,720.00	2,996,190.00	2.770	AAA	2.791	801	03/12/2021
3136G4SA2	170029	Federal Nat'l Mortgage Assoc.		04/30/2018	3,000,000.00	3,000,750.00	3,000,000.00	2.650	AAA	2.614	850	04/30/2021
3134GSK79	180015	Federal Home Loan Mort. Co.		12/28/2018	3,000,000.00	3,002,490.00	3,000,000.00	3.030	AAA	2.988	909	06/28/2021
3130ADJ45	170014	Federal Home Loan Banks		01/30/2018	3,000,000.00	2,986,890.00	3,000,000.00	2.375	AAA	2.342	941	07/30/2021
3134GSL52	180017	Federal Home Loan Mort. Co.		12/28/2018	3,000,000.00	3,001,950.00	3,000,000.00	3.070	AAA	3.029	1,001	09/28/2021
3130AFCU9	180008	Federal Home Loan Banks		11/26/2018	3,000,000.00	3,008,880.00	2,997,000.00	3.125	Aaa	3.117	1,060	11/26/2021
3134GSRX5	180002	Federal Home Loan Mort. Co.		07/26/2018	3,000,000.00	3,003,540.00	3,000,000.00	3.000	AAA	2.959	1,121	01/26/2022
3134GSSC0	180003	Federal Home Loan Mort. Co.		07/30/2018	3,000,000.00	3,000,480.00	3,000,000.00	3.020	AAA	2.979	1,123	01/28/2022
3134GSNT8	170033	Federal Home Loan Mort. Co.		06/28/2018	3,000,000.00	3,001,410.00	3,000,000.00	3.000	AAA	2.960	1,182	03/28/2022
3133EJLA5	170027	Federal Farm Credit Bank		04/18/2018	3,000,000.00	3,001,290.00	3,000,000.00	2.830	AAA	2.791	1,203	04/18/2022
3133EJPH6	170031	Federal Farm Credit Bank		05/17/2018	3,000,000.00	3,003,660.00	3,000,000.00	3.000	AAA	2.959	1,232	05/17/2022
3134GSJH9	170023	Federal Home Loan Mort. Co.		04/11/2018	3,000,000.00	3,000,060.00	3,000,000.00	2.875	AAA	2.836	1,287	07/11/2022
3133EJUQ0	180004	Federal Farm Credit Bank		07/18/2018	3,000,000.00	3,003,390.00	3,000,000.00	3.070	AAA	3.028	1,294	07/18/2022
3133EJKZ1	170024	Federal Farm Credit Bank		04/12/2018	3,000,000.00	3,000,060.00	3,000,000.00	3.000	AAA	2.959	1,380	10/12/2022
3134GSGV1	170020	Federal Home Loan Mort. Co.		03/27/2018	3,050,000.00	3,051,464.00	3,047,666.75	3.050	AAA	3.026	1,546	03/27/2023
3130ADV41	170021	Federal Home Loan Banks		03/28/2018	3,000,000.00	3,000,300.00	3,000,000.00	3.080	AAA	3.038	1,547	03/28/2023
3130ADZ88	170026	Federal Home Loan Banks		04/17/2018	3,000,000.00	3,001,050.00	3,000,000.00	3.000	AAA	2.959	1,567	04/17/2023
3134GSJK2	170025	Federal Home Loan Mort. Co.		04/26/2018	3,000,000.00	3,000,330.00	3,000,000.00	3.060		3.018	1,576	04/26/2023
3133EJR27	180010	Federal Farm Credit Bank		11/29/2018	3,000,000.00	3,000,480.00	3,004,820.00	3.440	AAA	3.402	1,588	05/08/2023
3130AECF5	170032	Federal Home Loan Banks		06/01/2018	3,000,000.00	3,000,090.00	3,000,000.00	3.250	AAA	3.205	1,603	05/23/2023
3133EJRP6	170035	Federal Farm Credit Bank		06/12/2018	3,000,000.00	3,002,700.00	3,000,000.00	3.170	AAA	3.127	1,623	06/12/2023
3134GSNY7	170034	Federal Home Loan Mort. Co.		06/28/2018	3,000,000.00	3,002,190.00	3,000,000.00	3.250	AAA	3.205	1,639	06/28/2023

Kings County Investment Pool
Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
		Subtotal and Average	**241,133,974.25**		**248,050,000.00**	**246,550,954.00**	**248,075,115.78**			**1.909**	**603**	
Commercial Paper Disc. -At Cost												
89233HQ72	180001	Toyota Motor Credit Corp.		07/10/2018	5,000,000.00	4,974,950.00	4,919,333.33	2.420	P-1	2.486	65	03/07/2019
		Subtotal and Average	**4,919,333.33**		**5,000,000.00**	**4,974,950.00**	**4,919,333.33**			**2.486**	**65**	
LAIF - Local Agency Investment Pool												
SYS990001	990001	Local Agency Investment Fund			65,000,000.00	65,000,000.00	65,000,000.00	2.210	N/R	2.180	1	
		Subtotal and Average	**65,000,000.00**		**65,000,000.00**	**65,000,000.00**	**65,000,000.00**			**2.180**	**1**	
Medium Term Notes												
89236TBB0	170016	Toyota Motor Credit Corp.		03/16/2018	3,000,000.00	2,998,590.00	2,995,927.57	2.100	Aa3	2.342	16	01/17/2019
037833BQ2	170004	Apple Inc		11/16/2017	3,000,000.00	2,994,510.00	2,999,293.42	1.700	Aa1	1.723	52	02/22/2019
037833CB4	160037	Apple Inc		12/06/2016	2,000,000.00	1,980,120.00	1,988,758.20	1.100	Aa1	1.657	213	08/02/2019
594918BN3	160048	Microsoft Corp		01/12/2017	2,000,000.00	1,980,100.00	1,992,022.46	1.100	Aaa	1.487	219	08/08/2019
594918BN3	160053	Microsoft Corp		02/06/2017	3,000,000.00	2,970,150.00	2,984,195.12	1.100	Aaa	1.617	219	08/08/2019
084664CK5	160057	Berkshire Hathaway		03/14/2017	2,000,000.00	1,979,000.00	1,991,419.52	1.300	Aa2	1.716	226	08/15/2019
931142DY6	170007	Wal-Mart Stores		11/21/2017	3,000,000.00	2,978,940.00	2,997,148.67	1.750	Aa2	1.822	281	10/09/2019
89236TDH5	170005	Toyota Motor Credit Corp.		11/16/2017	3,000,000.00	2,964,930.00	2,990,979.19	1.550	Aa3	1.832	290	10/18/2019
037833AX8	160038	Apple Inc		12/06/2016	2,000,000.00	1,975,780.00	1,989,315.44	1.550	Aa1	1.894	402	02/07/2020
594918AY0	170011	Microsoft Corp		12/21/2017	3,000,000.00	2,974,470.00	2,991,595.33	1.850	Aaa	2.013	407	02/12/2020
037833CS7	170006	Apple Inc		11/16/2017	3,000,000.00	2,962,200.00	2,990,135.20	1.800	Aa1	1.998	496	05/11/2020
594918AH7	180016	Microsoft Corp		12/12/2018	3,000,000.00	3,020,280.00	3,022,550.00	3.000	Aaa	2.867	639	10/01/2020
594918BG8	170008	Microsoft Corp		11/21/2017	3,000,000.00	2,966,580.00	2,996,338.98	2.000	Aaa	2.035	672	11/03/2020
037833BS8	170012	Apple Inc		12/21/2017	3,000,000.00	2,964,840.00	2,996,926.44	2.250	Aa1	2.261	784	02/23/2021
084670BQ0	170022	Berkshire Hathaway		04/09/2018	3,000,000.00	2,960,640.00	2,968,346.59	2.200	Aa2	2.605	804	03/15/2021
084670BF4	180007	Berkshire Hathaway		11/13/2018	4,000,000.00	4,052,880.00	4,053,311.11	3.400	Aa2	3.232	1,126	01/31/2022
037833AY6	180005	Apple Inc		08/01/2018	2,000,000.00	1,950,000.00	1,941,968.45	2.150	Aa1	2.989	1,135	02/09/2022
931142DU4	180006	Wal-Mart Stores		08/02/2018	3,000,000.00	2,922,330.00	2,911,897.27	2.350	Aa2	3.098	1,444	12/15/2022
084670BJ6	170036	Berkshire Hathaway		06/29/2018	3,000,000.00	2,972,640.00	2,983,712.27	3.000	Aa2	3.087	1,502	02/11/2023
084670BR8	170030	Berkshire Hathaway		04/23/2018	3,000,000.00	2,945,040.00	2,944,118.27	2.750	Aa2	3.156	1,534	03/15/2023
89236TDK8	180011	Toyota Motor Credit Corp.		12/04/2018	3,000,000.00	2,840,520.00	2,828,985.00	2.250	Aa3	3.551	1,751	10/18/2023
		Subtotal and Average	**57,213,204.67**		**59,000,000.00**	**58,354,540.00**	**58,558,944.50**			**2.376**	**700**	
Bank of the West MM Deposit Acct												
SYS999992	999992	Bank of the West		11/29/2018	15,052,190.61	15,052,190.61	15,052,190.61	2.110	Aa2	2.081	1	
		Subtotal and Average	**26,455,534.21**		**15,052,190.61**	**15,052,190.61**	**15,052,190.61**			**2.081**	**1**	

Kings County Investment Pool
Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
		Total and Average	394,722,046.46		392,102,190.61	389,932,634.61	391,605,584.22			2.038	488

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/04/2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 02/13/2019

ITEM:
Consider approval of contract for audit services.

PURPOSE:
Education Code 41020 requires local educational agencies to provide for an audit by April 1 annually. Vavrinek, Trine, Day & Co. has expressed an interest in continuing its relationship with the District resulting in the attached three-year agreement.

FISCAL IMPACT:
The proposed cost is $32,010 annually for the next three years.

RECOMMENDATIONS:
Approve the contract for audit services.

CONTRACT FOR AUDITING

This agreement made and entered into this 14th of January 2019, between the Governing Board of the Hanford Elementary School District, of Kings County, State of California, hereafter referred to as the "District" and VAVRINEK, TRINE, DAY & CO., LLP, Certified Public Accountants, hereafter referred to as "Auditors".

We understand the services we are to provide the District for the years ended June 30, 2019, 2020, and 2021. We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements, the financial statements of the District, as of and for the three-year period beginning July 1, 2018 and ending June 30, 2021. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A) to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. As part of our engagement, we will apply certain limited procedures to District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules.
3. Schedule of Other Postemployment Benefits (OPEB) Funding Progress.
4. Schedule of Proportionate Share of Net Pension Liability and Related Ratios.
5. Schedule of Contributions.

Supplementary information other than RSI, also accompanies the District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting, and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards.
2. Schedules required by the current *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the Education Audit Appeals Panel.

The following additional information accompanying the basic financial statements will be subjected to the auditing procedures applied in our audit of the financial statement, and our auditor's report will not provide an opinion or any assurance on that other information.

1. Combining Statements - Non-Major Governmental Funds

AUDIT OBJECTIVES

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards.*

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with Federal statutes, regulations, and the terms and conditions of Federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and compliance will each include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance; and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with United States generally accepted auditing standards; the standards outlined in the current *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* the standards for financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. If our opinion on the financial statements or the Single Audit compliance opinion is other than unmodified, we will fully discuss the reasons with you in advance. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

MANAGEMENT RESPONSIBILITIES

Management is responsible for the basic financial statements, Schedule of Expenditures of Federal Awards, and all accompanying information as well as all representations contained therein.

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over Federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, Schedule of Expenditures of Federal Awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management; (2) employees who have significant roles in internal control; and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with Federal statues, regulations, and the terms and conditions of Federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings: promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review a week prior to the report date.

You are responsible for identifying all Federal awards received and understanding and complying with the compliance requirements and for the preparation of the Schedule of Expenditures of Federal Awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the Schedule of Expenditures of Federal Awards in any document that contains and indicates that we have reported on the Schedule of Expenditures of Federal Awards. You also agree to include the audited financial statements with any presentation of the Schedule of Expenditures of Federal Awards that includes our report thereon OR make the audited financial statements readily available to intended users of the Schedule of Expenditures of Federal Awards no later than the date the Schedule of Expenditures of Federal Awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the Schedule of Expenditures of Federal Awards in accordance with Uniform Guidance; (2) that you believe the Schedule of Expenditures of Federal Awards, including its form and content, is fairly presented in accordance with Uniform Guidance; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the Schedule of Expenditures of Federal Awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

OTHER SERVICES

We will also assist in preparing the financial statements, Schedule of Expenditures of Federal Awards, and related notes of Hanford Elementary School District in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and Schedule of Expenditures of Federal Awards and that you have reviewed and approved the financial statements, Schedule of Expenditures of Federal Awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any non-audit services we provide; oversee the services by designating an individual, David Endo, Chief Business Officer, or someone with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

AUDIT PROCEDURES - INTERNAL CONTROLS

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors; (2) fraudulent financial reporting; (3) misappropriation of assets; or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors are limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements Schedule of Expenditures of Federal Awards; Federal award programs, compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major Federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weakness. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards*, and Uniform Guidance.

AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable Federal statutes, regulations and the terms and conditions of Federal awards applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the *Uniform Guidance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. The purpose of those procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to Uniform Guidance.

AUDIT ADMINISTRATION AND ACCESS TO WORKPAPERS

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide the appropriate number of copies of our reports to the District; however, it is management's responsibility to submit the reporting package (including financial statements, Schedule of Expenditures of Federal Awards, summary schedule of prior audit findings, auditor's reports, and a corrective action plan) along with the Data Collection Form to the designated Federal Clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will assist management in submitting the reporting packages.

The audit documentation for this engagement is the property of the auditors and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the appropriate Cognizant or Oversight Agency for Audit or its designee, a Federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of the auditor. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested. If we are aware that a Federal or State awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Bill C. Williams is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

AUDIT FEES

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The fee listed below is based on anticipated cooperation from your personnel, the assumption that unexpected circumstances will not be encountered during the audit, no significant changes in reporting format and/or audit requirements or significant changes in the operations of the District.

If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

The maximum annual fee for auditing services under the terms of this contract shall not exceed $32,010, $32,010, and $32,010 for the years ending June 30, 2019, 2020, and 2021, respectively, for personal services, with the exception that any additional auditing services provided for (1) any changes in District reporting format, i.e., GASB requirements and/or audit requirements, issued by the Education Audit Appeals Panel, Federal Agencies, American Institute of Certified Public Accountants, or Governmental Accounting Standards Board; (2) any changes in the number of funds or accounts maintained by the District during the period under this contract; and (3) any Federal Program and State Special Projects/compliance issues shall be in addition to the above maximum fee for personal services.

The final installment will represent the ten percent (10%) withheld amount pursuant to *Education Code* Section 14505 and will be presented for payment upon certification by the Controller that the audit report conforms to the reporting provisions of the Audit Guide. All billings for additional audit fees or services will be billed as these services are provided. In accordance with *Education Code* Section 14505 (b), the District shall withhold fifty percent (50%) of the audit fee for any subsequent year of multi-year contract if the prior year's audit report was not certified as conforming to reporting provisions of the audit guide. This contract shall be null and void if a firm or individual is declared ineligible pursuant to subdivision (c) of Section 41020.5. The withheld amount shall not be payable unless payment is ordered by the State Board of Accountancy or the audit report for that subsequent year is certified by the controller as conforming to reporting provisions of the audit guide.

COMPENSATION

All personal services performed by the Auditors shall be reimbursed at the following hourly rates:

Partner/Principal	$ 190
School Services Consultant	165
Manager	165
Supervisor	150
Senior in Charge	125
Staff Accountant	90
Paraprofessional	60

In addition to such payment for personal services, Auditors shall be reimbursed for such travel as may be necessary, with mileage computed at the approved Internal Revenue Service rate per mile.

If a dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to litigation. The costs of any mediation proceedings shall be shared equally by all parties. The District and Auditors both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration will be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

ANNUAL REPORT - FORM AND CONTENT, DELIVERY

The form and content of the annual audit shall be in conformity, to the extent practicable, with such form and content as may be prescribed by the State of California under Section 41020 of the *Education Code,* including the required compliance audit provisions of Uniform Guidance, *Audits of State of Local Governments,* issued by the U.S. Office of Management and Budget, as issued pursuant to the Single Audit Act Amendments of 1996 and Title 2 U.S. CFR Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The audit shall be completed and the audit report shall be delivered in accordance with time requirements as specified in the current *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by Educational Audit Appeals Panel, unless delayed by circumstances beyond the control of the Auditors. Fifteen (15) bound copies of the audit report may be rendered to the District, in addition to the copies required to be filed with the applicable governmental units.

Government Auditing Standards require that we provide you with a copy of our most recent quality control review report. Our peer review report, for the year ended December 2017, accompanies this letter.

We appreciate the opportunity to be of service to Hanford Elementary School District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this contract, please sign, and return to us. This contract will continue in effect until cancelled by either party.

WORKERS' COMPENSATION

VAVRINEK, TRINE, DAY & CO., LLP is aware of the provisions of Section 3700 of the Labor Code that requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. VAVRINEK, TRINE, DAY & CO., LLP is in compliance with such provisions.

