

# Hanford Elementary School District

NOTE LOCATION  
CHANGE

## REGULAR BOARD MEETING AGENDA

Wednesday, January 23, 2019

\*\*\*Teacher Resource Center\*\*\*

934 Katie Hammond 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# 19-05 Wilson

Case# 19-06 Wilson

Case# 19-07 Kennedy

### 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 December 28, 2018; January 4, 2019 and January 11, 2019.
- b) Approve minutes of Regular Board Meeting held on January 9, 2019.
- c) Approve interdistrict transfers as recommended.
- d) Approve donation of hygiene items with approximate value \$500.00 HETA and Aria Health Care.
- e) Approve donation of new backpacks and lunchboxes from Annalisa Rodriguez.

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

### **3. INFORMATION ITEMS**

- a) Receive for information the quarterly Williams Uniform Report (Gabler)
- b) Receive for information the monthly financial reports for the period of 07/01/2018-12/31/18 (Endo)
- c) Receive for information the potential solar projects at Lincoln Elementary School (Endo)
- d) Receive for information the State Indicators from California School Dashboard (Carlton)
- e) Receive for information the Local Indicators for State Priority 1: Basic Services (Carlton)

### **4. BOARD POLICIES AND ADMINISTRATION**

- a) Consider approval of the California School Accountability Report Cards (SARCs) (Carlton)
- b) Consider approval of the Consolidated Application for Funding Categorical Aid Programs (Winter Release) (Carlton)
- c) Consider approval of the following revised Board Policy: (Rubalcava)
  - BP 6153 – School-Sponsored Trips

### **5. PERSONNEL (Martinez)**

#### **a) Employment**

##### 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)

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

c) Voluntary Transfer

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

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

e) Volunteers

<u>Name</u>	<u>School</u>
Melissa Deleon	Hamilton
Elizabeth Gonzalez	Lincoln
Raul Padilla	Simas
Roberta Smith	Simas

**6. FINANCIAL (Endo)**

- a) Consider adoption of Resolution #11-19: Kings County Investment Policy
- b) Consider approval of Resolution #12-19: Kindergarten Facility Grant Program
- c) Consider acceptance of the Building Fund (Measure U) financial audit report
- d) Consider declaration of surplus property

**ADJOURN MEETING**

HANFORD ELEMENTARY SCHOOL DISTRICT  
AGENDA REQUEST FORM

TO: Joy Gabler  
FROM: Jay Strickland  
DATE: January 14, 2019

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

Date you wish to have your item considered: January 23, 2019

ITEM: Administrative Panel Recommendations

PURPOSE:

Case# 19-05 Wilson

Case# 19-06 Wilson

Case# 19-07 Kennedy



## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/14/2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/23/2019

**ITEM:**

Consider approval of warrants.

**PURPOSE:**

The administration is requesting the approval of the warrants as listed on the registers dated: 12/28/18, 01/04/19 and 01/11/19.

**FISCAL IMPACT:**

See attached.

**RECOMMENDATIONS:**

Approve the warrants.

# Warrant Register For Warrants

## Dated 12/28/2018

Warrant Number	Vendor Number	Vendor Name	Amount
12597430	6431	AMAZON.COM Allowance/Books/Instl Matls	\$1,148.41
12597431	7230	ARDENT GENERAL INC Buildings & Improvements	\$365,223.59
12597432	6253	AT&T Telephone	\$79.64
12597433	3947	ATKINSON ANDELSON LOYA RUUD & ROMO Legal	\$6,881.21
12597434	150	BLINDS ETC. Repairs	\$6,772.84
12597435	2970	CA BAND DIRECTORS ASSOC. Travel & Conf	\$780.00
12597436	236	STATE OF CALIFORNIA Other Services	\$1,242.00
12597437	299	CENTRAL VALLEY COMP. CARE INC. Other Services	\$79.00
12597438	304	NICK CHAMPI ENTERPRISES INC. Repairs	\$542.49
12597439	324	CHILDS & COMPANY INC. Maintenance Matls	\$636.13
12597440	6414	CONSOLIDATED TESTING LABORATORY Buildings & Improvements	\$2,178.00
12597441	2781	DEPARTMENT OF TOXIC SUBSTANCES Other Services	\$515.00
12597442	4893	DISCOVERY EDUCATION Software License	\$13,524.00
12597443	1177	FRED PRYOR SEMINARS Travel & Conf	\$396.00
12597444	1393	GAS COMPANY Gas	\$1,647.48
12597445	6963	GONZALEZ ARCHITECTS Buildings & Improvements	\$349.43
12597446	5813	HANFORD FOX THEATER Field Trip	\$2,422.00
12597447	4532	HENRY SCHEIN INC Warehouse	\$923.61
12597448	5703	TERESA JAQUEZ Instl Consultant	\$669.60
12597449	3494	KINGS COUNTY BOWL Field Trip	\$318.50
12597450	6018	NAfME Memberships	\$596.00
12597451	1058	OFFICE DEPOT Office Supplies	\$980.22
12597452	1188	QUILL LLC Warehouse	\$17,690.45
12597453	1303	SAVE MART SUPERMARKETS Supplies	\$47.46
12597454	1310	SCHOLASTIC BOOK FAIRS – 13 Allowance	\$535.56
12597455	3800	SONITROL OF FRESNO Leases	\$1,905.00
12597456	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	\$3,288.78
12597457	2031	SOUTHWEST SCH & OFFICE SUPPLY Warehouse	\$394.85
12597458	1404	STANISLAUS FOUNDATION – ADMIN Other Services	\$2,626.00
12597459	2188	SUPPLYWORKS Warehouse	\$1,215.52
12597460	6944	TETER LLP Buildings & Improvements	\$11,754.09
12597461	1575	WALMART COMMUNITY RFCSLLC Warehouse/Student Needs	\$1,107.15
12597462	2870	WARD'S NATURAL SCIENCE Instl Matls	\$289.96