NON LICENSEE OWNERS

VAVRINEK, TRINE, DAY & CO., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It may be anticipated that the non licensee owners will be performing limited audit services for the agency.

GOVERNING BOARD OF HANFORD ELEMENTARY SCHOOL DISTRICT	VAVRINEK, TRINE, DAY & CO., LLP
By	By Bill Williams
District	Partner

Federal Identification Number: 91-2128922

WATSON COON RYAN
CERTIFIED PUBLIC ACCOUNTANTS

9250 EAST COSTILLA AVENUE, SUITE 450
GREENWOOD VILLAGE, COLORADO 80112
303-792-3020 (O) | 303-792-5153 (F)
WWW.WCRCPA.COM

Report on the Firm's System of Quality Control

June 13, 2018

To the Partners of
Vavrinek, Trine, Day & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the single audit act; audits of employee benefit plans, and an audit performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2017 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vavrinek, Trine, Day & Co., LLP has received a peer review rating of *pass*.

Watson Coon Ryan, LLC

Watson Coon Ryan, LLC

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/04/2019

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 02/13/2019

ITEM:
Consider approval of Resolution No. 14-19 - A RESOLUTION OF THE BOARD OF TRUSTEES OF THE HANFORD ELEMENTARY SCHOOL DISTRICT, KINGS COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF HANFORD ELEMENTARY SCHOOL DISTRICT (KINGS COUNTY, CALIFORNIA) ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B, AND ACTIONS RELATED THERETO

PURPOSE:
An election was held in the Hanford Elementary School District (the "District") on November 8, 2016 for the issuance and sale of general obligation bonds of the District for various purposes in the maximum amount of $24,000,000 ("Measure U"). On June 14, 2017, the District issued the first series of bonds pursuant to Measure U in the principal amount of $8,800,000. The District now desires to issue the second series of bonds under Measure U in an amount not-to-exceed $7,600,000 (the "Bonds"). The Bonds are being authorized for sale for the purpose of providing funds to finance projects approved by Measure U and to pay the costs of issuing the Bonds.

(a) Bond Resolution. This Resolution authorizes the issuance of the Bonds, specifies the basic terms, parameters and form of the Bonds, and approves the form of Purchase Contract and form of Preliminary Official Statement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate initial principal amount of the Bonds to be issued ($7,600,000). Section 4 of the Resolution states the maximum underwriter's discount (0.55%) with respect to the Bonds, the maximum legal interest rate on the Bonds, and authorizes the Bonds to be sold at a negotiated sale to Stifel, Nicolaus & Co, Inc., as underwriter (the "Underwriter"). The Resolution authorizes the issuance of current interest bonds only; capital appreciation bonds are not authorized.

(b) Form of Purchase Contract. Pursuant to the Purchase Contract, the Underwriter will agree to buy the Bonds from the District. All the conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing of the Bonds, the final execution copy of the Purchase Contract will be prepared following this form.

(c) Form of Preliminary Official Statement. The Preliminary Official Statement ("POS") is the offering document describing the Bonds which may be distributed to prospective purchasers of the Bonds. The POS discloses information with respect to among other things (i) the proposed uses of proceeds of the Bonds, (ii) the terms of the Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Bonds, if any, (iv) the security for repayment of the Bonds (the *ad valorem* property tax levy), (v) information with respect to the District's tax base (upon which such *ad valorem* property taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Bonds and the District, and (viii) absence of litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Bonds. Following the pricing of the Bonds, a final Official Statement for the Bonds will be prepared, substantially in the form of the POS.

(d) Form of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from any public agency issuing debt a covenant that such public agency will annually file "material financial information and operating data" with respect to such public agency through the web-based Electronic Municipal Market Access ("EMMA") system maintained by the Municipal Securities Rulemaking Board (a federal agency that regulates "broker-dealers," including investment bank firms that underwrite municipal obligations). This requirement is expected to be satisfied by the filing of the District's audited financial statements and other operating information about the District, in the same manner the District has filed in connection with prior bond issuances.

FISCAL IMPACT:
There is no fiscal impact to the General Fund resulting from the issuance of the Bonds.

RECOMMENDATIONS:
Approve Resolution No. 14-19 - A RESOLUTION OF THE BOARD OF TRUSTEES OF THE HANFORD ELEMENTARY SCHOOL DISTRICT, KINGS COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF HANFORD ELEMENTARY SCHOOL DISTRICT (KINGS COUNTY, CALIFORNIA) ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B, AND ACTIONS RELATED THERETO

RESOLUTION NO. 14-19

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE HANFORD ELEMENTARY SCHOOL DISTRICT, KINGS COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF HANFORD ELEMENTARY SCHOOL DISTRICT (KINGS COUNTY, CALIFORNIA) ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B, AND ACTIONS RELATED THERETO

WHEREAS, a duly called election (the “Election”) was held in the Hanford Elementary School District (the “District”), Kings County, California (the “County”) on November 8, 2016 and thereafter canvassed pursuant to law;

WHEREAS, at the Election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of $24,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Authorization”);

WHEREAS, pursuant the Authorization on June 14, 2017, the District caused the issuance of the first series of bonds under the Authorization in aggregate principal amount of $8,800,000;

WHEREAS, at this time, this Board of Trustees of the District (this “Board”) has determined that it is necessary and desirable to issue the second series of bonds under the Authorization in an aggregate principal amount not-to-exceed $7,600,000, and to be styled as “Hanford Elementary School District (Kings County, California) Election of 2016 General Obligation Bonds, Series B” with additional Series designations as needed (collectively, the “Bonds”);

WHEREAS, pursuant to Government Code (the “Government Code”) Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5, the Bonds are authorized to be issued by the District for the purposes set forth in the ballot submitted to the voters at the Election;

WHEREAS, this Board desires to authorize the issuance of the Bonds in one or more Series of Taxable Bonds or Tax-Exempt Bonds, and further as Current Interest Bonds (as such terms are defined herein);

WHEREAS, the District has not filed with nor received from the County office of education having jurisdiction over the District a qualified or negative certification in its most recent interim financial report pursuant to Section 42131 of the California Education Code (the “Education Code”);

WHEREAS, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

WHEREAS, pursuant to Section 265(b)(3) of the Code (as defined herein), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as “qualified tax exempt obligations,” thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution’s interest expense that is allocable to such qualified tax exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code;

WHEREAS, this Board wishes to designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code;

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED BY THE BOARD OF TRUSTEES OF THE HANFORD ELEMENTARY SCHOOL DISTRICT, KINGS COUNTY, CALIFORNIA, AS FOLLOWS:

SECTION 1. <u>Authorization for Issuance of the Bonds</u>. To raise money for the purposes authorized by the voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Bonds pursuant to the Government Code Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 in one or more Series of Taxable or Tax-Exempt Current Interest Bonds, with appropriate Series designation if more than one Series is issued, all as more fully set forth in the executed Purchase Contract (as defined herein). The Board further orders such Bonds sold such that the Bonds shall be dated as of a date to be determined by an Authorized Officer (defined herein), shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not-to-exceed $7,600,000.

SECTION 2. <u>Paying Agent</u>. This Board hereby appoints the Paying Agent, as defined in Section 5 hereof, to serve as the paying agent, bond registrar, transfer agent and authentication agent for the Bonds on behalf of the District. This Board hereby authorizes the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Education Code Section 15232.

SECTION 3. <u>Terms and Conditions of Sale</u>. The Bonds shall be sold upon the direction of the Superintendent, the Chief Business Officer, or such other officers or employees of the District as the Superintendent or the Chief Business Officer may designate (collectively, the "Authorized Officers") and pursuant to such terms and conditions as are set forth in the Purchase Contract (defined herein). The Board hereby authorizes the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter (as defined herein) to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds.

SECTION 4. <u>Approval of Purchase Contract</u>. The form of a contract for purchase and sale of the Bonds (the "Purchase Contract") by and between the District and the Underwriter, substantially in the form on file with the Secretary to the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized and requested to execute such Purchase Contract; with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, (i) that the interest rates on the Bonds shall not exceed the maximum rate permitted by law; and (ii) the underwriting discount on the Bonds, excluding original issue discount, shall not exceed .55% of the aggregate principal amount of Bonds actually issued. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for sale by the District up to $7,600,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

SECTION 5. **Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

(a) **"Beneficial Owner"** means, when used with reference to book-entry Bonds registered pursuant to Section 6 hereof, the person who is considered the beneficial owner of such Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Securities Depository.

(b) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring the payment of principal of and interest on the Bonds.

(c) **"Bond Payment Date"** means, unless otherwise provided by the Purchase Contract, February 1 and August 1 of each year commencing on August 1, 2019 with respect to interest on the Bonds, and the stated maturity dates August 1 of each year, commencing August 1, 2020, with respect to payments of principal of the Bonds.

(d) **"Bond Register"** means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Bonds shall be recorded.

(e) **"Code"** means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to any particular section of the Code shall be deemed to be a reference to any successor to any such section.

(f) **"Continuing Disclosure Certificate"** means that certain contractual undertaking executed by the District in connection with the issuance of the Bonds pursuant to paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, and relating to the Bonds, dated as of the date of issuance thereof, as amended from time to time in accordance with the provisions thereof.

(g) **"Current Interest Bonds"** means Bonds, the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(h) **"Date of Delivery"** means the date of initial issuance and delivery of the Bonds, or such other date as shall appear in the Purchase Contract or Official Statement.

(i) **"Director of Finance"** means the Director of Finance of the County, or other comparable officer of the County.

(j) **"DTC"** means The Depository Trust Company, 55 Water Street, New York, New York, 1004, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Securities Depository for the Bonds.

(k) **"Fair Market Value"** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

(l) **"Holder" or "Owner"** means the registered owner of a Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to Section 6 hereof.

(m) **"Information Services"** means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

(n) **"Long Current Interest Bonds"** means Bonds that mature later than 30 years from the date of issuance thereof.

(o) **"Moody's"** means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the District.

(p) **"Nominee"** means the nominee of the Securities Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(q) **"Non-AMT Bonds"** means obligations the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code, that are legal investments pursuant to Section 53601 of the Government Code of the State of California.

(r) **"Official Statement"** means the Official Statement for the Bonds, as described in Section 17 hereof.

(s) **"Outstanding"** means, when used with reference to the Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(i) Bonds canceled at or prior to such date;

(ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 8 hereof; or

(iii) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 19 of this Resolution.

(t) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which the Securities Depository holds book-entry certificates as securities depository.

(u) **"Paying Agent"** means initially U.S. Bank National Association, or any other Paying Agent as shall be named in the Purchase Contract or Official Statement, and afterwards any successor financial institution, acting as paying agent, transfer agent, authentication agent and bond registrar for the Bonds.

(v) **"Permitted Investments"** means (i) any lawful investments permitted by Section 16429.1 and Section 53601 of the Government Code, including Non-AMT Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider having a rating meeting the minimum rating requirements of the County investment pool maintained by the Director of Finance, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the County investment pool described above, and (vi) State and Local Government Series Securities.

(w) **"Purchase Contract"** means the contract or contracts for purchase and sale of the Bonds, by and between the District and the Underwriter named therein. To the extent the Bonds are sold pursuant to more than one Purchase Contract, each shall be substantially in the form presented to the Board, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve.

(x) **"Qualified Non-AMT Mutual Fund"** means stock in a regulated investment company to the extent that at least 95% of the income of such regulated investment company is interest that is excludable from gross income under Section 103 of the Code and not an item of tax preference under Section 57(a)(5)(C) of the Code.

(y) **"Qualified Permitted Investments"** means (i) Non-AMT Bonds, (ii) Qualified Non-AMT Mutual Funds, (iii) other Permitted Investments authorized by an opinion of Bond Counsel to the effect that such investment would not adversely affect the tax-exempt status of the Bonds, and (iv) Permitted Investments of proceeds of the Bonds, and interest earned on such proceeds, held not more than thirty days pending reinvestment or Bond redemption. A guaranteed investment contract or similar investment agreement (e.g. a forward supply contract, GIC, repo, etc.) does not constitute a Qualified Permitted Investment.

(z) **"Record Date"** means the close of business on the 15th day of the month preceding each Bond Payment Date.

(aa) **"Securities Depository"** means the entity acting as securities depository for the Bonds pursuant to Section 6(c) hereof.

(bb) **"Series"** means any Bonds executed, authenticated and delivered pursuant to the provisions hereof identified as a separate series of Bonds.

(cc) **"S&P"** means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, its successors and assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the District.

(dd) **"Taxable Bonds"** means any Bonds not issued as Tax-Exempt Bonds.

(ee) **"Tax-Exempt Bonds"** means any Bonds the interest on which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(ff) **"Term Bonds"** means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(gg) **"Transfer Amount"** means, with respect to any Outstanding Bonds, the principal amount thereof.

(hh) **"Underwriter"** means Stifel, Nicolaus & Company, Incorporated.

SECTION 6. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates and Terms. The Bonds shall be issued as fully registered Current Interest Bonds registered as to both principal and interest, in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds will initially be registered in the name of "Cede & Co.," the Nominee of the DTC.

Each Bond shall be dated as of the Date of Delivery, and shall bear interest at the rates set forth in the Purchase Contract, from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from its Date of Delivery. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of 12, 30-day months.

(b) Redemption.

(i) Terms of Redemption. The Bonds shall be subject to optional redemption prior to maturity or mandatory sinking fund redemption as provided in the Purchase Contract or the Official Statement.

(ii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed, and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

The Purchase Contract may provide that (i) in the event that a portion of any Term Bond is optionally redeemed prior to maturity pursuant to Section 6(b)(i) hereof, the remaining mandatory sinking fund payments with respect to such Term Bonds shall be reduced proportionately or as otherwise directed by the District, in integral multiples of $5,000 principal amount, in respect to the portion of such Term Bonds optionally redeemed, and (ii) within a maturity, Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided further that, such pro-rata redemption is made in accordance with the operational arrangements of DTC then in effect.

(iii) Redemption Notice. When optional redemption is authorized or required pursuant to Section 6(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent shall take the following actions with respect to each such Redemption Notice:

1. At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

2. At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

3. At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

4. Such Redemption Notice shall be given such other persons as may be required pursuant to the Continuing Disclosure Certificate.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. The Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon.

With respect to any Redemption Notice of Bonds, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased pursuant to Section 19 hereof, such notice shall state that such redemption shall be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect, no portion of the Bonds shall not be subject to redemption on such date and such Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent shall distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

(iv) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(v) Effect of Redemption Notice. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as provided in Section 19 hereof, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, moneys for the redemption of all the Bonds to be redeemed as provided in Section 6(b) hereof, together with interest accrued to such redemption date, shall be held in trust as provided in Section 19 hereof as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable. All money held for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds to be so redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

(vi) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust as provided in Section 19 hereof for the payment of the redemption price of such Bonds or portions thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination. The ownership of each such Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Securities Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any Redemption Notice, (iii) the selection by the Securities Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Securities Depository or any Participant or any other person, of any amount with respect to principal of, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute Owner of such book-entry Bond for the purpose of payment of principal of, premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of principal of and premium, if any, and interest on the Bonds. Upon delivery by the Securities Depository to the Owner and the Paying Agent, of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Securities Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Securities Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Securities Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the

Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Securities Depository's book-entry program.

2. Selection of Securities Depository. In the event (i) the Securities Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Bonds or the District, then the District will discontinue the book-entry system with the Securities Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Outstanding book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Securities Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments and Notices to Securities Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Bonds are held in book entry form and registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to principal of and premium, if any, or interest on the Bonds and all notices with respect to such Bonds, including notices of redemption, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise required or instructed by the Securities Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Securities Depository.

(A) The Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Securities Depository"); provided that any successor of DTC or Substitute Securities Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Securities Depository, upon (1) the resignation of DTC or its successor (or any Substitute Securities Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any

such Substitute Securities Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Securities Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Securities Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Securities Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Securities Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Securities Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Securities Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Securities Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Bonds.

SECTION 7. **Execution of the Bonds.** The Bonds shall be signed by the President of the Board, or other member of the Board authorized to sign on behalf of the President, by their manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary to or Clerk of the Board, or the designee thereof, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 8. Paying Agent; Transfer and Exchange. So long as any of the Bonds remain Outstanding, the District will cause the Paying Agent to maintain and keep at its designated office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the principal of, premium, if any, and interest on any Bond shall be made only to or upon the order of such Owner; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like Series, tenor, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new bond or bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and Transfer Amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the Authorized Officers of the District as provided in Section 7. In all cases of exchanged or transferred Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 9. Payment. Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The principal of, premiums, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are obligations of the District payable solely from the levy of *ad valorem* property taxes upon all property within the District subject to taxation, which taxes shall be without limit as to rate or amount. The Bonds do not constitute an obligation of the County except as provided in this Resolution, and no part of any fund of the County is pledged or obligated to the payment of the Bonds.

SECTION 10. Form of Bonds. The Bonds shall be in substantially the form as set forth in Exhibit A hereto, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution. The Purchase Contract and the Official Statement, or to correct or cure any defect, inconsistency, ambiguity or omission therein. Pending the preparation of definitive Bonds, the Bonds may be executed and delivered in temporary form exchangeable for definitive Bonds when ready for delivery. If the Paying Agent delivers temporary Bonds, it shall execute and deliver definitive Bonds in an equal aggregate principal amount of authorized denominations, when available, and thereupon the temporary Bonds shall be surrendered to the Paying Agent. Until so exchanged, the temporary Bonds shall be entitled to the same benefits hereunder as definitive Bonds.

SECTION 11. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriter upon payment of the purchase price therefor.

SECTION 12. Deposit of Proceeds of Bonds. (a) The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of the principal amount thereof, shall be paid to the County to the credit of the fund hereby authorized to be created to be known as the "Hanford Elementary School District Election of 2016 General Obligation Bonds, Series B Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purposes for which the Bonds are being issued and provided further that such proceeds shall be applied solely to the purposes authorized by the voters of the District at the Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. The Building Fund may contain subaccounts, as appropriate. The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of any accrued interest and any net original issue premium, shall be paid to the County to the credit of the fund hereby authorized to be created as the "Hanford Elementary School District Election of 2016 General Obligation Bonds, Series B Service Fund" (the "Debt Service Fund") for the Bonds and used for payment of principal of and interest on the Bonds, and for no other purpose. The Debt Service Fund may contain subaccounts, as appropriate. Interest earnings on monies held in Building Fund shall be retained therein. Interest earnings on monies held in the Debt Service Fund shall be retained therein. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued upon written notice from the District shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

The costs of issuance of the Bonds are hereby authorized to be paid either from premium withheld by the Underwriter upon the sale of the Bonds, or from the principal amount of the Bonds received from the Underwriter. To the extent costs of issuance are paid from such principal amount, the District may direct that a portion thereof, in an amount not-to-exceed 2.0% of such principal amount, in lieu of being deposited into the Building Fund, be deposited in a costs of issuance account to be held by a fiscal agent of the District appointed for such purpose. Any excess moneys in the cost of issuance account remaining after payment of all costs of issuance shall be transferred to the County for deposit into the Building Fund or Debt Service Fund, as appropriate.

(b) Moneys in the Debt Service Fund and the Building Fund shall be invested in Permitted Investments. If at the time of issuance the District determines to issue the Bonds as Tax-Exempt Bonds without regard to the Internal Revenue Code "temporary period" restrictions, all investment of Bond proceeds shall be subject to paragraph (1) below; and the District may provide for an agent to assist the County in investing funds pursuant to paragraph (1) below. If the District fails to direct the County or its agent, as the case may be, the County or its agent shall invest or cause the funds in the Building Fund to be invested in Qualified Permitted Investments, subject to the provisions of paragraph (1) below, until such time as the District provides written direction to invest such funds otherwise. Neither the County nor its officers and agents, as the case may be, shall have any responsibility or obligation to determine the tax consequences of any investment. The interest earned on the moneys deposited to the Building Fund shall be applied as set forth in subparagraph (1)(C) below:

(i) Covenant Regarding Investment of Proceeds.

1. Permitted Investments. Beginning on the delivery date, and at all times until expenditure for authorized purposes, not less than 95% of the proceeds of the Bonds deposited in the Building Fund, including investment earnings thereon, will be invested in Qualified Permitted Investments. Notwithstanding the preceding provisions of this Section, for purposes of this paragraph, amounts derived from the disposition or redemption of Qualified Permitted Investments and held pending reinvestment or redemption for a period of not more than 30 days may be invested in Permitted Investments. The District hereby authorizes investments made pursuant to this Resolution with maturities exceeding five years.

2. Recordkeeping and Monitoring Relating to Building Fund.

(A) Information Regarding Permitted Investments. The District hereby covenants that it will record or cause to be recorded with respect to each Permitted Investment in the Building Fund the following information: purchase date; purchase price; information establishing the Fair Market Value of such Permitted Investment; face amount; coupon rate; periodicity of interest payments; disposition price; disposition date; and any accrued interest received upon disposition.

(B) Information in Qualified Non-AMT Mutual Funds. The District hereby covenants that, with respect to each investment of proceeds of the Bonds in a Qualified Non-AMT Mutual Fund pursuant to paragraph (1)(A) above, in addition to recording, or causing to be recorded, the information set forth in paragraph (i)(2)(A) above, it will retain a copy of each IRS information reporting form and account statement provided by such Qualified Non-AMT Mutual Fund.

(C) Monthly Investment Fund Statements. The District covenants that it will obtain, at the beginning of each month following the delivery date, a statement of the investments in the Building Fund detailing the nature, amount and value of each investment as of such statement date.

(D) Retention of Records. The District hereby covenants that it will retain the records referred to in paragraph (i)(2)(A) and each IRS information reporting form referred to in paragraph (i)(2)(B) with its books and records with respect to the Bonds until three years following the last date that any obligation comprising the Bonds is retired.

3. Interest Earned on Permitted Investments. The interest earned on the moneys deposited in the Building Fund shall be deposited in the Building Fund and used for the purposes of that fund.

Except as required to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the principal of and interest on the Bonds when due.

SECTION 13. Rebate Fund. The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) The District shall create and establish a special fund designated the "Hanford Elementary School District Election of 2016 General Obligation Bonds, Series B Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District in connection with the Tax-Exempt Bonds (the "Tax Certificate").

(b) Within 45 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the "rebate amount" and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

> (1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and
>
> (2) not later than 60 days after the payment of all Bonds, an amount equal to 100% of the "rebate amount" calculated as of the date of such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

SECTION 14. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, which moneys when collected will be deposited in the Debt Service Fund of the District, which fund is hereby designated for the payment of the principal of and interest on the Bonds when due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* property tax in accordance with this Section 14. Pursuant to Government Code Section 53515, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof.

Pursuant to Government Code Sections 5450 and 5451, the District hereby pledges all revenues received from the levy and collection *ad valorem* taxes for the payment of Bonds and all amounts on deposit in the Debt Service Fund to the payment of the Bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund. This pledge shall constitute an agreement between the District and the Owners of the Bonds to provide security for the payment of such Bonds in addition to any statutory lien that may exist.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, shall be transferred by the Director of Finance to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such principal and interest. DTC will thereupon make payments of principal of and interest on the Bonds to the DTC Participants who will thereupon make payments of such principal and interest to the Beneficial Owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District, pursuant to the Education Code Section 15234.

SECTION 15. Arbitrage Covenant. The District covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed thereunder or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

SECTION 16. Conditions Precedent. The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 17. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Secretary to the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds, and such Underwriter is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

SECTION 18. Insurance. In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the principal of interest on the Bonds, it shall become the Owner of such Bonds with the right to payment of such principal or interest, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 19. Defeasance. All or any portion of the Outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds Outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with any amounts transferred from the Debt Service Fund, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds Outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall, unless otherwise provided in the Purchase Contract, mean:

Direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations the payment of the principal of and interest on which is secured, guaranteed or otherwise backed by, directly or indirectly, a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody's or S&P.

SECTION 20. Nonliability of County. Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor the respective officials, officers, employees or agents thereof, shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the County or a pledge of the County's full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from *ad valorem* property taxes lawfully levied to pay the principal of or interest on the Bonds, which taxes shall be unlimited as to rate or amount.

SECTION 21. Reimbursement of County Costs. The District shall reimburse the County for all costs and expenses incurred by the County and the respective officials, officers, agents and employees thereof in issuing or otherwise in connection with the issuance of the Bonds.

SECTION 22. Request to County to Levy Tax. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all principal of and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors of the County to annually levy a tax upon all taxable property in the District sufficient to pay all such principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The Board hereby finds and determines that such *ad valorem* taxes shall be levied specifically to pay the Bonds being issued to finance specific projects authorized by the voters of the District at the Election.

SECTION 23. Other Actions. (a) Officers of the Board and District officials and staff 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 proceed with the issuance of the Bonds and otherwise carry out, 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.

(b) The Board hereby appoints (i) Stifel, Nicolaus & Company, Incorporated, as Underwriter. (ii) Isom Advisors, a Division of Urban Futures, Inc., as Municipal Advisor and (iii) Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel and Disclosure Counsel, all with respect to the issuance of the Bonds.

(c) The provisions of this Resolution as they relate to the Bonds may be amended by the Purchase Contract or the Official Statement.

(d) Based on a good faith estimate from the Municipal Advisor, the District finds that (i) the True Interest Cost of the Bonds (as defined in Government Code Section 5852.1) is expected to be approximately 4.2586%. (ii) the total Finance Charge of the Bonds (as defined in Government Codes Section 5852.1) is expected to be $244,555. (iii) the total proceeds expected to be received by the District from the sale of the Bonds, less the Finance Charge of the Bonds and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $7,435,000. And (iv) the District expected that the Total Payment Amount (as defined in Government Code Section 5852.1), calculates to the final maturity of the Bonds, will be $15,101,918. The information presented in this Section 23(d) is included in satisfaction of Government Code Section 5852.1, and shall not abrogate or otherwise limit any provision of this Revolution.

(e) To the extent the issuance of Bonds includes Long Current Interest Bonds (as defined herein), the useful life of any facility financed with such Long Current Interest Bonds will equal or exceed the maturity of such Long Current Interest Bonds.

SECTION 24. Resolution to County Director of Finance. The Secretary to this Board is hereby directed to provide a certified copy of this Resolution to the Director of Finance immediately following its adoption.

To the extent the issuance of Bonds includes Long Current Interest Bonds, the useful life of any facility financed with such Long Current Interest Bonds will equal or exceed the maturity of such Long Current Interest Bonds.

SECTION 25. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated as of the Date of Delivery, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of Continuing Disclosure Certificate appended to the Preliminary Official Statement on file with the Secretary to the Board, and the Authorized Officers, each alone, are hereby authorized to execute the Continuing Disclosure Certificate with such changes thereto as the Authorized Officers executing the same shall approve, such approval to be conclusively evidenced by such execution and delivery. Noncompliance with the Continuing Disclosure Certificate shall not result in acceleration of the Bonds.

SECTION 26. Effective Date. This Resolution shall take effect immediately upon its passage.

SECTION 27. Designation as Qualified Tax-Exempt Obligation. Based on the following representations, the Bonds are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code: (i) the Bonds are not private activity bonds within the meaning of Section 141 of the Code; (ii) the District, together with all of its subordinate entities, has not issued obligations (other than those obligations described in clause (iv) below) in the calendar year in which the Bonds are issued the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code; (iii) the District reasonably anticipates that it, together with its subordinate entities, will issue during the remainder of the calendar year in which the Bonds are issued obligations (other than those obligations described in clause (iv) below) the interest on which is excluded from gross income for federal income tax purposes under to Section 103 of the Code which, when aggregated with all obligations described in clause (ii) above (if any), will not exceed an aggregate principal amount of $10,000,000; (iv) and notwithstanding clauses (ii) and (iii) above, the District and its subordinate entities may have issued in the calendar year in which the Bonds are issued and may continue to issue during the remainder of the calendar year in which the Bonds are issued private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code.

SECTION 28. Action Regarding Qualified Tax-Exempt Obligation. Appropriate officials of the District are hereby authorized and directed to take such other actions as may be necessary to designate the Bonds as "qualified tax-exempt obligations," including, if either deemed necessary or appropriate, placing a legend to such effect on the form of the Bonds such form as either deemed necessary or appropriate.

SECTION 29. Further Actions Authorized. It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.

SECTION 30. **Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

PASSED, ADOPTED AND APPROVED this 13th day of February, 2019, by the following vote:

AYES: MEMBERS ____________________

NOES: MEMBERS ____________________

ABSTAIN: MEMBERS ____________________

ABSENT: MEMBERS ____________________

____
President of the Board of
Hanford Elementary School District

ATTEST:

____
Secretary to the Board of
Hanford Elementary School District

SECRETARY'S CERTIFICATE

I, Joy Gabler, Superintendent and Secretary to the Board of Trustees of the Hanford Elementary School District, Kings County, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on February 13, 2019, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes.

Said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: February ___, 2019

____

Superintendent and Secretary to the Board of the
Hanford Elementary School District

EXHIBIT A

FORM OF BONDS

REGISTERED NO. | REGISTERED $

HANFORD ELEMENTARY SCHOOL DISTRICT
(KINGS COUNTY, CALIFORNIA)
ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B
[(BANK QUALIFIED)]

INTEREST RATE:	MATURITY DATE:	DATED AS OF:	CUSIP
___% per annum	August 1, ____	______, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Hanford Elementary School District (the "District") in Kings County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2019. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2019, in which event it shall bear interest from the Date of Delivery. Interest shall be computed on the basis of a 360-day year of 12, 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this Bond at the designated office of the Paying Agent. Interest is payable by wire transfer by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown on the bond register maintained by the Paying Agent as of, and to the bank and account number on file with the Paying Agent as of, the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date").

This Bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election (defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on November 8, 2016 (the "Election"), upon the question of issuing bonds in the amount of $24,000,000 and the resolution of the Board of Trustees of the District adopted on February 13, 2019 (the "Bond Resolution"). This Bond is being issued under the provisions of Article 4.5 of Chapter 3 of

Part 1 of Division 2 of Title 5 of the California Government Code. This Bond and the issue of which this Bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

The Bonds of this issue comprise $________ principal amount of current interest bonds, of which this bond is a part (collectively, the "Bonds").

This Bond is exchangeable and transferable for Bonds of like series, tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any Bond which has been selected or called for redemption in whole or in part.

The Bonds maturing on or before August 1, 20___ are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on or after August 1, 20___ are subject to redemption at the option of the District, as a whole or in part, on any date on or after August 1, 20___, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Dates	Principal Amounts

[(1)] Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected as directed by the District, and if not so directed, by lot by the Paying Agent in such manner as the Paying Agent in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The Registered Owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal of and interest on the Bonds when due.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Hanford Elementary School District, Kings County, California, has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of Trustees of the District, all as of the date stated above.

HANFORD ELEMENTARY SCHOOL DISTRICT

By: (Facsimile Signature)
President of the Board of Trustees

COUNTERSIGNED:

(Facsimile Signature)
[Secretary to/Clerk of] the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to herein which has been authenticated and registered on ________, 20__.

By: U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

____
Authorized Officer

QUALIFIED TAX-EXEMPT OBLIGATION

This bond has been determined to be a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, by resolution of the District.

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): ____ this Bond and irrevocably constitutes and appoints attorney to transfer this Bond on the books for registration thereof, with full power of substitution in the premises.

Dated: ________________________ ______________________________

Signature Guaranteed:

____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within Bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _________________

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

(Facsimile Signature)
[Secretary to/Clerk of] the Board of Trustees

(Form of Legal Opinion)

$__________
HANFORD ELEMENTARY SCHOOL DISTRICT
(Kings County, California)
Election of 2016 General Obligation Bonds, Series B

PURCHASE CONTRACT

March __, 2019

Hanford Elementary School District
714 North White Street
Hanford, California 93230

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), offers to enter into this Purchase Contract (the "Purchase Contract") with the Hanford Elementary School District (the "District"), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., Pacific Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Official Statement (as defined below) or, if not defined in the Official Statement, in the Resolution (as defined below).

Inasmuch as this purchase and sale represents a negotiated transaction, the District acknowledges and agrees that: (i) the transaction contemplated by this Purchase Contract is an arm's-length commercial transaction by and between the District and the Underwriter, in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, Municipal Advisory or fiduciary to the District; (ii) the Underwriter has not assumed a Municipal Advisor or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto, irrespective of whether or not the Underwriter, or any affiliates of the Underwriter, have provided other services or are currently providing other services to the District on other matters; (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account; (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby are expressly set forth in this Purchase Contract; and (v) the District has consulted with its own legal, accounting, tax, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Bonds. The District further acknowledges that it has previously provided the Underwriter with an acknowledgment of receipt of the required disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

1. **Purchase and Sale of the Bonds**. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of $____________ in aggregate initial principal amount of the District's Election of 2016 General Obligation Bonds, Series B (the "Bonds").

The Bonds will be issued as Current Interest Bonds and will be payable as to interest on each February 1 and August 1, commencing August 1, 2019. The final maturity dates, interest, yields (or yields to redemption, as applicable) and the redemption provisions of the Bonds are shown in Appendix A hereto, which appendix is incorporated by reference herein.

The Underwriter shall purchase the Bonds at a price of $__________ (consisting of the principal amount of the Bonds of $___________, plus original issue premium of $__________, less Underwriter's discount of $__________, and less costs of issuance of $___________ to be retained by the Underwriter and deposited with U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") to pay costs of issuance for the Bonds, as provided in Section 12 hereof). [At the request of the District, on the date of Closing (as defined herein) the Underwriter will wire a portion of the purchase price equal to $______ to pay the Insurer (as defined herein) for premium for the Insurance Policy (as defined herein)).

2. **The Bonds.** The Bonds shall otherwise be as described in the Official Statement (as defined below), and shall be issued and secured pursuant to the provisions of the resolution adopted by the Board of Trustees of the District on February 13, 2019 (the "Resolution"), this Purchase Contract, the Official Statement (as defined below) and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act").

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolution. The Bonds shall bear CUSIP numbers and shall be in fully registered book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The Bonds shall initially be in authorized denominations of $5,000 Principal Amount, as applicable, or any integral multiple thereof.

[The principal of and interest on the Bonds, as the same shall become due and payable, shall be guaranteed by a municipal bond insurance policy (the "Insurance Policy") to be issued by __________________________ (the "Insurer") at the Closing.]