**Total Amount of All Warrants:**

**\$448,759.97**



**Credit Card Register For Payments**  
**Dated 12/28/2018**

Document Number	Vendor Number	Vendor Name	Amount
14024878	949	AMERICAN INCORPORATED Repairs	\$243.00
14024879	91	AUTOMATED OFFICE SYSTEMS Equipment Replacement	\$72,924.66
14024880	3354	KAGAN Travel & Conf	\$876.00
14024881	1071	ORIENTAL TRADING CO. INC. Instl Matls	\$6,642.07
14024882	3583	SAN JOAQUIN IMPERIAL Repairs	\$352.34
14024883	1313	SCHOLASTIC TEACHERS STORE Books	\$1,320.32
14024884	1702	TRIPLE J CONCRETE Grounds Matls	\$144.14
14024885	898	WILLIAM V. MACGILL & CO Warehouse	\$192.24
14024886	1637	WOODWIND & BRASSWIND Band Supplies	\$192.95

**Total Amount of All Credit Card Payments:****\$82,887.72**



# Warrant Register For Warrants

## Dated 01/04/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12597594	6253	AT&T Telephone	\$40.63
12597595	4148	CARRIE CORTINAS Allowance	\$200.00
12597596	3618	CURRICULUM ASSOCIATES INC. Books	\$179.87
12597597	3973	DANIELLE DARPLI Allowance	\$190.88
12597598	486	KENNY EGGERT Athletic Supplies	\$55.69
12597599	6232	FOLLETT LIBRARY RESOURCES Books	\$430.86
12597600	6481	TAMRA GARCIA Allowance	\$198.72
12597601	5590	PRISCILLA GARIVAY Allowance	\$187.45
12597602	1393	GAS COMPANY Gas	\$4,995.11
12597603	1902	HANDWRITING WITHOUT TEARS Books/Instl Matls	\$974.47
12597604	632	CITY OF HANFORD Water/Sewer	\$14,260.14
12597605	6766	IMAGE MARKET Instl Matls	\$414.40
12597606	7175	iREPAIR Repairs	\$60.00
12597607	7056	JH TACKETT MARKETING Instl Matls	\$1,738.32
12597608	876	SHARON LOPEZ Allowance	\$200.00
12597609	912	MANGINI ASSOCIATES INC. Buildings & Improvements	\$35,535.47
12597610	1004	MORRISON'S SILKSCREEN Instl Matls	\$251.12
12597611	1021	NASCO Instl Matls	\$684.15
12597612	4827	RAYMOND GEDDES & CO. INC. Instl Matls	\$306.24
12597613	7090	SHANNON STOCKTON Allowance	\$118.65
12597614	1508	U.S. POSTAL SERVICE (CMRS-FP) Postage	\$3,000.00
12597615	6861	ISABEL VEGA Allowance/Science Matls	\$460.60
12597616	1558	VERIZON WIRELESS Telephone	\$571.27
12597617	7170	WEVIDEO INC. Software License	\$199.00

**Total Amount of All Warrants:**

**\$65,253.04**



**Credit Card Register For Payments**  
**Dated 01/04/2019**

Document Number	Vendor Number	Vendor Name	Amount
14024900	91	AUTOMATED OFFICE SYSTEMS Leases	\$5,276.90
14024901	599	GOPHER SPORT Athletic Supplies	\$2,360.32
14024902	831	LAKESHORE LEARNING Instl Matls	\$29.12
14024903	1071	ORIENTAL TRADING CO. INC. Instl Matls	\$117.25
14024904	1322	SCHOOL HEALTH CORPORATION Medical Supplies	\$329.90
14024905	1547	VALLEY PUBLIC TELEVISION Instl Consultant	\$1,500.00
14024906	598	WINGFOOT COMMERCIAL TIRE SYS Repairs	\$1,875.31

**Total Amount of All Credit Card Payments:****\$11,488.80**





# Warrant Register For Warrants

## Dated 01/11/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12597947	6745	JUANA AGUILAR Travel & Conf	\$99.00
12597948	6431	AMAZON.COM Office Supplies/Instl Matls	\$1,037.51
12597949	6253	AT&T Telephone	\$96.99
12597950	6469	JENNIFER BAKER Travel & Conf/Mileage	\$39.77
12597951	3710	KELLY BEKEDAM Parent Inv Supplies	\$41.78
12597952	150	BLINDS ETC. Repairs	\$75.00
12597953	7298	BULLDOG TOWING Other Services	\$450.00
12597954	7311	KIMBERLY CARRERA READY Supplies	\$10.00
12597955	6859	CENTRAL COAST AQUARIUM Study Trip	\$600.00
12597956	5410	CRUZ CHAVEZ Travel & Conf	\$16.00
12597957	4178	COOK'S COMMUNICATION READY Supplies	\$871.07
12597958	4925	LINDA CRUZ Travel & Conf	\$16.00
12597959	5253	CSNO Travel & Conf	\$3,425.00
12597960	3051	CUESTA JAZZ BANDS Entry Fees	\$450.00
12597961	6263	MARICIA CUEVAS Other Services	\$100.00
12597962	5463	SARA DECUIR Supplies	\$14.44
12597963	4815	DIGITECH INTEGRATIONS INC Other Services/Leases	\$3,448.00
12597964	5786	DOCUMENT TRACKING SERVICES Other Services	\$89.37
12597965	1295	ERNEST PACKAGING SOLUTIONS Warehouse	\$2,913.91
12597966	506	ETA HAND2MIND Inst'l Matl's	\$455.38
12597967	3517	JENNIFER FAGUNDES Travel & Conf	\$16.00
12597968	5894	CHRISTOPHER FANNIN Supplies	\$35.39
12597969	2915	ROSE MARY FLORES Parent Inv Supplies	\$44.76
12597970	1393	GAS COMPANY Gas	\$1,176.98
12597971	6963	GONZALEZ ARCHITECTS Buildings & Improvements	\$117,730.00
12597972	685	HI-LINE Transportation Supplies	\$638.68
12597973	711	THE HORN SHOP Band Supplies/Repairs	\$448.94
12597974	4597	IVS COMPUTER TECHNOLOGY Technology Matl's	\$19,487.25
12597975	5913	JAMI JENKINS Mileage	\$40.88
12597976	796	KINGS COUNTY OFFICE OF ED Other Services	\$182.00
12597977	7312	MATTHEW KNEVELBAARD Other Services	\$21.00
12597978	820	SHEILA E KURTZ Mileage	\$84.09
12597979	4014	TIFFANY MALINE Travel & Conf	\$16.00
12597980	2243	MATSON ALARM Alarm Services	\$285.00
12597981	6654	MEGAN MUNRO Allowance	\$180.17
12597982	7041	MUSIC & ARTS Band Matl's	\$27.32
12597983	6655	MELISSA NABAYAN Supplies	\$58.00
12597984	1021	NASCO Allowance	\$176.22
12597985	4188	CHAD NIELSEN Mileage	\$33.14
12597986	7016	CAROLINA ORTEGA DE GARCIA Allowance	\$10.68
12597987	5920	PANERA BREAD CAFÉ PD Supplies	\$248.02
12597988	7203	PARADIGM HEALTHCARE SERVICES LLC. Other Services	\$545.26
12597989	3419	PARENT INSTITUTE FOR Inst'l Consultant	\$6,000.00
12597990	3072	JENNIFER PITKIN Inst'l Supplies	\$80.73
12597991	3802	PORTOLA HOTEL & SPA AT MONTEREY Travel & Conf	\$1,661.43
12597992	4623	DAN RAMPONI Other Services	\$100.00
12597993	5175	ROSETTA STONE LTD Software License	\$6,200.00
12597994	1310	SCHOLASTIC BOOK FAIRS – 13 Books	\$999.93