3. **Use of Documents**. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Preliminary Official Statement (as defined below), the Continuing Disclosure Certificate (as defined below), the Official Statement (as defined below), the Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

4. **Public Offering of Bonds; Establishment of Issue Price**. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the inside cover page of the Official Statement and Appendix A hereto.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s Municipal Advisor identified herein and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor.

(b) The District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the date of Closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party,

(2) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) "sale date" means the date of execution of this Purchase Contract by all parties.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _________, 2019 (the "Preliminary Official Statement"), which has been duly authorized and prepared by the District for use by the Underwriter in connection with the sale of the Bonds. The District represents that it has duly authorized and prepared the Preliminary Official Statement for use by the Underwriter in connection with the sale of the Bonds, and that it has deemed it to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule l5c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

The Underwriter agrees that prior to the time the final Official Statement (the "Official Statement") relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

6. **Closing**. At 9:00 A.M., Pacific Time, on ________, 2019 (the "Closing") or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter, the District will deliver to the Underwriter, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as

nominee of DTC, and at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Bonds identified in Section 1 above in immediately available funds by check, draft or wire transfer to the account of the District.

7. **Representations, Warranties and Agreements of the District**. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a school district duly organized and validly existing under the laws of the State of California (the "State"), with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract and the Continuing Disclosure Certificate, to adopt the Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement and to carry out and effectuate the transactions contemplated by this Purchase Contract, the continuing disclosure certificate and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in, the Bonds, the Resolution, the Continuing Disclosure Certificate, and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract, the Bonds and the Continuing Disclosure Certificate, assuming due execution and delivery by the other parties thereto, constitute valid and legally binding obligations of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Contract and the Continuing Disclosure Certificate, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has complied with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the Resolution, the Continuing Disclosure Certificate and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection or levy of *ad valorem* property taxes contemplated by the Resolution and the application thereof to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Continuing Disclosure Certificate or the Resolution or the pledge of funds on deposit in the Debt Service Fund for the Bonds, or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, the Continuing Disclosure Certificate or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations or financial condition of the District or the consummation of the transactions contemplated by this Purchase Contract, the Continuing Disclosure Certificate or the Resolution, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or from State personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District, nor any other person or entity on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Interim Financial Report. The District has not received a qualified or negative certification in its most recent interim report pursuant to Section 42130 *et seq.* of the California Education Code.

(i) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(j) Continuing Disclosure. In accordance with the requirements of the Rule, at or prior to the Closing, the District shall have duly authorized, executed and delivered a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall be substantially in the form attached to the Preliminary Official Statement and Official Statement in Appendix C. Except as otherwise disclosed in the Official Statement, the District has not, within the past five years, failed to comply in a material respect with any of its previous undertakings pursuant to the Rule to provide annual reports or notice of certain listed events.

(k) Official Statement Accurate and Complete. The Preliminary Official Statement, as of the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of the date hereof and as of the Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If the Official Statement is supplemented or amended pursuant to paragraph (f) of Section 9 of this Purchase Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(l) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County of Kings (the "County") or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the Director of Finance of Kings County a copy of the Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

(m) No Material Adverse Change. The financial statements and other financial information regarding the District in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or conditions, financial or otherwise, of the District.

(n) No Default. The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the District has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

8. **Representations, Warranties and Agreements of the Underwriter.** The Underwriter represents to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and the Underwriter is duly authorized to take any action under the Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no Municipal Advisory relationship, as that term is defined in California Government Code Section 53590(c), or MSRB Rule G-23, with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such Municipal Advisory relationship.

9. **Covenants of the District.** The District covenants and agrees with the Underwriter that:

(a) <u>Securities Laws</u>. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) <u>Application of Proceeds</u>. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolution;

(c) <u>Official Statement</u>. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Contract is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page, inside cover pages, and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Underwriter not later than seven (7) business days following the date this Purchase Contract is signed, in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is ninety (90) days following the Closing;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page, inside cover pages and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, at its own expense, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

For purposes of this Purchase Contract, the "End of the Underwriting Period" is used as defined in the Rule and shall occur on the later of (A) the date of Closing or (B) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the date of Closing, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the date of Closing.

10. **Conditions to Closing**. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the

District shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract, the Resolution and the Continuing Disclosure Certificate shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of their obligations required under or specified in the Resolution, this Purchase Contract, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. To the best knowledge of the District, no decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or pending or threatened which has any of the effects described in Section 7(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Purchase Contract and the Closing, the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected, in the evidenced judgment of the Underwriter, by the occurrence of any of the following:

(1) legislation enacted by the Congress of the United States, or passed by either House of Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, with the purpose or effect, directly or indirectly, of changing, directly or indirectly, the federal income tax consequences of interest on the Bonds or of obligations of the general character of the Bonds in the hands of the holders thereof, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing the inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) legislation enacted by the State legislature or a decision rendered by a Court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(3) the formal declaration of war by Congress or a new major engagement in or escalation of military hostilities by order of the President of the United States, or the occurrence of any other declared national or international emergency, crisis or calamity that interrupts or causes disorder to the operation of the financial markets in the United States;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading by the New York Stock Exchange, any national securities exchange, or any governmental authority securities exchange;

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(6) an order, decree or injunction of any court of competent jurisdiction, or an order, filing, regulation or official statement by the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(7) the occurrence of any adverse change of a material nature of the financial condition, results of operation or properties of the District; or

(8) the occurrence of or notice having been given of any suspension, withdrawal, downgrading or negative change in credit watch status of any rating of the District's outstanding indebtedness by a national rating agency; or

(9) the suspension by the SEC of trading in the outstanding securities of the District;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income, securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(11) any event occurring, or information becoming known which makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive sufficient copies of the following documents in each case dated as of the date of Closing and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District, substantially in the form set forth in the Official Statement as APPENDIX A;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel dated the date of Closing and addressed to the District and the Underwriter, substantially to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS,” “TAX MATTERS,” and “LEGAL MATTERS – Continuing Disclosure – Current Undertaking,” to the extent they purport to summarize certain provisions of the Bonds, the Resolution, the Continuing Disclosure Certificate, and the form and content of Bond Counsel’s approving opinion with respect to the treatment of interest on the Bonds under California and federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to (i) any information contained in Appendices __,__,__ or __ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to DTC or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) the District’s compliance with its obligations to file annual reports or provide notice of the events described in the Rule, (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption “MISCELLANEOUS – Underwriting”; (vii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “MISCELLANEOUS – Rating;” or (viii) any information relating to the Insurer or the Insurance Policy;

(ii) the Continuing Disclosure Certificate and this Purchase Contract have each been duly authorized, executed and delivered by the District, and assuming due authorization, execution and delivery by all the other parties thereto, constitute legal, valid and binding agreements of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as such enforcement may be subject to the application of equitable principles, and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(4) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) the Authorized Officers (as defined in the Resolution) of the District are authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, the Continuing Disclosure Certificate and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Resolution, (vi) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in the light of the circumstances in which they were made not misleading, and (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to the best knowledge of such officials, threatened against the District, contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the District or the due adoption of the Resolution;

(5) Arbitrage. A nonarbitrage certificate of the District with respect to the Bonds in form satisfactory to Bond Counsel;

(6) Ratings. Evidence satisfactory to the Underwriter that (i) the Bonds shall have been rated "___" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), [based upon the issuance of the Insurance Policy by the Insurer, (ii) the Bonds shall have been assigned an underlying rating of "___" by S&P (or such other equivalent rating as such rating agency may give),] and (iii) that any such ratings have not been revoked or downgraded;

(7) District Resolution. A certificate, together with fully executed copies of the Resolution, of the Secretary to the District Board of Trustees to the effect that:

(i) such copies are true and correct copies of the Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(8) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with the Rule;

(9) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix C thereto;

(10) Certificate of the Paying Agent. A certificate of U.S. Bank National Association, as paying agent for the bonds (the "Paying Agent"), dated the date of the closing, signed by a duly authorized officer thereof, and in form and substance satisfactory to the Underwriter, substantially to the effect that no litigation is pending or, to the best of such officer's knowledge, threatened (either in state or federal courts) (i) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (ii) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

(11) Disclosure Counsel Letter. A letter from Stradling Yocca Carlson & Rauth, as disclosure counsel to the District ("Disclosure Counsel"), dated the date of Closing and addressed to the District, substantially to the effect that based on such counsel's participation in conferences with representatives of the Underwriter, the District's Municipal Advisor, the District and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District, as a matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel no information came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (provided that Bond Counsel need not express any opinion with with respect to (i) any information contained in Appendices __,__,__ or __ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to DTC or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "MISCELLANEOUS – Underwriting," (vi) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to

information under the caption “MISCELLANEOUS – Rating,”; (vii) any information relating to the Insurer or the Insurance Policy);

(12) Underwriter’s Counsel Opinion. The opinion of Norton Rose Fulbright US LLP, as counsel to the Underwriter, dated as of the Closing, in a form and substance acceptable to the Underwriter;

(13) [Insurance. A copy of the Insurance Policy, together with an opinion of counsel to the Insurer, dated the date of Closing and addressed to the District and the Underwriter, in form and substance acceptable to the Underwriter, and a certificate of the Insurer, dated the date of Closing, in form and substance acceptable to the Underwriter, regarding, among other matters, disclosure, no default and tax matters; and]

(14) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel or the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 herein, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 14 hereof.

If the District is unable to satisfy the conditions to the Underwriter’ obligations contained in this Purchase Contract or if the Underwriter’ obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing in its sole discretion.

11. **Conditions to Obligations of the District**. The performance by the District of their obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

12. **Expenses**. (a) To the extent that the transactions contemplated by this Purchase Contract are consummated, the Underwriter shall pay from original issue premium retained for such purpose pursuant to Section 1 hereof, all costs of issuance of the Bonds up to $_________, including but not limited to the following costs of issuance (i) the cost of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel and the District’s Municipal Advisor; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees

for bond ratings; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees of the Paying Agent and Fiscal Agent; (vii) expenses for meals, travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Bonds, and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds. At the time that all costs of issuance are paid, the Underwriter shall provide the District with a complete accounting of such payments and any amounts remaining after all payments have been made.

(b) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, the fees of counsel to the Underwriter, and other expenses (except those expressly provided above) without limitation, except travel and related expenses in connection with the bond rating.

(c) Notwithstanding Section 10(f) hereof, the District hereby agrees, in the event the purchase and sale of the Bonds does not occur as contemplated hereunder, to reimburse the Underwriter for any costs described in Subsection 12(a)(vii) above that are attributable to District personnel.

13. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to Hanford Elementary School District, 714 North white Street, Hanford, California, 93230, Attention: Chief Business Official; or if to the Underwriter, to Stifel, Nicolaus & Company, Incorporated, 515 South Figueroa Street, Suite 1800, Los Angeles, California 90071, Attention: Robert Barna, Managing Director.

14. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Contract when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All your representations, warranties and agreements of the District in this Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Contract.

15. **Execution in Counterparts**. This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

[REMAINDER OF PAGE LEFT BLANK]

16. **Applicable Law**. This Purchase Contract shall be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts made and performed in such State.

Very truly yours,

STIFEL, NICOLAUS & COMPANY, INCORPORATED, as Underwriter

By: ________________________________
Managing Director

The foregoing is hereby agreed to and accepted at _____ p.m., Pacific Time, as of the date first above written:

HANFORD ELEMENTARY SCHOOL DISTRICT

By:______________________________
David Endo
Chief Business Official

APPENDIX A

$_______________
HANFORD ELEMENTARY SCHOOL DISTRICT
(Kings County, California)
Election of 2016 General Obligation Bonds, Series B

$_____________ Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	10% Rule	Hold the Offering Price Rule

$______________ Term Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	10% Rule	Hold the Offering Price Rule

† Yield to call at par on August 1, _____.

APPENDIX B

$_______________
HANFORD ELEMENTARY SCHOOL DISTRICT
(Kings County, California)
Election of 2016 General Obligation Bonds, Series B

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated ("Stifel") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. 1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***[Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date.

(b) As set forth in the Purchase Contract, Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms***.

(a) *District* means Hanford Elementary School District.

(b) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(c) *[Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(d) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February ___, 2019.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

[REMAINDER OF PAGE LEFT BLANK]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By:_____________________________________

Name:___________________________________

By:_____________________________________

Name:___________________________________

Dated: ______, 2019

SCHEDULE A

IDENTIFICATION OF GENERAL RULE MATURITIES AND HOLD-THE-OFFERING-PRICE MATURITIES

$________________
HANFORD ELEMENTARY SCHOOL DISTRICT
(Kings County, California)
Election of 2016 General Obligation Bonds, Series B

$____________ Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	10% Rule	Hold the Offering Price Rule

$____________ Term Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	10% Rule	Hold the Offering Price Rule

† Yield to call at par on August 1,

NEW ISSUE—FULL BOOK-ENTRY

INSURED RATING: S&P: "__"
UNDERLYING RATING: S&P "__"
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

$________*

HANFORD ELEMENTARY SCHOOL DISTRICT
(Kings County, California)
Election of 2016 General Obligation Bonds, Series B
(Bank Qualified)

Dated: Date of Delivery **Due: August 1, as shown on the inside cover**

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used but not otherwise defined on this cover page shall have the meanings assigned to such terms herein.

The Hanford Elementary School District (Kings County, California) Election of 2016 General Obligation Bonds, Series B (Bank Qualified) (the "Bonds") were authorized at an election of the registered voters of the Hanford Elementary School District (the "District") held on November 8, 2016, at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of $24,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued by the District to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and (ii) pay the costs of issuing the Bonds.

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of Kings County is empowered and obligated to levy *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees. The Bonds will be dated as of their date of initial delivery (the "Date of Delivery") and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2019. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof.

The District has applied for municipal bond insurance for the scheduled payment of principal of and interest on the Bonds when due, which, if purchased, would be issued concurrently with the delivery of the Bonds.

Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, as the paying agent, bond registrar and transfer agent for the Bonds (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

The Bonds are subject to optional redemption and mandatory sinking fund redemption as further described herein.*

Maturity Schedule

(see inside front cover page)

---

*The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California. The Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about ________, 2019.**

Stifel

Dated: _________________, 2019

* Preliminary, subject to change.

MATURITY SCHEDULE

$________*
HANFORD ELEMENTARY SCHOOL DISTRICT
(Kings County, California)
Election of 2016 General Obligation Bonds, Series B
(Bank Qualified)

Base CUSIP(†): 410356

$____________ Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP(†)

$________ – ____% Term Bonds due August 1, 20__ – Yield ____%(1); CUSIP Suffix†: ___

(1) Yield to call at par on August 1, 20__.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from sources outside of the District which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.”

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website. However, the information presented on the District’s website is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule (defined herein).

HANFORD ELEMENTARY SCHOOL DISTRICT

BOARD OF TRUSTEES

Tim Revious, *President, Trustee Area 1*
Lupe Hernandez, *Vice President, Trustee Area 4*
__________, [*Clerk], Trustee Area 2*
____________, *Trustee, Trustee Area 5*
Greg Strickland, *Trustee, Trustee Area 3*

DISTRICT ADMINISTRATION

Joy C. Gabler, *Superintendent*
David Endo, *Chief Business Official*

PROFESSIONAL SERVICES

BOND COUNSEL AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth, a Professional Corporation
San Francisco, California

MUNICIPAL ADVISOR

Isom Advisors,
a Division of Urban Futures, Inc.
Walnut Creek, California

PAYING AGENT, REGISTRAR AND TRANSFER AGENT

U.S. Bank National Association
San Francisco, California

$________*
HANFORD ELEMENTARY SCHOOL DISTRICT
(Kings County, California)
Election of 2016 General Obligation Bonds, Series B
(Bank Qualified)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the Hanford Elementary School District (Kings County, California) Election of 2016 General Obligation Bonds, Series B (Bank Qualified) (the "Bonds").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

General

The Hanford Elementary School District (the "District"), located in Kings County, California (the "County"), encompasses an area of approximately 13 square miles in the City of Hanford. The District serves students from kindergarten through grade eight and operates nine elementary schools and two junior high schools. For fiscal year 2018-19, the District has an assessed valuation of $2,800,323,993, and has projected an approximate average daily attendance ("ADA") of 5,347 students.

The District is governed by a five-member Board of Trustees (the "Board"). Members of the Board are elected by the voters of the District within five trustee areas. Each member of the Board serves a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Joy C. Gabler is currently the District's Superintendent.

For more information regarding the District generally, see "DISTRICT FINANCIAL INFORMATION" and "HANFORD ELEMENTARY SCHOOL DISTRICT" herein, and for more information regarding the District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS" herein.

Purposes of the Bonds

The Bonds are being issued by the District to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and (ii) pay the costs of issuing the Bonds. See "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

* Preliminary, subject to change.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State of California (the "State") Government Code and pursuant to a resolution adopted by the Board. See "THE BONDS – Authority for Issuance" herein.

Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (the "DTC"), who will act as securities depository for the Bonds. See "THE BONDS – General Provisions" and "THE BONDS – Book-Entry Only System" herein. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution (as defined herein). See "THE BONDS – Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bondowners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" and in APPENDIX A) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount, or any integral multiple thereof.

Redemption.* The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be dated as of the date of their initial delivery (the "Date of Delivery"). Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each February 1 and August 1, commencing August 1, 2019 (each, a "Bond Payment Date"). Principal of the Bonds is payable on August 1, in the amounts and years as shown on the inside cover page hereof. Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as the paying agent, registrar and transfer agent for the Bonds (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds.