**Warrant Register For Warrants  
Dated 01/11/2019**

<b>Warrant Number</b>	<b>Vendor Number</b>	<b>Vendor Name</b>	<b>Amount</b>
12597995	5079	SCHOOL KIDS HEALTHCARE Warehouse	\$44.51
12597996	7042	SEON SYSTEMS SALES INC Equipment	\$3,807.39
12597997	3743	SHRED-IT USA – FRESNO Shred Services	\$293.18
12597998	3513	SIGNMAX Grounds Matl's	\$46.91
12597999	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	\$15,918.24
12598000	4381	STAPLES - BUSINESS ADVANTAGE Office Supplies	\$702.67
12598001	5622	JOANNA STONE Mileage	\$68.89
12598002	1466	TERMINIX INTERNATIONAL Pest Control	\$472.00
12598003	7310	SELINA VALLES READY Supplies	\$34.85
12598004	1544	VALLEY OAK CABINET MFG. Other Services	\$268.13
12598005	1554	SONIA VELO Mileage	\$103.06
12598006	7309	JILL Y'RUSH'IME Other Services	\$20.00
<b>Total Amount of All Warrants:</b>			<b>\$192,556.92</b>



**Credit Card Register For Payments**  
**Dated 01/11/2019**

Document Number	Vendor Number	Vendor Name	Amount
14024932	149	BLICK ART MATERIALS Inst'l Matl's	\$143.49
14024933	176	BSN SPORTS Athletic Supplies	\$1,369.64
14024934	2103	EDGEWOOD PRESS Inst'l Matl's	\$657.41
14024935	529	FOLLETT SCHOOL SOLUTIONS Books	\$1,831.96
14024936	5690	INDOFF INCORPORATED Office Matl's	\$678.90
14024937	1071	ORIENTAL TRADING CO. INC. READY Supplies	\$101.01
14024938	1322	SCHOOL HEALTH CORPORATION Medical Supplies	\$1,180.43
14024939	5391	STARFALL EDUCATION Software License	\$270.00
14024940	1464	TENNANT SALES & SERVICE CO. Grounds Supplies	\$1,900.64
14024941	1619	WILBUR-ELLIS COMPANY LLC Grounds Matl's	\$4,447.63
<b>Total Amount of All Credit Card Payments:</b>			<b>\$12,581.11</b>



Hanford Elementary School District  
*Minutes of the Regular Board Meeting*  
*January 9, 2019*

Minutes of the Regular Board Meeting of the Hanford Elementary School District Board of Trustees on January 9, 2019 at the District Office Board Room, 714 N. White Street, Hanford, CA.

- Call to Order** President Revious called the meeting to order at 5:30 p.m. Trustee Garner, Hernandez and Strickland were present. Trustee Garcia was absent.
- HESD Managers Present** Joy C. Gabler, Superintendent, and the following administrators were present: Doug Carlton, Debra Colvard, David Endo, Lucy Gomez, Jaime Martinez and Karen McConnell.
- Public Comments** None
- Board and Staff Comments** Trustee Hernandez wished everyone a Happy New Year. Trustee Revious asked everyone to keep Jill Rubalcava and her family in our thoughts.
- Requests to Address the Board** None
- Dates to Remember** President Revious reviewed dates to remember: Holiday on January 21st; Board Meeting on January 23rd.
- Annual Financial Report** David Endo, Chief Business Official, presented for information the Annual Financial Audit Report. David stated this report is somewhat comprehensive. The auditors look at attendance, categorical program, not just fiscal. This report doesn't have every single transaction but it's a great explanation. They audit title one or food programs, programs they have problems with. We are complaint with what they tested. It's a good report with no finding.

Trustee Strickland and Garner congratulated the administration team and fiscal department for their awesome work.

### **CONSENT ITEMS**

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

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

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

Garner – Yes  
Hernandez – Yes  
Revious – Yes

Strickland – Yes

The items approved are as follows:

- a) Accept warrant listings dated December 7, 2018; December 14, 2018 and December 21, 2018.
- b) Approve minutes of Regular Board Meeting held on December 12, 2018.
- c) Approve interdistrict transfers as recommended.
- d) Approve donation of \$1,895.76 from Jefferson Parent Teacher Club.