[*] Preliminary, subject to change.

Bond Insurance. The District has applied for municipal bond insurance for the scheduled payment of principal of and interest on the Bonds when due, which, if purchased, would be issued concurrently with the delivery of the Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain opinions and representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California (the "State") personal income tax. In addition, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Bond constitutes original issue discount, and the amount of original issue discount that accrues to the owner of the Bond is excluded from gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State personal income tax. See "TAX MATTERS" herein.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about _______, 2019.*

Bank Qualified

The District will designate the Bonds as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct a portion of such institution's interest expense allocable to such qualified tax-exempt obligations, all as determined in accordance with Section 265(b)(3) of the Code (as defined herein).Bond Owner's Risks.

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the District's financial condition and taxation of property within the District, see "TAX BASE FOR REPAYMENT OF BONDS," "DISTRICT FINANCIAL INFORMATION" and "HANFORD ELEMENTARY SCHOOL DISTRICT" herein.

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Certificate relating to the Bonds, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). See "LEGAL MATTERS – Continuing Disclosure" herein. The specific nature of the information

* Preliminary, subject to change.

to be made available and the notices of listed events required to be provided are described in "APPENDIX C – Form of Continuing Disclosure Certificate" attached hereto.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, is acting as municipal advisor ("Municipal Advisor") to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth and Isom Advisors, a Division of Urban Futures, Inc. will each receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed upon for the Underwriter (as defined herein) by Norton Rose Fulbright US LLP, Los Angeles, California.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "intend," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Hanford Elementary School District, 714 N. White Street, Hanford, California 93230, telephone: (559) 585-3600. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution (as defined herein).

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code of the State of California (the "Act"), commencing with Section 53506 *et seq*., as amended, Article XIIIA of the State Constitution and pursuant to a resolution adopted by the Board on February 13, 2019 (the "Resolution"). The County has adopted a resolution pursuant to Education Code Section 15140(b), which authorizes the District to issue the Bonds on its own behalf. The District received authorization at an election held on November 8, 2016 by the requisite 55% of the votes cast by eligible voters within the District to issue $24,000,000 aggregate principal amount of general obligation bonds (the "2016 Authorization"). The Bonds are the second series of bonds issued under the 2016 Authorization, and following the issuance thereof, $[7,600,000][*] of the Authorization will remain unissued.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. The levy may include allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, however, is not obligated to establish such a reserve, and the District can make no representation that such reserve will be established by the County or that such a reserve, if previously established by the County, will be maintained in the future.

Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. Such taxes, when collected, will be placed by the County in the Debt Service Fund (as defined herein) established by the Resolution, which is required to be segregated and maintained by the County and which is designated for the payment of the Bonds, and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Fund, none of the Bonds are a debt of the County.

[*] Preliminary, subject to change.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The amount of the annual *ad valorem* property taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Bond Insurance

Bond Insurance Policy. The District has applied for municipal bond insurance for the scheduled payment of principal of and interest on the Bonds when due, which, if purchased, would be issued concurrently with the delivery of the Bonds.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. See "—Book-Entry Only System" herein. Beneficial Owners will not receive certificates representing their interest in the Bonds, but instead will receive credit balances on the books of their respective nominees. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery and is payable semiannually on each Bond Payment Date, commencing August 1, 2019. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2019, in which event it will bear interest from the Date of Delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof, and mature on August 1, in the years and amounts set forth on the inside cover page hereof.

Payment. The principal of the Bonds will be payable in lawful money of the United States of America to the registered Owner thereof, upon the surrender thereof at the designated office of the Paying Agent. The interest on the Bonds will be payable in lawful money to the person whose name appears on the bond registration books of the Paying Agent as the registered Owner thereof as of the close of business on the 15th day of the month preceding any Bond Payment Date (a “Record Date”), whether or not such day is a business day. Such interest is to be paid by wire transfer on such Bond Payment Date to such registered Owner to the bank and account number on file with the Paying Agent as of the Record Date. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds.

[REMAINDER OF PAGE LEFT BLANK]

Annual Debt Service

The following table displays the annual debt service requirements of the District for the Bonds (assuming no optional redemptions):

Year Ending August 1	Annual Principal Payment	Annual Interest Payment[(1)]	Total Annual Debt Service Payment

____

(1) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2019.

See "HANFORD ELEMENTARY SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds" herein for a full table of the annual debt service requirements for the District's outstanding general obligation bonded debt.

Application and Investment of Bond Proceeds

The Bonds are being issued by the District to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and (ii) pay the costs of issuing the Bonds.

Building Fund. The net proceeds of the sale of the Bonds will be deposited into the fund held by the County and designated as the "Hanford Elementary School District Election of 2016 General Obligation Bonds, Series B Building Fund" (the "Building Fund") and will be applied only for the purposes approved by the voters of the District pursuant to the 2016 Authorization. Any interest earnings on moneys held in the Building Fund will be retained therein. The County will have no responsibility for assuring the proper use of the proceeds of the Bonds.

Debt Service Fund. Any premium or accrued interest received by the District from the sale of the Bonds will be kept separate and apart in the fund designated as the "Hanford Elementary School District Election of 2016 General Obligation Bonds, Series B Debt Service Fund" (the "Debt Service Fund"), which fund is held by the County for the payment of principal of and interest on the Bonds, and for no other purpose. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. Any excess proceeds of the Bonds not needed for authorized purposes for which the Bonds are being issued will be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Bonds. Pursuant to the Resolution, the District has pledged monies on deposit in the Debt Service Fund to the payment of the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

Investment of Proceeds. Moneys in the Building Fund and the Debt Service Fund are expected to be invested through the County's pooled investment fund. See "APPENDIX E – KINGS COUNTY TREASURY POOL" attached hereto.

Redemption

Optional Redemption.* The Bonds maturing on or before August 1, 20__ are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 20__ are subject to optional redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption.* The Term Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Term Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount to be Redeemed

(1) Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

* Preliminary, subject to change.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select the Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. When optional redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

"Securities Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such transfer.

Conditional Notice of Redemption. With respect to any notice of optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds (or portions thereof) shall be deemed to have been defeased as described in "—Defeasance" herein, such notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, and premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that, if such moneys shall not have been so received, said notice shall be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will, within a reasonable time thereafter (but in no event later than the date originally set for redemption), give notice to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice by written notice to the Paying Agent on or prior to the date fixed for such redemption. The Paying Agent shall distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered (the "Transfer Amount"). Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption. Notice having been given as described above, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as described in "—Defeasance" herein, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, moneys for the redemption of all the Bonds to be redeemed, together with interest accrued to such redemption date, shall be held in trust, so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds to be so redeemed.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity pursuant to the Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof and accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

[REMAINDER OF PAGE LEFT BLANK]

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter take any responsibility for the accuracy or completeness thereof. The District and the Underwriter cannot and do not give any assurances that DTC or the Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC or the Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with the Direct Participants or Indirect Participants are on file with DTC.

The DTC, New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated "AA+" by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

For every transfer and exchange of Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Paying Agent, DTC or the DTC Participant in connection with such transfers or exchanges.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Registration, Exchange and Transfer of Bonds

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, exchange and replacement of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent, initially located in Los Angeles, California. Interest on the Bonds will be paid by the Paying Agent by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of like Series, tenor, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent will complete, authenticate, and deliver a new bond or bonds of like series and tenor, and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon, and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon, and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds will cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations the payment of the principal of and interest on which is secured, guaranteed or otherwise backed by, directly or indirectly, a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") or Moody's Investors Service ("Moody's").

[REMAINDER OF PAGE LEFT BLANK]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds
    Principal Amount of Bonds
    Original Issue Premium
        Total Sources

Uses of Funds
    Building Fund
    Debt Service Fund
    Costs of Issuance[1]
    Underwriter's Discount
        Total Uses

[1] A portion of the proceeds of the Bonds will be used to pay costs of issuance thereof, including, but not limited to, legal fees, municipal advisory fees, printing costs, rating agency fees, the costs and fees of the Paying Agent, municipal bond insurance premium, if any, and other costs of issuance of the Bonds.

TAX BASE FOR PAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The principal of and interest on the Bonds are payable solely from the proceeds of* ad valorem property tax*es levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as County, city and special district taxes. Assessed valuations are the same for both District and County taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Treasurer. After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of $10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecure tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also " – Tax Levies, Collections and Delinquencies" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and K-14 school districts (as defined herein) share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

Property within the District has a total assessed valuation for fiscal year 2018-19 of $2,800,323,993. The following table shows a 10-year history of assessed valuations in the District.

ASSESSED VALUATIONS
Fiscal Years 2009-10 through 2018-19
Hanford Elementary School District

	Local Secured	Utility	Unsecured	Total
2009-10	2,173,275,760	877,607	127,509,975	2,301,663,342
2010-11	2,150,827,234	861,400	114,819,998	2,266,508,632
2011-12	2,167,536,833	861,400	123,852,937	2,292,251,170
2012-13	2,154,569,097	861,400	120,887,003	2,276,317,500
2013-14	2,194,854,032	861,400	112,575,739	2,308,291,171
2014-15	2,217,268,596	738,913	117,248,612	2,335,256,121
2015-16	2,315,118,919	738,913	112,625,848	2,428,483,680
2016-17	2,430,625,907	738,913	121,101,149	2,552,465,969
2017-18	2,574,757,015	870,436	120,828,301	2,696,455,752
2018-19	2,671,091,173	870,436	128,362,384	2,800,323,993

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as a general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, flood, fire or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuations

Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization ("SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

No assurance can be given that property tax appeals or actions by the County Assessor in the future will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 ("AB 102"). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear tax appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

Assessed Valuation of Single Family Homes

The following table shows a per-parcel analysis of single family residences within the District, in terms of their fiscal year 2018-19 assessed valuation.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2018-19
Hanford Elementary School District

	No. of Parcels	2018-19 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	10,958	$1,697,200,822	$154,882	$144,000

2016-17 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	224	2.044%	2.044%	$3,488,909	0.206%	0.206%
25,000 - 49,999	585	5.339	7.383	22,813,713	1.344	1.550
50,000 - 74,999	859	7.839	15.222	54,168,785	3.192	4.741
75,000 - 99,999	1,213	11.070	26.291	106,752,650	6.290	11.031
100,000 - 124,999	1,437	13.114	39.405	162,700,999	9.586	20.618
125,000 - 149,999	1,490	13.597	53.002	204,306,330	12.038	32.656
150,000 - 174,999	1,252	11.425	64.428	203,169,463	11.971	44.626
175,000 - 199,999	1,085	9.901	74.329	202,147,759	11.911	56.537
200,000 - 224,999	741	6.762	81.091	156,326,847	9.211	65.748
225,000 - 249,999	641	5.850	86.941	152,117,492	8.963	74.711
250,000 - 274,999	510	4.654	91.595	133,711,695	7.878	82.589
275,000 - 299,999	369	3.367	94.963	105,608,632	6.223	88.812
300,000 - 324,999	255	2.327	97.290	79,328,085	4.674	93.486
325,000 - 349,999	123	1.122	98.412	41,194,802	2.427	95.913
350,000 - 374,999	70	0.639	99.051	25,339,971	1.493	97.406
375,000 - 399,999	49	0.447	99.498	18,887,533	1.113	98.519
400,000 - 424,999	22	0.201	99.699	9,008,655	0.531	99.050
425,000 - 449,999	13	0.119	99.817	5,685,998	0.335	99.385
450,000 - 474,999	6	0.055	99.872	2,781,814	0.164	99.549
475,000 - 499,999	7	0.064	99.936	3,381,396	0.199	99.748
500,000 and greater	7	0.064	100.000	4,279,294	0.252	100.000
Total	10,958	100.000%		$1,697,200,822	100.000%	

[1] Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Assessed Valuation and Parcels by Land Use

The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2018-19 assessed valuation of such parcels.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2018-19
Hanford Elementary School District

Non-Residential:	2018-19 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$46,788,501	1.75%	233	1.66%
Commercial/Office	553,781,529	20.73	554	3.94
Vacant Commercial	6,722,355	0.25	57	0.41
Industrial	63,554,699	2.38	147	1.04
Vacant Industrial	31,912,408	1.19	180	1.28
Recreational	6,418,487	0.24	18	0.13
Government/Social/Institutional	22,774,650	0.85	292	2.08
Miscellaneous	20,397,599	0.76	93	0.66
Subtotal Non-Residential	$752,350,228	28.17%	1,574	11.19%
Residential:				
Single Family Residence	$1,697,200,822	63.54%	10,958	77.88%
Condominium	19,232,869	0.72	253	1.80
Mobile Home	16,978,493	0.64	371	2.64
Mobile Home Park	10,612,703	0.40	6	0.04
2-4 Residential Units	48,305,292	1.81	299	2.12
5+ Residential Units/Apartments	110,827,283	4.15	179	1.27
Miscellaneous Residential	1,087,875	0.04	5	0.04
Vacant Residential	14,495,608	0.54	426	3.03
Subtotal Residential	$1,918,740,945	71.83%	12,497	88.81%
Total	$2,671,091,173	100.00%	14,071	100.00%

[1] Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation by Jurisdiction

The following table shows the fiscal year 2018-19 assessed valuation of the District by jurisdiction.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2018-19
Hanford Elementary School District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Hanford	$2,703,247,844	96.53%	$4,057,230,887	66.63%
Unincorporated Kings County	97,076,149	3.47	$4,085,319,740	2.38%
Total District	$2,800,323,993	100.00%		
Kings County	$2,800,323,993	100.00%	$10,786,362,415	25.96%

Source: California Municipal Statistics, Inc.

Tax Levies, Collections and Delinquencies

The following table shows secured tax levies and delinquencies within the District, and amounts delinquent as of June 30, for fiscal years 2013-14 through 2017-18.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2013-14 through 2017-18
Hanford Elementary School District

	Secured Tax Charge [(1)]	Amt. Del. June 30	% Del. June 30
2013-14	$1,184,536.61	$20,670.65	1.75%
2014-15	1,170,059.72	17,167.09	1.47
2015-16	1,374,146.09	15,624.81	1.14
2016-17	1,312,891.56	16,469.84	1.25
2017-18	1,000,739.20	11,461.58	1.15

(1) District's general obligation bond debt service levy only.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - "Teeter Plan"

Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. **The County has not adopted the Teeter Plan. Consequently, the Teeter Plan is not available to local taxing entities within the County, such as the District. The District's receipt of property taxes, including the *ad valorem* property taxes to pay debt service on the Bonds, is therefore subject to delinquencies.**

Tax Rates

A representative tax rate area (a "TRA") located within the District is TRA 2-006. The table below shows the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in this TRA during the five-year period from fiscal years 2014-15 through 2018-19.

SUMMARY OF *AD VALOREM* TAX RATES (TRA 2-006)(1)
Fiscal Years 2014-15 through 2018-19
Hanford Elementary School District

	2014-15	2015-16	2016-17	2017-18	2018-19
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Hanford School District	.054548	.060581	.054849	.039647	.031542
Hanford High School District	.060909	.058384	.054175	.052152	.055248
College of Sequoias Hanford Campus I.D. #1	.023900	.020300	.020200	.030000	.030000
Total Tax Rate	1.139357%	1.139265%	1.129224%	1.121799%	1.116790%

(1) The fiscal year 2016-17 assessed valuation of TRA 2-006 is $383,105,395.
Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2018-19 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

20 LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2018-19
Hanford Elementary School District

	Property Owner	Primary Land Use	2018-19 Assessed Valuation	% of Total[1]
1.	Passco Hanford Mall LLC	Shopping Center	$38,853,601	1.45%
2.	Centennial-Hanford Center LLC	Shopping Center	33,672,203	1.26
3.	Hanford Centennial Associates LP	Apartments	22,465,289	0.84
4.	Wal-Mart Real Estate Business Trust	Shopping Center	17,636,305	0.66
5.	Marquez Investment Group LLC	Industrial	16,594,885	0.62
6.	ARHC AHHFDCA01 LLC	Office Building	15,843,991	0.59
7.	Jon & Valerie Keller Trust	Auto Dealership	15,232,103	0.57
8.	Target Corporation	Shopping Center	14,219,811	0.53
9.	Lowes HIW Inc.	Commercial – Retail	13,798,450	0.52
10.	Centennial Capital LP	Shopping Center	13,595,340	0.51
11.	Anand Hospitality LLC	Hotel	11,487,995	0.43
12.	HD Development of Maryland Inc.	Commercial – Retail	10,374,232	0.39
13.	Hanford Arroyo LP	Mobile Home Park	9,077,350	0.34
14.	Realty Income Properties 16 & 23 LLC	Commercial – Retail	8,459,645	0.32
15.	Paul & Vickie Daley LP	Residential Properties	7,735,083	0.29
16.	Kings Residential LP	Apartments	7,694,374	0.29
17.	Olam West Coast Inc.	Industrial	7,178,950	0.27
18.	TAM Prop LLC	Professional Building	6,664,530	0.25
19.	ELS Properties Corporation	Shopping Center	6,300,000	0.24
20.	Draxler Land Company Inc.	Apartments	5,881,159	0.22
			$282,765,296	10.59%

[1] The District has a fiscal year 2018-19 local secured assessed valuation of $2,671,091,173.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., for debt issued as of March 1, 2019. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

STATEMENT OF DIRECT AND OVERLAPPING DEBT
Hanford Elementary School District

[To come]

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax levied by the County for the payment thereof. See "The Bonds – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes for payment of the principal of and interest on the Bonds.

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rates levied by the County to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the legislature of the State (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction or change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIIIA.

State-Assessed Utility Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions. Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein.

Article XIIIB of the California Constitution

Article XIIIB ("Article XIIIB") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines:

(a) "change in the cost of living" with respect to school districts to mean the percentage change in State per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "— Propositions 98 and 111" herein.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the State Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the State Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of the State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, to be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the State Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in the State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as Proposition 39) to the State Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than $60 (for a unified school district), $30 (for a high school, such as the District, or elementary school district), or $25 (for a community college district) per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor. See "- Article XIIIA of the California Constitution" herein.

Propositions 1A and Proposition 22

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades. See also "DISTRICT FINANCIAL INFORMATION – State Dissolution of Redevelopment Agencies" herein.

Jarvis vs. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 4, 2014. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than

$680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Proposition 98," and "– Proposition 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB of the State Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 4, 2014. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at $3 million for a new facility and $1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State Legislature will select among eligible projects as part of the annual state budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 state facilities funding.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the State Constitution and Propositions 22, 26, 30, 39, 98, 55 and 51 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the State funding of public education is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds are payable from the general fund of the District. The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax which is required to be levied by the County in the District in an amount sufficient for the payment thereof. See "The Bonds – Security and Sources of Payment" herein.

State Funding of Education

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget.

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on a uniform system of funding grants assigned to certain grade spans. See "— Local Control Funding Formula" herein.

The following table reflects the District's historical ADA and the revenue limit rates per unit of ADA for fiscal years 2007-08 through 2012-13.

AVERAGE DAILY ATTENDANCE AND REVENUE LIMIT
Fiscal Years 2007-08 through 2012-13
Hanford Elementary School District

Fiscal Year	Average Daily Attendance[1]	Change	Base Revenue Limit Per ADA[2]	Deficit Revenue Limit Per ADA[2]
2007-08	5,256	--	$5,555.51	1.00000%
2008-09	5,337	1.54%	5,870.51	0.92156
2009-10	5,411	1.39	6,120.51	0.81645
2010-11	5,509	1.81	6,110.37	0.82037
2011-12	5,524	0.27	6,233.51	0.79398
2012-13	5,596	1.30	6,435.51	0.77728

Note: All numbers are rounded to the nearest whole.
(1) Reflects ADA as of the second principal reporting period ("P-2 ADA"), which ends on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for any school district.
(2) Deficit revenue limit funding, when provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for the given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State's practice of deficit revenue limit funding was most recently reinstated beginning in fiscal year 2008-09, and discontinued following the implementation of the LCFF (as defined herein).
Source: Hanford Elementary School District.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as part of the fiscal year 2013-14 State budget, established the current system for funding school districts, charter schools and county offices of education. Certain provisions of AB 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91").

The primary component of AB 97, as amended by SB 91, was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of State categorical program funding. State allocations are provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. Full implementation of the LCFF is expected to occur over a period of several fiscal years. Beginning in fiscal year 2013-14, an annual transition adjustment is required to be calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants are to be adjusted for COLAs by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See "—State Budget Measures" herein for information on the adjusted Base Grants provided by current State budgetary legislation.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Following full implementation of the LCFF, and unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. Additional add-ons are also provided to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency ("EL" students), students from low income families who are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed separately herein). A supplemental grant add-on (each, a "Supplemental Grant") is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such district's percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

The following table shows the District's ADA, enrollment, and percentage of EL/LI student enrollment, for fiscal years 2013-14 through 2018-19.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2013-14 through 2018-19
Hanford Elementary School District

	Average Daily Attendance(1)				**Enrollment**	
Fiscal Year	**K-3**	**4-6**	**7-8**	**Total ADA**	**Total Enrollment(2)**	**% of EL/LI Enrollment**
2013-14	2,773	1,805	1,118	5,696	5,884	82.24%
2014-15	2,533	1,764	1,131	5,428	5,664	81.96
2015-16	2,498	1,793	1,104	5,395	5,571	83.04
2016-17						
2017-18						
2018-19(3)				5,347		

(1) Reflects P-2 ADA, which ends on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district. Excludes charter school students.
(2) Each fiscal year reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and is used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the State Department of Education. CALPADS figures generally exclude preschool and adult transitional students. For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students will be based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years. Enrollment is net of charter school students.
(3) Projected.
Source: Hanford Elementary School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a 1.94% COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the LCFF implementation period. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the State Legislature to school districts.

Certain school districts, known as "basic aid" districts, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Basic aid school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for basic aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a basic aid district.

Accountability. Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. Beginning in fiscal year 2014-15, LCAPs have been required to be adopted covering a period of three fiscal years, and updated annually. The State Board of Education has adopted a template LCAP for use by school districts.

Support and Intervention. AB 97, as amended by SB 91, establishes a new system of support and intervention to assist school districts in meeting the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district in identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts with achieving the goals set forth in their LCAPs. On or before October 1, 2015, the State Board of Education is required to develop rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (i) modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

Other Revenue Sources

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

Federal and Local Sources. The federal government provides funding for several school district programs, including specialized programs such as the Every Student Succeeds Act, special education programs, and programs under the Educational Consolidation and Improvement Act. In addition, portions of a school district's budget can come from local sources other than unrestricted property taxes, including but not limited to interest income, leases and rentals, foundations, donations and sales of property.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos ("Matosantos")*, finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the State Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling $1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, not to exceed $250,000 in any year, to the extent such costs have been approved in an administrative budget; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the State Controller and the State Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the State Controller. If the State Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities, including the District. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) ("AB 1290"), are restricted to educational facilities without offset against apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the District uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABx1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received had the redevelopment agency existed at that time," and that the County Auditor-Controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of ABx1 26 using current assessed values and pursuant to statutory [pass-through] formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which any apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

Budget Process

State Budgeting Requirements. The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a LCAP, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

A school district whose budget has been disapproved must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, must approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than November 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reporting. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

Within the past five years, the District has submitted, and the County superintendent of schools has accepted, "positive" certifications on each of its interim financial reports.

Budgeting Trends. The table on the following page summarizes the District's general fund adopted budgets for fiscal years 2014-15 through 2018-19, audited ending results for fiscal years 2013-14 through 2017-18, and projected totals for fiscal year 2018-19.

[REMAINDER OF PAGE LEFT BLANK]

GENERAL FUND BUDGETING[1]
Fiscal Years 2014-15 through 2018-19
Hanford Elementary School District

	Fiscal Year 2014-15		Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19	
	Budgeted[2]	Audited[2]	Budgeted[2]	Audited[2]	Budgeted[2]	Audited[2]	Budgeted[2]	Audited[2]	Budgeted[3]	Projected[3]
REVENUES										
LCFF/Revenue Limit Sources	$42,472,974	$40,889,390	$45,151,337	$47,469,207	$49,771,703	$50,973,004	$52,536,587	$52,315,942	$56,229,781	$56,531,564
Federal Revenue	2,771,420	2,689,662	2,935,944	2,872,661	3,124,303	2,833,331	3,117,059	4,055,717	--	56,731
Other State Revenue	3,601,563	4,324,545	2,591,308	7,225,941	5,796,609	6,196,874	4,321,794	6,013,636	2,814,000	2,029,593
Other Local Revenue	1,989,691	2,039,195	1,883,000	2,451,025	1,924,103	2,223,831	2,073,346	2,369,741	1,003,505	1,033,354
Total Revenues	50,835,648	49,942,792	52,561,589	60,018,834	60,616,718	62,227,040	62,048,786	64,755,036	60,047,286	59,651,242
EXPENDITURES										
Current:										
Certificated Salaries	24,124,000	22,502,047	25,210,553	24,503,831	25,056,746	25,487,286	26,452,112	26,359,241	24,363,322	24,130,274
Classified Salaries	8,354,048	8,728,226	9,072,947	9,725,086	9,935,702	10,309,249	10,424,580	10,531,763	8,414,434	8,615,488
Employee Benefits	10,314,431	10,309,230	11,713,908	13,199,086	14,200,370	14,484,765	15,692,942	15,766,389	12,952,266	12,836,409
Books & Supplies	3,726,476	2,606,009	3,987,756	4,914,095	3,413,738	2,517,978	3,866,133	3,567,788	3,004,650	3,066,465
Services & Operating Expenditures	3,639,679	2,833,665	3,104,381	3,249,893	4,338,974	4,199,739	3,494,803	3,681,574	2,101,592	2,119,438
Other Outgo	402,254	472,099	805,866	495,400	1,467,656	574,261	979,762	642,494	49,870	169,824
Transfers of Indirect Costs	--	--	--	--	--	--	--	--	--	--
Capital Outlay	175,439	653,474	1,403,300	626,027	1,234,518	1,330,070	452,989	1,167,768	969,489	974,489
Total Expenditures	50,736,327	48,104,750	55,298,711	56,714,134	59,647,704	58,903,348	61,363,321	61,717,017	51,855,623	51,912,387
Excess (Deficiency) of Revenues Over Expenditures	99,321	1,838,042	(2,737,122)	3,304,700	969,014	3,323,692	685,465	3,038,019	8,191,663	7,738,854
Other Financing Sources (Uses)										
Transfer In	--	--	--	--	--	--	--	137,548	--	--
Transfer Out	--	(914,377)	(1,500)	(1,300,472)	--	(1,250,315)	--	(1,186,428)	(1,993,500)	(1,451,093)
Contributions	--	--	--	--	--	--	--	--	(5,393,208)	(5,665,430)
Total Financing Sources (Uses)	--	(914,377)	(1,500)	(1,300,472)	--	(1,250,315)	--	(1,048,880)	(7,386,708)	(7,116,523)
Net Change in Fund Balance	99,321	923,665	(2,738,622)	2,004,228	969,014	2,073,377	685,465	1,989,139	804,955	622,332
Fund Balance, July 1	7,057,847[4]	7,057,847[4]	7,981,512	7,981,512	9,985,740	9,985,740	11,941,372	11,941,372	9,910,740	9,561,563
Fund Balance, June 30	$7,359,730	$7,981,512	$5,242,890	$9,985,740	$10,954,754	$12,059,117	$12,626,837	$13,930,511	$10,715,695	$10,183,894.

(1) All amounts rounded to nearest whole number. Reflects combined unrestricted and restricted general fund. On-behalf payments are not included in revenues and expenditures. In addition, due to the consolidation of the Pupil Transportation Fund, the Special Reserve Non-Capital Fund and the Special Reserve Fund for Postemployment Benefits into the General Fund for reporting purposes, revenues and expenditures pertaining to the Pupil Transportation Fund and the Special Reserve Non-Capital Fund are included in the actual revenue and expenditures for fiscal year 2014-15, however are not included in the General Fund budgets for such fiscal years. In fiscal year 2015-16, revenues and expenditures pertaining to the Pupil Transportation Fund and the Special Reserve Fund for Postemployment Benefits are included in the actual revenue and expenditures for fiscal year 2015-16, however are not included in the General Fund budget for such fiscal year.
(2) From the District's audited financial statements for fiscal years 2014-15 through 2017-18, respectively.
(3) From the District's fiscal year 2018-19 First Interim Financial Report, approved by the Board on November 14, 2018.
(4) The Pupil Transportation Fund and the Special Reserve Non-Capital Fund are included in the fiscal year 2014-15 fund balance.
Source: Hanford Elementary School District.

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Education Code Section 41010 is to be followed by all State school districts.

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The District's accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special type of fund. The District's fiscal year begins on July 1 and ends on June 30.

Comparative Financial Statements

Audited financial statements for the District for the fiscal year ended June 30, 2018 and prior fiscal years are on file with the District and available for public inspection at the Office of the Chief Business Official of the District, 714 N. White Street, Hanford, California 93230, telephone: (559) 585-3600. The audited financial statements for the year ended June 30, 2018 are attached hereto as APPENDIX B.

The table on the following page reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2013-14 through fiscal year 2017-18.

AUDITED GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCE[1]
Fiscal Years 2013-14 through 2017-18
Hanford Elementary School District

	2013-14	2014-15	2015-16	2016-17	2017-18
REVENUES					
Revenue limit sources/LCFF sources[2]:	$37,235,021	$40,889,390	$47,469,207	$50,973,004	$52,315,942
Federal revenue	3,092,517	2,689,662	2,872,661	2,833,331	4,055,717
Other State revenue	5,880,815	5,482,577	7,225,941	6,196,874	6,013,636
Other local revenue	2,277,050	2,039,195	2,451,025	2,223,831	2,369,741
Total Revenues	48,485,403	51,100,824	60,018,834	62,227,040	64,755,036
EXPENDITURES					
Current:					
Instruction	28,998,931	28,119,348	32,574,642	31,740,468	35,003,039
Instruction-related services	7,093,583	6,763,193	7,710,730	7,778,093	8,247,233
Pupil services	2,577,350	3,810,107	5,247,058	5,838,860	6,120,347
Administration	3,189,587	3,385,043	3,607,115	3,447,527	3,458,126
Plant services	4,875,506	5,053,723	5,430,002	6,932,819	6,348,255
Facility acquisition and construction	55,917	210,269	206,500	933,096	63,575
Ancillary services	1,032,406	1,129,493	1,152,687	1,421,969	1,463,950
Other outgo	555,894	791,606	785,400	928,261	1,012,492
Debt service:					
Principal	--	--	--	--	--
Interest	34,428	--	--	--	--
Total Expenditures	48,413,602	49,262,782	56,714,134	59,021,093	61,717,017
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,801	1,838,042	3,304,700	3,205,947	3,038,019
Other Financing Sources (Uses):					
Transfers in	--	--	--	--	137,548
Transfers out	(1,701,545)	(914,377)	(1,300,472)	(1,250,315)	(1,186,428)
Net Financing Sources (Uses)	(1,701,545)	(914,377)	(1,300,472)	(1,250,315)	(1,048,880)
NET CHANGE IN FUND BALANCES	(1,629,744)	923,665	2,004,228	1,955,632	1,989,139
Fund Balance - Beginning	8,687,591	7,057,847	7,981,512	9,985,740	11,941,372
Fund Balance - Ending	$7,057,847	$7,981,512	$9,985,740	$11,941,372	$13,930,511

(1) From the District's comprehensive audited financial statements for fiscal years 2013-14 through 2017-18, respectively.
(2) Beginning in fiscal year 2013-14, reflects LCFF sources. See "- State Funding of Education" herein.
Source: Hanford Elementary School District

State Budget Measures

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof.*

2018-19 Budget. On June 27, 2018, the Governor signed into law the State budget for fiscal year 2018-19 (the "2018-19 Budget"). The following information is drawn from the LAO's review of the 2018-19 Budget.

To protect against potential future economic recessions, the 2018-19 Budget fully funds the BSA with a total deposit of over $4.4 billion, including a $2.6 billion optional deposit in addition to the Constitutionally-required deposit, and adds two additional reserves to State law: the Safety Net Reserve Fund, intended to save money specifically for future expenditures of the CalWORKs and Medi-Cal programs; and the Budget Deficit Savings Account ("BDSA"), which for 2018-19 will temporarily hold the $2.6 billion optional BSA deposit until May 2019. In May 2019, the optional BSA deposit amount will be adjusted as necessary to reflect updated estimates of revenues, at which point it will be transferred to the BSA. The projected ending balance in the BSA at the end of the 2018-19 fiscal year is expected to equal the BSA's current constitutional maximum of 10 percent of the estimated general fund revenues for fiscal year 2018-19.

For fiscal year 2017-18, the 2018-19 Budget projects total general fund revenues and transfers of $129.8 billion and total expenditures of $127.0 billion. The State is projected to end the 2017-18 fiscal year with total available general fund reserves of $16.7 billion, including $7.3 billion in the traditional general fund reserve and $9.4 billion in the BSA. For fiscal year 2018-19, the 2018-19 Budget projects total general fund revenues of $133.3 billion and authorizes expenditures of $138.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of $15.9 billion, including $2.0 billion in the traditional general fund reserve, $13.8 billion in the BSA and $200 million in the Safety Net Reserve Fund. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

With respect to education funding, the 2018-19 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2016-17 and 2017-18, as a result of higher general fund revenues. The 2018-19 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2016-17 at $71.6 billion, an increase of $252 million from the prior year. The 2018-19 Budget revises the minimum funding guarantee for fiscal year 2017-18 at $75.6 billion, reflecting an increase of $1.1 billion from the prior year. As part of the 2017-18 increase, the State is making an additional maintenance factor payment of $789 million, on top of a previous $536 million payment. After making the approximately $1.3 billion total payment, the State will have eliminated all remaining maintenance factor for the first time since 2005-06. In both 2016-17 and 2017-18, the State is spending at the calculated minimum guarantee.

For fiscal year 2018-19, the 2018-19 Budget sets the minimum funding guarantee at $78.4 billion, reflecting an increase of $2.8 billion (or 3.7%) from the revised prior-year level. Fiscal year 2018-19 is projected to be a "Test 2" year, with the increase in the minimum funding guarantee attributable to a 3.67% increase in per capita personal income. With respect to K-12 education, the 2018-19 Budget sets Proposition 98 funding at $67.9 billion, including $47.5 billion from the State general fund, reflecting an increase of $1.3 billion (or 2.7%) from the prior year. Per-pupil spending increases by $579 (or 5.2%) from the prior year, up to $11,640.