### **INFORMATION ITEMS**

#### **BP 6153**

Joy Gabler, Superintendent, presented for information the following revised Board Policy:

- BP 6153 – School-Sponsored Trips

### **BOARD POLICIES AND ADMINISTRATION**

#### **Resolution #10-19** Trustee Garner made a motion to adopt of Resolutions #10-19: Regarding Absent Board Member Compensation. Trustee Hernandez seconded; motion carried 4-0:

Garner – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Abstain

#### **AR 4161.1**

Trustee Garner made a motion to approve the revised Administrative Regulation 4161.1 – Personal Illness/Injury Leave (Certificate Personnel). Trustee Strickland seconded; motion carried 4-0:

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

#### **AR 4261.1**

Trustee Garner made a motion to approve the revised Administrative Regulation 4161.1 – Personal Illness/Injury Leave (Classified Personnel). Trustee Strickland seconded; motion carried 4-0:

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

#### **AR 4361.1**

Trustee Strickland made a motion to approve the revised Administrative Regulation 4161.1 – Personal Illness/Injury Leave (Management, Supervisor & Confidential Personnel). Trustee Hernandez seconded; motion carried 4-0:

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

#### **BP/AR 0420.4**

Trustee Garner made a motion to approve the revised Board Policy and Administrative Regulation 0420.4 – Charter School Authorization. Trustee Hernandez seconded; motion carried 4-0:



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

**BP 0500** Trustee Garner made a motion to approve the revised Board Policy 0500 – Accountability. Trustee Hernandez seconded; motion carried 4-0:  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

**BP/AR 1113** Trustee Hernandez made a motion to approve the revised Board Policy and Administrative Regulation 1113 – District and School Websites. Trustee Garner seconded; motion carried 4-0:  
Garner – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

**BP 1325** Trustee Hernandez made a motion to approve the revised Board Policy 1325 – Advertising and Promotion. Trustee Strickland seconded; motion carried 4-0:  
Garner – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

**BP 2140** Trustee Hernandez made a motion to approve the revised Board Policy 2140 – Evaluation of the Superintendent. Trustee Strickland seconded; motion carried 4-0:  
Garner – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

**BB 9121** Trustee Garner made a motion to approve the revised Board Bylaw 9121 – President. Trustee Hernandez seconded; motion carried 4-0:  
Garner – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

**BB 9220** Trustee Hernandez made a motion to approve the revised Board Bylaw 9220 – Board of Trustees Elections. Trustee Strickland seconded; motion carried 4-0:  
Garner – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

**BB 9230** Trustee Hernandez made a motion to approve the revised Board Bylaw 9230 – Orientation. Trustee Garner seconded; motion carried 4-0:  
Garner – Yes  
Hernandez – Yes  
Revious – Yes

Strickland – Yes

**AR 5125.2** Trustee Strickland made a motion to approve the revised Administrative Regulation 5125.2 – Withholding Grades, Diplomas or Transcripts. Trustee Garner seconded; motion carried 4-0:

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

**BP 5131.6** Trustee Garner made a motion to approve the revised Board Policy 5131.6 – Alcohol and Other Drugs. Trustee Hernandez seconded; motion carried 4-0:

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

**BP 5144** Trustee Garner made a motion to approve the revised Board Policy 5144 – Discipline. Trustee Strickland seconded; motion carried 4-0:

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

**BP/AR 5144.1** Trustee Hernandez made a motion to approve the revised Board Policy and Administrative Regulation 5144.1 – Suspension and Expulsion/Due Process. Trustee Garner seconded; motion carried 4-0:

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

## **PERSONNEL**

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

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

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

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

The following items were approved:

### Classified

#### ***Item “a” – Employment***

- Mayra Garcia, Bus Driver – 4.5 hrs., Transportation/DSF, effective 12/19/18
- Estevan Calleres, Bilingual Student Specialist – 8.0 hrs., Roosevelt, effective

1/14/19

Temporary Employees/Substitutes/Yard Supervisors

- Michael Bonilla, Substitute Educational Tutor K-6, effective 12/17/18; Short-term Educational Tutor K-6 – 3.5 hrs., Washington, effective 1/14/19 to 4/10/19
- Estevan Calleres, Substitute Bilingual Student Specialist, effective 12/10/18
- Yessenia Caro, Short-term Yard Supervisor – 1.0 hrs., Roosevelt, effective 1/14/19 to 4/12/19
- Angelica Davila, Short-term Yard Supervisor – 2.0 hrs., Richmond, effective 1/14/19 to 4/12/19
- Chelsie Grabow, Substitute Licensed Vocational Nurse, effective 12/10/18
- Joana Garcia Raya, Substitute READY Program Tutor, effective 12/10/18
- Leslie Santamaria, Short-term Yard Supervisor – 1.5 hrs., Richmond, effective 1/14/19 to 3/1/19

Yard Supervisors

- Lizeth Barraza Alcala, Yard Supervisor – 2.0 hrs., Simas, effective 1/14/19
- Rachell Rivera, Yard Supervisor – 3.0 hrs., Monroe, effective 1/14/19
- Ma Carmen Solorio, Yard Supervisor – 2.5 hrs., Jefferson, effective 1/14/19

***Item "b" –  
Temporary  
Athletic Team  
Coaches***

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

- Noe Noyola, 4-6 Boys Basketball Coach, effective 12/17/18 to 2/9/19 /11/18

***Item "c" –  
Resignations***

- Molly Mobley, Educational Tutor K-6 – 3.5 hrs., Monroe, effective 12/17/18
- Sherri Sumaya, Yard Supervisor – 3.5 hrs., Hamilton, effective 12/21/18

***Item "d" –  
Failure to  
Complete***

Failure to Complete Mandated Reporter and Annual Notification for Substitutes/  
Temporary Employees

- Victoria Barrientos-Ghena, Substitute Special Education Aide, effective 5/23/18
- Gregory Beavers, Substitute Yard Supervisor, effective 5/24/18
- Celeste Cervantez, Substitute Bilingual Clerk Typist I, Clerk Typist I, Yard Supervisor and Translator: Oral Interpreter and Written Translation, effective 11/21/16
- Christopher Costello, Substitute Yard Supervisor, effective 5/24/18
- Callie Pritchett, Substitute Special Education Aide, effective 8/15/18

***Item "e" –  
Retirement***

- Lucy Rose, Account Clerk II – 8.0 hrs., Food Services, effective 2/4/19

***Item "f" –  
Promotion and  
Transfer***

- Linda Cruz, from Teacher Resource Center Specialist – 8.0 hrs., TRC, to DSF Work Control Technician – 8.0 hrs., District Services Facilities, effective 12/26/18
- Harmini Hernandez, from Media Services Aide – 5.5 hrs., Roosevelt to Teacher Resource Center Specialist – 8.0 hrs., TRC, effective 1/7/19

***Item "g" – More  
Hours***

- Melissa Lincicum, Substitute Telephone Clerk, from 5.0 hrs. to 8.0 hrs., Human Resources, effective 1/14/19

***Item "h" – Leave  
of Absence***

- Gennarina "Genella" Alvarez, Yard Supervisor – 3.5 hrs., Hamilton, effective 1/14/19 to 3/29/19, family illness

***Item "i" –  
Volunteers***

<u>Name</u>	<u>School</u>
Shannon Cernosek	Hamilton
Leslie Santamaria (HESD Employee)	Jefferson
Edward Gaitan	Roosevelt
Cheryl Rocha	Monroe
Edna Rowell	Monroe
Kathryn O'Brien	Washington
Samantha Swaim	Kennedy/Hamilton

**FINANCIAL**

**Audit Report** Trustee Garner made a motion to accept the audit report. Trustee Hernandez seconded; motion carried 4-0:  
Garner – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

**Adjournment** There being no further business, President Revious adjourned the meeting at 5:53 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
O-138	A	Kit Carson	Hamilton	1/14/2019

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: Karen McConnell

DATE: January 8, 2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: January 23, 2019

**ITEM:** Donation of hygiene items with approximate value of \$500.00 from HETA and Aria Health Care.

**PURPOSE:** To be used, as needed at Kennedy and Wilson for students.

**FISCAL IMPACT:** None

**RECOMMENDATIONS:** Accept Donation

**HANFORD ELEMENTARY SCHOOL DISTRICT**  
**AGENDA REQUEST FORM**

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 7, 2019

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☐ Information  
☒ Action

Date you wish to have your item considered: January 23, 2019

**ITEM:**

Recognize the donation of new backpacks and lunchboxes from Annalisa Rodriguez.

**PURPOSE:**

Recognize donation of backpacks and lunchboxes for students.

**FISCAL IMPACT:** None

**RECOMMENDATION:**

Approve Ms. Rodriguez' donation.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Board of Trustees

FROM: Joy C. Gabler

DATE: January 14, 2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☒ Information  
☐ Action

Date you wish to have your item considered: January 23, 2019

**ITEM:** Quarterly report (10/01/2018-12/31/2018) regarding Williams Uniform Complaints. The types of complaints covered in the Williams Uniform Complaint Procedures are:

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

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

For the second quarter of 2018-2019 school year there were no Williams Uniform Complaints filed.

**FISCAL IMPACT:** None

**RECOMMENDATIONS:** None



**Valenzuela/CAHSEE Lawsuit Settlement**  
**Quarterly Report on Williams Uniform Complaints**  
 [Education Code § 35186(d)]

District: Hanford Elementary School District

Person completing this form: Jessica Valencia Title: Administrative Assistant

Quarterly Report Submission Month/Quarter:  
 (check one)

- ☐ October 1<sup>st</sup> Quarter  
☒ January 2<sup>nd</sup> Quarter  
☐ April 3<sup>rd</sup> Quarter  
☐ July 4<sup>th</sup> Quarter

Quarterly Report Submission Year: **2018-2019**

Date for information to be reported publicly at governing board meeting: January 23, 2019

Please check the box that applies:

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

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

Joy C. Gabler  
 Print Name of District Superintendent

\_\_\_\_\_  
 Signature of District Superintendent

\_\_\_\_\_  
 Date

Please submit to: Babs Karras  
 Kings County Office of Education  
 Williams Compliance Technician  
 (559) 589-7022  
[bkarras@kingscoe.org](mailto:bkarras@kingscoe.org)

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/14/2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☒ Information  
☐ Action

Date you wish to have your item considered: 01/23/2019

**ITEM:**

Receive for information monthly financial reports for the period of 07/01/2018-12/31/2018.

**PURPOSE:**

Attached are financial summaries for all of the District's funds for the period of 07/01/2018-12/31/2018.