Other significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – An increase of $3.7 billion in Proposition 98 funding to fully implement the LCFF, reaching the target funding targets and funding the statutory 2.71% COLA to the adjusted Base Grants for the prior year. Additionally, the 2018-19 Budget provides nearly an extra 1 percentage point increase in the LCFF rates. The adjusted Base Grants for fiscal year 2018-19 are as follows: $8,235 for grades K-3, $7,571 for grades 4-6, $7,796 for grades 7-8 and $9,269 for grades 9-12.

- *Low-Performing Students Block Grant* – $300 million in one-time Proposition 98 funding to provide resources to local education agencies to help certain low-performing students, with funding allocated to local education agencies based on the count of students who did not meet statewide standards in spring 2018 on assessments of reading and math and who are not foster youth, low-income students, English learners, or students with disabilities.

- *State System of Support* – An increase of $54 million in Proposition 98 funding for county offices of education to provide technical assistance to low-performing local educational agencies.

- *California Collaborative for Educational Excellence* – $12 million in ongoing Proposition 98 funding for the California Collaborative for Educational Excellence (the "Collaborative") to assist county offices of education and regional lead agencies. Additionally, the 2018-19 Budget re-appropriates $5.6 million from prior-year one-time Proposition 98 appropriations for use by the Collaborative for additional statewide trainings and technical assistance.

- *Special Education Local Plan Area (SELPA) Technical Assistance* – $10 million in Proposition 98 funding for up to ten SELPAs to assist county offices of education in providing technical assistance to school districts identified for differentiated assistance within the Statewide system of support.

- *Career Technical Education (CTE)* – $164 million in ongoing Proposition 98 funding to create a new K-12 CTE program funded through the Strong Workforce Program, which is administrated by California Community College Chancellor's Office, in consultation with the State Department of Education, as well as $150 million in ongoing Proposition 98 funding to make permanent the State's Career Technical Education Incentive Grant Program.

- *One-Time Discretionary Funding* – An increase of $1.1 billion in one-time Proposition 98 funding for school districts, charter schools and county offices of education to use at local discretion. Similar to features included in prior State budgets, these funds would offset any applicable mandate reimbursement claims for these entities.

- *Special Education, Bilingual, and STEM Teachers* – $75 million in one-time Proposition 98 funding to start new or expand existing teacher residency programs with $50 million earmarked for special education teachers and $25 million earmarked for bilingual and STEM teachers; and $50 million in one-time Proposition 98 funding to provide one-time competitive grants to local educational agencies to fund new or existing local efforts to recruit and retain special education teachers.

- *Classified School Employee Summer Assistance Program* – \$50 million one-time Proposition 98 funding to provide state matching funds to classified school employees that elect to have a portion of their monthly paychecks withheld during the 2019-20 school year, supplemented by State funding, and paid during the summer recess period.

- *Classified School Employee Professional Development Block Grant Program* – \$50 million one-time Proposition 98 funding for professional development opportunities for classified staff, with a priority on professional development for the implementation of school safety plans.

- *Federal Funds for Academic Enrichment* – \$165 million one-time federal ESSA Title IV funding for academic enrichment, with \$121 million of such funds distributed to local education agencies based on their share of existing Title I funding, and the remainder distributed competitively.

- *Charter School Facility Grant Program* – \$21 million one-time and \$25 million ongoing Proposition 98 funding to reflect increases in programmatic costs.

- *Kids Code After School Program* – \$15 million one-time Proposition 98 funding to fund the inclusion of computer coding in after-school curriculum.

- *Fiscal Crisis and Management Assistance Team (FCMAT)* – \$972,000 Proposition 98 funding to allow FCMAT provide additional assistance for fiscally distressed school districts and provide additional training for county offices of education regarding fiscal oversight of school districts.

- *Kindergarten Facilities* – \$100 million one-time non-Proposition 98 funding to help school districts cover facility costs associated with converting their part-day kindergarten programs into full-day programs.

- *Proposition 51* – a total allocation of \$594 million in Proposition 51 bond funds for K-12 school facility projects.

For additional information regarding the 2018-19 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Proposed 2019-20 Budget. On January 10, 2019, the Governor released his proposed State budget for fiscal year 2019-20 (the "Proposed 2019-20 Budget"). The following information is drawn from the State Department of Finance's summary, and the LAO's review of, the Proposed 2019-20 Budget.

For fiscal year 2018-19, the Proposed 2019-20 Budget projects total general fund revenues and transfers of \$136.9 billion and total expenditures of \$144.1 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$18.3 billion, including \$3.9 billion in the traditional general fund reserve, \$13.5 billion in the BSA and \$900 million in the Safety Net Reserve Fund. For fiscal year 2019-20, the Proposed 2019-20 Budget projects total general fund revenues and transfers of \$142.6 billion and authorizes expenditures of \$144.2 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of \$18.5 billion, including \$2.3 billion in the traditional general fund reserve, \$15.3 billion in the BSA and \$900 million in the Safety Net Reserve Fund. The Governor notes that additional deposits to the BSA are premised on a recent opinion by the California Office of Legislative Counsel which concluded that supplemental payments to the BSA made in prior fiscal years do not count towards calculating its constitutional maximum of 10% Under the Governor's new estimates, mandatory deposits to the BSA represent only 8.1% of State general fund taxes. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

With respect to education funding, the Proposed 2019-20 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2017-18 and 2018-19, as a result of lower-than-anticipated ADA and a year-to-year decline in State general fund revenue growth. The Proposed 2019-20 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2017-18 at $75.5 billion, a decrease of $120.1 million from the prior year. The Proposed 2019-20 Budget revises the minimum funding guarantee for fiscal year 2018-19 at $77.9 billion, reflecting a decrease of $525.7 million from the prior year. Notwithstanding these decreases, the Proposed 2019-20 Budget maintains level funding for K-14 education in these years by maintaining a $44 million overappropriation to the fiscal year 2017-18 minimum guarantee and using settle-up payments to offset otherwise unfunded obligations in fiscal year 2018-19.

For fiscal year 2019-20, the Proposed 2019-20 Budget sets the minimum funding guarantee at $80.7 billion, reflecting an increase of $2.8 billion (or 3.6%) from the revised prior-year level. Fiscal year 2019-20 is projected to be a "Test 3" year. With respect to K-12 education, ongoing per-pupil spending is set at $12,003, reflecting an increase of $435 from the prior year.

Other significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – An increase of $2 billion in Proposition 98 funding for the LCFF, reflecting a 3.46% COLA, and bringing total LFCC funding to $63 billion.

- *Categorical Programs* – An increase of $187 million in Proposition 98 funding to support a 3.46% COLA for categorical programs that remain outside the LCFF.

- *Pension Costs* – A $3 billion, one-time payment from non-Proposition 98 funds to CalSTRS, to reduce long-term liabilities for K-14 school districts. Of this amount, $700 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. The remaining $2.3 billion would be paid towards employers' long-term unfunded liability.

- *State System of Support* – An increase of $20.2 million in Proposition 98 funding for county offices of education to provide technical assistance to low-performing local educational agencies.

- *Special Education* – $577 million in Proposition 98 funding (of which $186 million is one-time) to school districts based on their unduplicated counts of low-income, English learner and disabled students. These funds may be used for either (i) special education services for students with disabilities, or (ii) early intervention programs for students are not yet receiving special education services.

- *Preschool* – $125 million in non-Proposition 98, ongoing funding to provide 10,000 full-day preschool slots for children from low income families. The Proposed 2019-20 Budget also provides for an increase of $26.8 million in Proposition 98 funding to reflect the full-year cost of full-day preschool slots implemented during the prior fiscal year.

- *Early Education* – An increase of $750 million in one-time non-Proposition 98 funding to create more full-day Kindergarten programs. The funds are primarily intended for constructing new or retrofitting existing school facilities needed to operate longer-day programs. The Proposed 2019-20 Budget also includes $500 million for improvements to early education (including $245 million for facilities, $245 million for the child care workforce, and $10 million to improve access and quality).

- *County Offices of Education* – An increase of $9 million in Proposition 98 funding for county offices of education, reflecting a 3.46% COLA and ADA changes applicable to the LCFF.

- *Proposition 51* – a total allocation of $1.5 billion in Proposition 51 bond funds for K-12 school facility projects.

For additional information regarding the Proposed 2019-20 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Future Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy ad valorem property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

HANFORD ELEMENTARY SCHOOL DISTRICT

The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds are payable from the general fund of the District. The Bonds are payable solely from the revenues generated by an ad valorem *property tax required to be levied by the County on taxable property within the District for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The District, located in the County, encompasses an area of approximately 13 square miles in the City of Hanford. The District serves students from kindergarten through grade eight and operates nine elementary schools and two junior high schools. For fiscal year 2018-19 the District has an assessed valuation of $2,800,323,993, and has projected an approximate ADA of 5,347 students.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Hanford Elementary School District, Attention: Chief Business Official, 714 N. White Street, Hanford, California 93230.

Administration

The District is governed by a five-member Board. Members of the Board are elected by the voters of the District within five trustee areas. Each member of the Board serves a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

BOARD OF TRUSTEES
Hanford Elementary School District

Name	Office	Term Expires
Tim Revious	President	November 2020
Lupe Hernandez	Vice President	November 2022
[________	Clerk	November 2022
________	Trustee	November 2022]
Greg Strickland	Trustee	November 2020

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Brief biographies of the Superintendent and the Chief Business Official follow:

Joy C. Gabler, Superintendent. Ms. Gabler was appointed Superintendent of the District effective July 2016. Immediately prior thereto, she served as the Assistant Superintendent of Curriculum, Instruction & Professional Development of the District. Ms. Gabler's previous experience also includes serving as a principal, assistant principal, and teacher. Ms. Gabler received a Master's degree in Educational Administration and Supervision from California State University, Fresno and a Bachelor's degree in History from Louisiana State University.

David Endo, Chief Business Official. Mr. Endo was appointed Chief Business Official effective September 2015. Immediately prior thereto, he served as the Assistant Superintendent of Business Services for the Lemoore Union High School District. Mr. Endo earned a Bachelor's degree in Business Administration from California State University, Fresno.

District Enrollment

On average throughout the District, the regular education pupil-teacher ratio is approximately ________. The following table shows enrollment figures for the District for fiscal years 2013-14 through 2018-19.

HISTORICAL ENROLLMENT
Fiscal Years 2013-14 through 2018-19
Hanford Elementary School District

Fiscal Year	Enrollment(1)	Change in Enrollment
2013-14	5,884	--
2014-15	5,664	(220)
2015-16	5,571	(93)
2016-17	5,600	29
2017-18		
2018-19(2)		

(1) Reflects CALPADS enrollment. Excludes charter school students.
(2) Budgted.
Source: Hanford Elementary School District.

Charter Schools

The California Legislature enacted the Charter Schools Act of 1992 (California Education Code Sections 47600-47616.5) to permit teachers, parents, students, and community members to establish schools that would be free from most state and district regulations. Revised in 1998, California's charter school law states that local boards are the primary charter approving agency and that county panels can appeal a denied charter. State education standards apply, and charter schools are required to use the same student assessment instruments. The charter school is exempt from state and local education rules and regulations, except as specified in the legislation.

The District has certain fiscal oversight and other responsibilities with respect to both independent and affiliated charter schools established within its boundaries. However, independent charter schools receive funding directly from the State, and such funding would not be reported in the District's audited financial statements. Affiliated charter schools receive their funding from the District, and would be reflected in the District's audited financial statements.

There is one affiliated charter school currently operating within the District, which opened for the 2014-15 school year (the "Charter School"). The following table shows enrollment figures for the Charter School for the past two fiscal years as well as the current fiscal year 2018-19.

CHARTER SCHOOL ENROLLMENT
Fiscal Years 2016-17 through 2018-19
Hanford Elementary School District

Fiscal Year	Charter School
2016-17	436
2017-18	
2018-19	

Source: Hanford Elementary School District.

The District can make no representations regarding how many District students will transfer to charter schools in the future or back to the District from the charter schools and the corresponding financial impact on the District.

Labor Relations

The District currently employs ___ full-time certificated employees and ___ full-time classified employees. In addition, the District employs ___ part-time faculty and staff. District employees, except for management and some part-time employees, are represented by two employee bargaining units as shown below.

BARGAINING UNITS
Hanford Elementary School District

Name of Bargaining Unit	Number of Employees Represented	Current Contract Expiration Date
Hanford Elementary Teachers Association	282	June 30, 2019
California School Employees' Association	___	[June 30, 2017]

Source: Hanford Elementary School District.

District Retirement Systems

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS.

Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The District's contributions to STRS were $2,070,894 in fiscal year 2014-15, $2,751,552 in fiscal year 2015-16, $3,357,027 in fiscal year 2016-17 and $3,978,395 in fiscal year 2017-18, and in each such year was equal to 100% of the required contributions. The District has projected a contribution of $[6,665,453] to STRS in fiscal year 2018-19.

The State also contributes to STRS, currently in an amount equal to 7.328% for fiscal year 2018-19. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2017 included 1,624 public agencies and 1,366 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 18.062% of eligible salary expenditures or fiscal year 2018-19. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2017-18 and fiscal year 2018-19, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6.5% in fiscal year 2017-18 and will be 7% in fiscal year 2018-19. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS were $1,003,458 in fiscal year 2014-15, $1,135,150 in fiscal year 2015-16, $1,398,008 in fiscal year 2016-17 and $1,600,249 in fiscal year 2017-18, and in each such year was equal to 100% of the required contributions. The District has projected a contribution of $[1,828,411] to PERS in fiscal year 2018-19.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) (1)
Fiscal Years 2010-11 through 2016-17

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)(2)	Unfunded Liability (MVA)(2)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--(4)	--(4)
2014-15	73,325	56,814	16,511	--(4)	--(4)
2015-16	77,544	55,785	21,759	--(4)	--(4)
2016-17	84,416	60,865	23,551	--(4)	--(4)

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on the change in actuarial assumptions adopted by the STRS Board, including the adoption of a 7% investment rate of return, recent investment experience and the insufficiency of the contributions received in fiscal year 2016-17 to cover interest on the unfunded actuarial obligation, the 2017 STRS Actuarial Valuation reports that the unfunded actuarial obligation increased by $10.6 billion since the June 30, 2016 actuarial valuation and the funded ratio decreased by 1.1% to 62.6% over such time period. As a result, it is currently projected that there will be a need for higher contributions from the State, employers and members in the future to reach full funding by 2046.

According to the 2017 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.6%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% in fiscal year 2017-18, 7.25% in fiscal year 2018-19 and 7.00% in fiscal year 2019-20. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

On April 18, 2018, the PERS Board established the employer contribution rates for 2018-19 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2017, ahead of its summer of 2018 release date. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2019-20 is projected to be 20.8%, with annual increases thereafter, resulting in a projected 25.7% employer contribution rate for fiscal year 2025-26.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and

(iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

The District's proportionate shares of the net pension liabilities for STRS and PERS, as of June 30, 2018, are as shown in the following table. For additional information, see "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflow of Resources	Collective Deferred Inflow of Resources	Collective Pension Expense
CalSTRS	$46,711,085	$14,014,239	$2,425,987	$4,937,202
CalPERS	18,847,723	5,991,960	325,325	3,609,464
Total	$65,558,808	$20,006,199	$2,751,312	$8,546,666

Source: Hanford Elementary School District.

Other Post-Employment Benefits

Benefits Plan. The District provides post-employment medical and dental benefits (the "Benefits") to all eligible retirees and spouses under its post-employment benefits plan (the "Plan"). As of June 30, 2018, membership of the Plan consisted of __ retirees and beneficiaries currently receiving the Benefits and approximately ___ active Plan members.

Funding Policy. The contribution requirements of Plan members and the District are established and may be amended through negotiations between the District and the respective bargaining units. Expenditures for the Benefits are recognized on a "pay-as-you-go basis" covering the cost of premiums paid for current retirees. During fiscal years 2014-15, 2015-16, 2016-17 and 2017-18 the District recognized $457,167, $528,67, $512,232 and $522,503 of expenditures for the Benefits, respectively. For fiscal year 2018-19, the District has projected expenditures of $______ for the Benefits.

Accrued Liability. The District has implemented Governmental Accounting Standards Board Statement #45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, pursuant to which the District has commissioned and received several actuarial studies of its outstanding liabilities with respect to the Benefits. The most recent of these studies (the "Study"), dated February 23, 2016, determined that the unfunded actuarial accrued liability (the "UAAL") with respect to the Benefits, as of a July 1, 2015 valuation date, was $9,362,395. The Study also concluded that the annual required contribution (the "ARC") for the fiscal year 2015-16 and 2016-17 was $1,140,592. The ARC is the amount that would be necessary to fund the value of future Benefits earned by current employees during each fiscal year (the "Normal Cost") and the amount necessary to amortize the UAAL, in accordance with the GASB Statements Nos. 43 and 45; the ARC is expected to increase each year based on covered payroll. [To update]

Net OPEB Obligation. As of June 30, 2018, the District recognized a net long-term balance sheet liability (the "Net OPEB Obligation") of $11,333,642. See "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note __" attached hereto.

Joint Powers Agreements

The District participates in joint ventures under joint powers agreements ("JPAs") with Northern California Regional Excess Liability Fund ("NorCal ReLiEF"), Self-Insured Schools of California III ("SISC III"), and Kings County Self-Insured Schools ("KCSIS"). NorCal ReLiEF arranges for and provides property and liability insurance for its member districts. SISC III arranges for and provides medical benefits for its member districts. KCSIS arranges for and provides workers' compensation for its member districts. Each JPA is governed by a board consisting of members from each member district, and each JPA board controls the operations of the corresponding JPA. Each member district pays a premium commensurate with the level of coverage requested from each JPA and shares in surpluses and deficits proportionately to their participation in the JPA. The relationship between the District and the JPAs is such that none of the JPAs is a component unit of the District for financial reporting purposes.

District Debt Structure

Long-Term Obligations. A schedule of changes in long-term debt for the fiscal year ended June 30, 2018, is shown below:

SCHEDULE OF LONG TERM DEBT
As of June 30, 2018
Hanford Elementary School District

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
General obligation bonds				
2003 Issuance	$680,000	--	$350,000	$330,000
2010 Issuance	3,415,000	--	430,000	2,985,000
2016A Issuance	8,800,000	--	--	8,800,000
Bond Premiums	558,367	--	31,215	527,152
Compensated Absences – net	306,113	9,960	--	316,073
Net OPEB Liability	10,958,533	415,483	--	11,333,642
Total	$24,718,013	$425,443	$851,589	$24,291,867

Source: Hanford Elementary School District.

General Obligation Bonds. The District has one series of outstanding general obligation refunding bonds, used to refinance general obligation bonds issued pursuant to a voter-approved authorization. The following table shows the currently outstanding prior bond issuances of the District (not including the Bonds).

OUTSTANDING GENERAL OBLIGATION BONDS
Hanford Elementary School District

Bond Issuance	Initial Principal Amount	Principal Currently Outstanding(1)	Date of Delivery
2010 Refunding Bonds	$5,740,000.00	$2,540,000	December 22, 2010

(1) As of March 1, 2019.
Source: Hanford Elementary School District.

The table on the following page shows the combined debt service schedule with respect to the total outstanding general obligation debt of the District, including the Bonds (and assuming no optional redemptions).

COMBINED GENERAL OBLIGATION BONDED INDEBTEDNESS
Hanford Elementary School District

Maturity	2010 Refunding Bonds[2]	2016 Series A Bonds[3]	The Bonds[3]	Total Annual Debt Service
2019	$579,850.00	$439,350.00		
2020	584,150.00	320,900.00		
2021	584,750.00	320,900.00		
2022	589,500.00	320,900.00		
2023	582,750.00	320,900.00		
2024	--	390,900.00		
2025	--	408,100.00		
2026	--	419,500.00		
2027	--	434,250.00		
2028	--	448,000.00		
2029	--	465,750.00		
2030	--	477,250.00		
2031	--	492,750.00		
2032	--	511,300.00		
2033	--	524,100.00		
2034	--	540,975.00		
2035	--	557,068.76		
2036	--	576,993.76		
2037	--	598,393.76		
2038	--	621,206.26		
2039	--	642,368.76		
2040	--	662,350.00		
2041	--	686,150.00		
2042	--	712,950.00		
2043	--	733,175.00		
2044	--	757,000.00		
2045	--	789,500.00		
2046	--	813,750.00		
Total	$2,921,000.00	$14,986,731.30		

(1) Semi-annual interest payments thereon are due each January 1 and July 1. Principal thereof payable on July 1 of each year.
(2) Semi-annual interest payments thereon are due each March 1 and September 1. Principal thereof payable on September 1 of each year.
(3) Semi-annual interest payments thereon are due each February 1 and August 1. Principal thereof payable on August 1 of each year.
Source: Hanford Elementary School District.

TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State personal income tax.

The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the applicable Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from gross income of such owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Bond Owner of the Bonds is exempt from State personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Bonds is attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General. State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed thereby, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien. Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Security and Sources of Payment" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues. If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies. The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County Treasury Pool, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and "APPENDIX E – Kings County Treasury Pool" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

Expanded Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Bank Qualified

The District will designate the Bonds as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct a portion of such institution's interest expense allocable to such qualified tax-exempt obligations, all as determined in accordance with Section 265(b)(3) of the Code.

Continuing Disclosure

Current Undertaking. The District has covenanted for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2018-19 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Prior Undertakings. Within the past five years, the District has not failed to timely file Annual Reports or notices of material events as required by its previous continuing disclosure undertakings pursuant to the Rule. [To update]

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

There are certain lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims, if determined adverse to the District, would not materially affect the finances of the District.

Financial Statements

The financial statements with required supplemental information for the year ended June 30, 2018, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 10, 2018 of Vavrinek, Trine, Day & Co., LLP (the "Auditor"), are included in this Official Statement as Appendix B. In connection with the inclusion of the financial statements and the report of the Auditor herein, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Legal Opinion

The legal opinion of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Bonds are expected to be assigned a rating of "__," by S&P, based upon the issuance of the Policy by _________ at the time the Bonds are delivered. S&P has also assigned the Bonds an underlying rating of "__". The ratings reflect only the views of the rating agency, and any explanation of the significance of such ratings should be obtained from the rating agency at the following address: 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agency.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any rating changes on the Bonds. See "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

[REMAINDER OF PAGE LEFT BLANK]

Underwriting

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $_______, which is equal to the aggregate principal amount of the Bonds of $_______, plus original issue premium of $_________, less an underwriting discount of $_____ [and less $_______, which the Underwriter will use to pay the premium for the Policy].

The Purchase Contract for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Certain of the data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners, beneficial or otherwise, of any of the Bonds.

HANFORD ELEMENTARY SCHOOL DISTRICT

By: ____

Joy C. Gabler
Superintendent

APPENDIX A

FORM OF OPINION OF BOND COUNSEL

Upon the issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds substantially in the following form:

________, 2019

Board of Trustees
Hanford Elementary School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $_________ Hanford Elementary School District Election of 2016 General Obligation Bonds, Series B (Bank Qualified) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code of the State of California (the "Act"), commencing with Section 53506 *et seq*., a vote of 55% of the qualified electors of the Hanford Elementary School District (the "District") voting at an election held on November 8, 2016, and a resolution of the Board of Trustees of the District (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross

income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

APPENDIX B

2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Hanford Elementary School District (the "District") in connection with the issuance of $8,800,000 of the District's Election of 2016 General Obligation Bonds, Series B (Bank Qualified) (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on April 26, 2017. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Certificate.

"Official Statement" means that certain official statement, dated March __, 2019, relating to the offering and sale of the Bonds.

"Participating Underwriter" shall mean Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean, the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2016-17 fiscal year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send notice in a timely manner to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) State funding received by the District for the last completed fiscal year;

(b) average daily attendance of the District for the last completed fiscal year;

(c) outstanding District indebtedness;

(d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;

(e) assessed valuation of taxable property within the District for the current fiscal year;

(f) secured *ad valorem* property tax levy collections and delinquencies within the District for the last completed fiscal year, except to the extent the Teeter Plan, if adopted by Kings County, applies to both the 1% general purpose *ad valorem* property tax levy and to the tax levy for general obligation bonds of the District; and

(g) The top 20 largest property taxpayers for the District, as shown in the most recent equalized assessment roll.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format, and accompanied by identifying information, prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. optional, contingent or unscheduled Bond calls.

4. defeasances.

5. rating changes.

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

7. unscheduled draws on the debt service reserves reflecting financial difficulties.

8. unscheduled draws on credit enhancement reflecting financial difficulties.

9. substitution of the credit or liquidity providers or their failure to perform.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

11. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

4. release, substitution or sale of property securing repayment of the Bonds.

5. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

6. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

7. incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _________, 2019

HANFORD ELEMENTARY SCHOOL DISTRICT

By: ____

David Endo
Chief Business Official

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: HANFORD ELEMENTARY SCHOOL DISTRICT

Name of Bond Issue: Election of 2016 General Obligation Bonds, Series B (Bank Qualified)

Date of Issuance: ________, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

HANFORD ELEMENTARY SCHOOL DISTRICT

By ____[form only; no signature required]_____

APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF HANFORD AND KINGS COUNTY

The following information regarding the City of Hanford (the "City"), and Kings County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been independently verified by the District, the Underwriter or the municipal advisor.

Introduction

City of Hanford. Incorporated in 1891, the City is situated in the south central portion of California's San Joaquin Valley, 28 miles south-southeast of the City of Fresno and 18 miles west of the City of Visalia. The City is 249 feet above sea level and is an important commercial and cultural center in the south central San Joaquin Valley. Hanford is a general law city with Council-Manager form of government and is governed by a five-member City Council elected by district and serve four-year staggered terms.

Kings County. Comprised of 1,391 square miles, the County is located midway between Los Angeles and the Bay Area, in the San Joaquin Valley. Because of its central location and easy access to major distribution networks, it is a regional hub for business and industry. The County's economy is primarily governmental and home to two major California State Prisons with agriculture and trade making up other large sectors. Incorporated in 1893, the County is a general law county and is governed by a five-member Board of Supervisors elected by district biennially to four-year staggered terms. The City of Hanford is the county seat.

[REMAINDER OF PAGE LEFT BLANK]

Population

The following table shows the historical population figures for the City, the County and the State of California (the "State") for the last 10 years.

POPULATION ESTIMATES
2009 through 2018
City of Hanford, Kings County and State of California

Year[1]	City of Hanford	Kings County	State of California
2009	52,970	151,816	36,966,713
2010[2]	53,967	152,982	37,253,956
2011	54,366	151,336	37,529,913
2012	55,094	151,383	37,874,977
2013	55,317	150,498	38,234,391
2014	55,618	149,754	38,568,628
2015	56,474	149,730	38,912,464
2016	56,819	149,744	39,179,627
2017	57,482	149,559	39,500,973
2018	58,176	151,662	39,809,693

(1) As of January 1.
(2) As of April 1.
Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.
2009, 2011-18 (2000 and 2010 Demographic Research Unit Benchmark): California Department of Finance for January 1.

Income

The following table summarizes per capita personal income for the County, the State, and the United States for the past 10 years.

PER CAPITA PERSONAL INCOME
2008 through 2017
Kings County, the State of California and United States

Year	Kings County	State of California	United States
2008	$25,757	$43,895	$40,904
2009	24,809	42,050	39,284
2010	26,707	43,609	40,545
2011	29,706	46,145	42,727
2012	29,251	48,751	44,582
2013	29,718	49,173	44,826
2014	32,337	52,237	47,025
2015	32,486	55,679	48,940
2016	33,462	57,497	49,831
2017	35,326	59,796	51,640

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Estimates for 2010 through 2017 reflect county population estimates available as of March 2018. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Principal Employers

The following tables show the principal employers in the County by number of employees.

PRINCIPAL EMPLOYERS
2018
Kings County

Employer Name	Industry	Number of Employees
Lemoore Naval Air Station	National Security	8,400
California State Prisons	Public Administration: Correctional Institutions	4,400
Adventist Health	Services: Health	2,200
County of Kings	Public Administration	1,500
Kings County School Districts	Services: Education	1,440
Tachi Palace Hotel & Casino	Amusement and Recreation Services	1,340
J.G. Boswell Company	Agricultural Production Crops	1,300
Leprino Foods	Manufacturing: Food and Kindred Products	1,040
Del Monte Corp.	Manufacturing: Food and Kindred Products	1,015
Olam Tomato Processors	Manufacturing: Food and Kindred Products	1,000

Source: County of Kings Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2018.

[REMAINDER OF PAGE LEFT BLANK]

Employment

The following table summarizes the labor force, employment and unemployment figures for years 2013 through 2017 for the City, the County, the State, and the United States.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES
2013 through 2017[1]
City of Hanford, Kings County, State of California, and United States

Year and Area	Labor Force	Employment[2]	Unemployment[3]	Unemployment Rate (%)
2013				
City of Hanford	24,700	21,700	3,000	12.2%
Kings County	58,200	50,400	7,800	13.4
State of California	18,625,000	16,958,400	1,666,600	8.9
United States	155,389,000	143,929,000	11,460,000	7.4
2014				
City of Hanford	24,500	21,900	2,600	10.8%
Kings County	57,600	50,700	6,900	11.9
State of California	18,758,400	17,351,300	1,407,100	7.5
United States	155,922,000	146,305,000	9,617,000	6.2
2015				
City of Hanford	24,700	22,300	2,300	9.5%
Kings County	57,900	51,800	6,100	10.5
State of California	18,896,500	17,724,800	1,171,700	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
2016				
City of Hanford	24,400	22,200	2,200	9.0%
Kings County	57,200	51,500	5,700	10.0
State of California	19,093,700	18,048,800	1,044,800	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
City of Hanford	24,300	22,100	2,200	8.9%
Kings County	57,700	52,600	5,100	8.9
State of California	19,312,000	18,393,100	918,900	4.8
United States	160,320,000	153,337,000	6,982,000	4.4

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2017 Benchmark.

Industry

The City and County are located in the Hanford-Corcoran Metropolitan Statistical Area. The distribution of employment is presented in the following table for the past five years. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2013 through 2017
Kings County (Hanford-Corcoran Metropolitan Statistical Area)

Category	2013	2014	2015	2016	2017
Total Farm	6,900	6,900	7,400	7,400	7,900
Total Nonfarm	37,100	37,600	38,500	38,800	39,400
Total Private	22,800	23,300	24,000	24,100	24,700
Goods Producing	5,300	5,400	5,800	5,700	5,700
Mining, Logging and Construction	800	800	900	900	900
Manufacturing	4,500	4,600	4,900	4,800	4,800
Service Providing	31,800	32,200	32,700	33,000	33,600
Private Service Producing	17,500	17,900	18,200	18,400	18,900
Trade, Transportation and Utilities	5,700	5,800	5,800	6,000	6,400
Wholesale Trade	600	600	600	600	600
Retail Trade	4,200	4,200	4,200	4,400	4,500
Transportation, Warehousing and Utilities	900	900	1,000	1,100	1,400
Information	200	200	200	200	200
Financial Activities	900	1,000	1,000	900	900
Professional and Business Services	1,300	1,400	1,300	1,300	1,200
Educational and Health Services	5,900	6,000	6,100	6,000	6,200
Leisure and Hospitality	2,900	3,100	3,300	3,300	3,300
Other Services	600	600	600	600	600
Government	14,300	14,300	14,500	14,700	14,700
Total, All Industries	43,900	44,500	45,900	46,200	47,300

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.
Source: State of California, Employment Development Department, Labor Market Information Division, Average Labor Force and Industry Employment. March 2018 Benchmark.

Commercial Activity

The following tables show summaries of annual taxable sales for the City and the County from 2012 through 2016.

TAXABLE SALES
2012 through 2016
City of Hanford
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2012	903	624,073	1,199	735,089
2013	834	653,160	1,104	766,981
2014	855	667,643	1,122	793,052
2015	--	717,026	--	859,576
2016	--	743,147	--	894,051

Note: Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 on are not comparable to that of prior years.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

TAXABLE SALES
2012 through 2016
Kings County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2012	1,528	$930,699	2,173	$1,385,862
2013	1,438	986,740	2,042	1,459,712
2014	1,482	1,013,786	2,098	1,564,920
2015	--	1,059,555	--	1,697,560
2016	--	1,089,733	--	1,722,507

Note: Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 on are not comparable to that of prior years.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

Construction Activity

The following tables show the annual building permit valuations and number of permits for new dwelling units issued from 2013 through 2017 for the City and the County.

BUILDING PERMITS AND VALUATIONS
2013 through 2017
City of Hanford
(Dollars in Thousands)

	2013	2014	2015	2016	2017
Valuation					
Residential	$21,359	$27,236	$70,355	$86,801	$49,451
Non-Residential	13,607	12,511	37,460	40,555	22,071
Total	$34,966	$39,747	$107,815	$127,356	$71,522
Units					
Single Family	127	121	215	324	196
Multiple Family	6	72	112	0	0
Total	133	193	327	324	196

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2013 through 2017
Kings County
(Dollars in Thousands)

	2013	2014	2015	2016	2017
Valuation					
Residential	$43,438	$61,003	$96,908	$113,448	$76,206
Non-Residential	24,275	31,429	48,601	80,554	40,086
Total	$67,713	$92,432	$145,509	$194,002	$116,292
Units					
Single Family	232	265	387	418	300
Multiple Family	6	160	128	98	28
Total	238	425	515	516	328

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

APPENDIX E

KINGS COUNTY TREASURY POOL

The following information concerning the Kings County (the "County") Treasury Pool (the "Treasury Pool") has been provided by the Director of Finance of the County (the "Director of Finance"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. Neither the District, the Municipal Advisor nor the Underwriter has made an independent investigation of the investments in the Treasury Pool nor any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance may change the investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District, the Municipal Advisor nor the Underwriter makes any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Further information may be obtained from the Director of Finance at the following website: http://www.countyofkings.com/departments/administration/finance-department. However, the information presented on such website is not incorporated into this Official Statement by any reference.

[REMAINDER OF PAGE LEFT BLANK]