**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

December 2018

Fund: 0100 General Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$10,335,562.56	\$10,335,562.56		
<b>REVENUES</b>						
1) LCFF Sources	8010-8099	\$8,065,356.78	\$27,565,464.49	\$56,531,564.00	48.76	51.24
2) Federal Revenues	8100-8299	\$52,154.84	\$796,527.63	\$3,643,361.88	21.86	78.14
3) Other State Revenues	8300-8599	\$241,759.00	\$1,027,943.77	\$5,834,094.00	17.62	82.38
4) Other Local Revenues	8600-8799	\$173,109.22	\$834,148.97	\$2,763,658.81	30.18	69.82
<b>5) Total, Revenues</b>		<b>\$8,532,379.84</b>	<b>\$30,224,084.86</b>	<b>\$68,772,678.69</b>	<b>43.95</b>	<b>56.05</b>
<b>EXPENDITURES</b>						
1) Certificated Salaries	1000-1999	\$2,473,399.13	\$12,503,551.59	\$27,733,897.00	45.08	54.92
2) Classified Salaries	2000-2999	\$1,002,820.33	\$5,371,565.79	\$11,327,363.00	47.42	52.58
3) Employee Benefits	3000-3999	\$1,300,552.42	\$6,567,160.44	\$17,171,209.00	38.25	61.75
4) Books and Supplies	4000-4999	\$103,127.03	\$1,017,609.23	\$3,992,585.80	25.49	74.51
5) Services, Oth Oper Exp	5000-5999	\$221,298.36	\$2,279,389.14	\$3,753,807.29	60.72	39.28
6) Capital Outlay	6000-6999	\$255,543.04	\$358,810.98	\$1,587,130.44	22.61	77.39
7) Other Outgo(excl. 7300`s)	7100-7499	\$71,990.31	\$335,562.31	\$1,498,030.00	22.40	77.60
8) Direct/Indirect Support	7300-7399	\$0.00	\$0.00	(\$347,000.00)	0.00	100.00
<b>9) Total Expenditures</b>		<b>\$5,428,730.62</b>	<b>\$28,433,649.48</b>	<b>\$66,717,022.53</b>	<b>42.62</b>	<b>57.38</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
B) Transfers Out	7610-7629	\$166,670.00	\$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
<b>4) Total, Other Financing Sources/Uses</b>		<b>(\$166,670.00)</b>	<b>(\$266,670.00)</b>	<b>(\$1,451,093.00)</b>	<b>18.38</b>	<b>81.62</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$2,936,979.22</b>	<b>\$1,523,765.38</b>	<b>\$604,563.16</b>		
<b>ENDING FUND BALANCE</b>			<b>\$11,859,327.94</b>	<b>\$10,940,125.72</b>		

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

## Fiscal Position Report

December 2018

Fund: 0900 Charter Schools Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$433,160.97	\$433,160.97		
<b>REVENUES</b>						
1) LCFF Sources	8010-8099	\$349,911.00	\$1,738,553.00	\$4,155,448.00	41.84	58.16
3) Other State Revenues	8300-8599	\$17,277.00	\$31,266.24	\$318,207.00	9.83	90.17
4) Other Local Revenues	8600-8799	\$0.00	\$3,023.62	\$16,851.00	17.94	82.06
<b>5) Total, Revenues</b>		<b>\$367,188.00</b>	<b>\$1,772,842.86</b>	<b>\$4,490,506.00</b>	<b>39.48</b>	<b>60.52</b>
<b>EXPENDITURES</b>						
1) Certificated Salaries	1000-1999	\$156,334.72	\$781,589.68	\$1,736,369.00	45.01	54.99
2) Classified Salaries	2000-2999	\$0.00	\$0.00	\$0.00	0.00	100.00
3) Employee Benefits	3000-3999	\$59,600.76	\$269,277.08	\$756,392.00	35.60	64.40
4) Books and Supplies	4000-4999	\$6,182.01	\$48,100.27	\$95,151.00	50.55	49.45
5) Services, Oth Oper Exp	5000-5999	\$6,011.75	\$65,719.57	\$1,453,090.77	4.52	95.48
6) Capital Outlay	6000-6999	\$98,046.87	\$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
<b>9) Total Expenditures</b>		<b>\$326,176.11</b>	<b>\$1,262,733.47</b>	<b>\$4,335,012.77</b>	<b>29.13</b>	<b>70.87</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
B) Transfers Out	7610-7629	\$7,397.00	\$7,397.00	\$190,764.00	3.88	96.12
3) Contributions	8980-8999	\$0.00	\$0.00	\$0.00	0.00	100.00
<b>4) Total, Other Financing Sources/Uses</b>		<b>(\$7,397.00)</b>	<b>(\$7,397.00)</b>	<b>(\$190,764.00)</b>	<b>3.88</b>	<b>96.12</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$33,614.89</b>	<b>\$502,712.39</b>	<b>(\$35,270.77)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$935,873.36</b>	<b>\$397,890.20</b>		

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

# Fiscal Position Report

December 2018

Fund: 1300 Cafeteria Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$1,446,470.57	\$1,446,470.57		
<b>REVENUES</b>						
2) Federal Revenues	8100-8299	\$0.00	\$586,285.77	\$3,237,659.00	18.11	81.89
3) Other State Revenues	8300-8599	\$0.00	\$44,154.43	\$226,156.00	19.52	80.48
4) Other Local Revenues	8600-8799	\$14,764.86	\$56,892.84	\$144,872.00	39.27	60.73
<b>5) Total, Revenues</b>		<b>\$14,764.86</b>	<b>\$687,333.04</b>	<b>\$3,608,687.00</b>	<b>19.05</b>	<b>80.95</b>
<b>EXPENDITURES</b>						
2) Classified Salaries	2000-2999	\$97,719.73	\$525,291.62	\$1,130,467.00	46.47	53.53
3) Employee Benefits	3000-3999	\$36,879.19	\$183,603.14	\$423,183.00	43.39	56.61
4) Books and Supplies	4000-4999	\$245,520.83	\$791,844.17	\$1,798,154.00	44.04	55.96
5) Services, Oth Oper Exp	5000-5999	\$1,651.53	(\$4,663.01)	(\$19,756.00)	23.60	76.40
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
<b>9) Total Expenditures</b>		<b>\$381,771.28</b>	<b>\$1,521,120.94</b>	<b>\$3,645,048.00</b>	<b>41.73</b>	<b>58.27</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>(\$367,006.42)</b>	<b>(\$833,787.90)</b>	<b>(\$36,361.00)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$612,682.67</b>	<b>\$1,410,109.57</b>		

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

Fiscal Position Report  
December 2018

Fund: 1400 Deferred Maintenance Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$3,296.98	\$3,296.98		
<b>REVENUES</b>						
1) LCFF Sources	8010-8099	\$0.00	\$300,000.00	\$300,000.00	100.00	0.00
4) Other Local Revenues	8600-8799	\$0.00	\$536.46	\$2,000.00	26.82	73.18
5) Total, Revenues		\$0.00	\$300,536.46	\$302,000.00	99.52	0.48
<b>EXPENDITURES</b>						
5) Services, Oth Oper Exp	5000-5999	\$0.00	\$0.00	\$0.00	0.00	100.00
6) Capital Outlay	6000-6999	\$307.50	\$129,346.67	\$305,296.98	42.37	57.63
9) Total Expenditures		\$307.50	\$129,346.67	\$305,296.98	42.37	57.63
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<u>(\$307.50)</u>	<u>\$171,189.79</u>	<u>(\$3,296.98)</u>		
<b>ENDING FUND BALANCE</b>			<u>\$174,486.77</u>	<u>\$0.00</u>		

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

**Fiscal Position Report**  
 December 2018

Fund: 1500 Pupil Transportation Equip

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$148,916.49	\$148,916.49		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$836.97	\$2,500.00	33.48	66.52
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$836.97</b>	<b>\$2,500.00</b>	<b>33.48</b>	<b>66.52</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
A) Transfers In	8910-8929	\$0.00	\$100,000.00	\$100,000.00	100.00	0.00
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$0.00</b>	<b>\$100,000.00</b>	<b>\$100,000.00</b>	<b>100.00</b>	<b>0.00</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$0.00</b>	<b>\$100,836.97</b>	<b>\$102,500.00</b>		
<b>ENDING FUND BALANCE</b>			<b>\$249,753.46</b>	<b>\$251,416.49</b>		

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

# Fiscal Position Report

December 2018

Fund: 2000 SPECIAL RESERVE FUND FOR OTHER POSTE

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$3,446,033.37	\$3,446,033.37		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$14,265.83	\$45,000.00	31.70	68.30
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$14,265.83</b>	<b>\$45,000.00</b>	<b>31.70</b>	<b>68.30</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
A) Transfers In	8910-8929	\$174,067.00	\$174,067.00	\$1,241,857.00	14.02	85.98
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$174,067.00</b>	<b>\$174,067.00</b>	<b>\$1,241,857.00</b>	<b>14.02</b>	<b>85.98</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$174,067.00</b>	<b>\$188,332.83</b>	<b>\$1,286,857.00</b>		
<b>ENDING FUND BALANCE</b>			<b>\$3,634,366.20</b>	<b>\$4,732,890.37</b>		



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

Fiscal Position Report  
December 2018

Fund: 2100 Building Fund-Local

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$2,792,280.19	\$2,792,280.19		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$11,475.73	\$49,187.61	23.33	76.67
5) Total, Revenues		\$0.00	\$11,475.73	\$49,187.61	23.33	76.67
<b>EXPENDITURES</b>						
6) Capital Outlay	6000-6999	\$659,906.39	\$1,476,596.92	\$2,713,278.80	54.42	45.58
9) Total Expenditures		\$659,906.39	\$1,476,596.92	\$2,713,278.80	54.42	45.58
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$0.00	\$128,189.00	0.00	100.00
4) Total, Other Financing Sources/Uses		\$0.00	\$0.00	(\$128,189.00)	0.00	100.00
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<u>(\$659,906.39)</u>	<u>(\$1,465,121.19)</u>	<u>(\$2,792,280.19)</u>		
<b>ENDING FUND BALANCE</b>			<u>\$1,327,159.00</u>	<u>\$0.00</u>		

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

**Fiscal Position Report**  
 December 2018

Fund: 2500 CapitalFacilities Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$198,667.72	\$198,667.72		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$28,291.06	\$274,591.75	\$265,000.00	103.62	(3.62)
<b>5) Total, Revenues</b>		<b>\$28,291.06</b>	<b>\$274,591.75</b>	<b>\$265,000.00</b>	<b>103.62</b>	<b>(3.62)</b>
<b>EXPENDITURES</b>						
5) Services, Oth Oper Exp	5000-5999	\$7,455.79	\$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
<b>9) Total Expenditures</b>		<b>\$7,455.79</b>	<b>\$155,318.18</b>	<b>\$165,000.00</b>	<b>94.13</b>	<b>5.87</b>
<b>OTHER FINANCING SOURCES/USES</b>						
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
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00</b>	<b>100.00</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$20,835.27</b>	<b>\$119,273.57</b>	<b>\$100,000.00</b>		
<b>ENDING FUND BALANCE</b>			<b>\$317,941.29</b>	<b>\$298,667.72</b>		

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

**Fiscal Position Report**  
 December 2018

Fund: 3500 SCHOOL FACILITY PROGRAM

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$610,882.83	\$610,882.83		
<b>REVENUES</b>						
3) Other State Revenues	8300-8599	\$0.00	\$0.00	\$0.00	0.00	100.00
4) Other Local Revenues	8600-8799	\$0.00	\$2,303.15	\$0.00	0.00	100.00
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$2,303.15</b>	<b>\$0.00</b>	<b>0.00</b>	<b>100.00</b>
<b>EXPENDITURES</b>						
6) Capital Outlay	6000-6999	\$35,254.80	\$633,258.21	\$4,463,571.83	14.19	85.81
<b>9) Total Expenditures</b>		<b>\$35,254.80</b>	<b>\$633,258.21</b>	<b>\$4,463,571.83</b>	<b>14.19</b>	<b>85.81</b>
<b>OTHER FINANCING SOURCES/USES</b>						
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
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$0.00</b>	<b>\$689,500.00</b>	<b>\$3,852,689.00</b>	<b>17.90</b>	<b>82.10</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>(\$35,254.80)</b>	<b>\$58,544.94</b>	<b>(\$610,882.83)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$669,427.77</b>	<b>\$0.00</b>		

13 Hanford Elementary School District

Fiscal Year: 2019

Requested by dendo

**Fiscal Position Report**

December 2018

1/7/2019 4:54:05PM

Fund: 4000 Special Reserve - Capital Outlay

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$4,008,824.84	\$4,008,824.84		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$16,031.41	\$40,000.00	40.08	59.92
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$16,031.41</b>	<b>\$40,000.00</b>	<b>40.08</b>	<b>59.92</b>
<b>EXPENDITURES</b>						
5) Services, Oth Oper Exp	5000-5999	\$0.00	\$416.25	\$0.00	0.00	100.00
6) Capital Outlay	6000-6999	\$0.00	\$0.00	\$54,000.00	0.00	100.00
<b>9) Total Expenditures</b>		<b>\$0.00</b>	<b>\$416.25</b>	<b>\$54,000.00</b>	<b>0.77</b>	<b>99.23</b>
<b>OTHER FINANCING SOURCES/USES</b>						
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
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$0.00</b>	<b>(\$689,500.00)</b>	<b>(\$3,424,500.00)</b>	<b>17.13</b>	<b>82.87</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$0.00</b>	<b>(\$673,884.84)</b>	<b>(\$3,438,500.00)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$3,334,940.00</b>	<b>\$570,324.84</b>		

13 Hanford Elementary School District

Fiscal Year: 2019

Requested by dendo

**Fiscal Position Report**

December 2018

1/7/2019 4:54:05PM

Fund: 6720 Self-Insurance/Other

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$483,868.56	\$483,868.56		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$3,591.84	\$212,170.67	\$690,000.00	30.75	69.25
<b>5) Total, Revenues</b>		<b>\$3,591.84</b>	<b>\$212,170.67</b>	<b>\$690,000.00</b>	<b>30.75</b>	<b>69.25</b>
<b>EXPENDITURES</b>						
5) Services, Oth Oper Exp	5000-5999	\$43,103.40	\$258,692.31	\$658,500.00	39.29	60.71
<b>9) Total Expenditures</b>		<b>\$43,103.40</b>	<b>\$258,692.31</b>	<b>\$658,500.00</b>	<b>39.29</b>	<b>60.71</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>(\$39,511.56)</b>	<b>(\$46,521.64)</b>	<b>\$31,500.00</b>		
<b>ENDING FUND BALANCE</b>			<b>\$437,346.92</b>	<b>\$515,368.56</b>		

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/14/2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☒ Information  
☐ Action

Date you wish to have your item considered: 01/23/2019

**ITEM:**

Receive information for a potential solar project at Lincoln Elementary School.

**PURPOSE:**

The District is in the process of determining the financial feasibility of adding solar to Lincoln Elementary School and asked two providers for proposals. Chris Bristow from IES will be presenting a potential solar project at Lincoln Elementary School District.

**FISCAL IMPACT:**

None. This item is solely for information.

**RECOMMENDATIONS:**

Receive the information on the solar project at Lincoln Elementary School.

**HANFORD ELEMENTARY SCHOOL DISTRICT**  
**AGENDA REQUEST FORM**

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 3, 2019

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☒ Information  
☐ Action

Date you wish to have your item considered: January 23, 2019

**ITEM:**

Receive information on State Indicators from the California School Dashboard

- Test Scores in ELA and Math
- Chronic Absenteeism
- Suspension Rates

**PURPOSE:**

The California School Dashboard is an online tool that shows how local educational agencies and schools are performing on the state and local indicators included in California's school accountability system. The Dashboard is a key part of major shifts in California K-12 schools, changes that have raised the bar for student learning, transformed testing and placed the focus on equity for all students.

**FISCAL IMPACT:**

None

**RECOMMENDATION:**

Receive for information.

**HANFORD ELEMENTARY SCHOOL DISTRICT****AGENDA REQUEST FORM**

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 3, 2019

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☒ Information  
☐ Action

Date you wish to have your item considered: January 23, 2019

**ITEM:**

Receive information on Local Indicators for State Priority 1: Basic Services

- Instructional Materials
- Teacher Missassignments
- Facilities

**PURPOSE:**

The standards approved by the State Board of Education require a local educational agency to:

1. Annually measure its progress on the local performance indicator based on locally available data.
2. Report the results at a regularly scheduled public meeting of the local governing board.
3. Report the results to the public through the Dashboard.

**FISCAL IMPACT:**

Reporting on local indicators is a requirement for receiving state funding under the Local Control Funding Formula.

**RECOMMENDATION:**

Receive for information.



# HANFORD ELEMENTARY SCHOOL DISTRICT

## AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 2, 2019

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☐ Information  
☒ Action

Date you wish to have your item considered: January 23, 2019

**ITEM:**

Receive for action: The California School Accountability Report Cards (SARCs)

Hamilton Elementary	Roosevelt Elementary
Jefferson Charter Academy	Simas Elementary
Martin Luther King Elementary	Washington Elementary
Lincoln Elementary	John F. Kennedy Jr. High
Monroe Elementary	Woodrow Wilson Jr. High
Lee Richmond Elementary	Community Day School

**PURPOSE:**

California schools annually provide information to the community to allow public comparison of schools for student achievement, environment, resources & demographics. Additionally, the SARCs contain information that is reported on the California School Dashboard's *Local Indicators*.

SARCS are available to the public online at the district's website, each individual school's website, and at the California Department of Education website. Paper copies of SARCS are available in the school office or at the district office upon request.

**FISCAL IMPACT:**

Providing information to the community in the form of SARCS is a requirement of receiving funding under the Local Control Funding Formula

**RECOMMENDATION: APPROVE SARCS**

# HANFORD ELEMENTARY SCHOOL DISTRICT

## AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 14, 2019

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☐ Information  
☒ Action

Date you wish to have your item considered: January 23, 2019

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

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

Title I	Low Income Students
Title II	Teacher Quality
Title III	English Learners
Title IV	Student Support

**FISCAL IMPACT:** Approximately \$2.8 million in categorical funding is requested through the Consolidated Application.

**RECOMMENDATION:** Approve the Consolidated Application for Funding Categorical Aid Programs

## HANFORD ELEMENTARY SCHOOL DISTRICT

## AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Jill Rubalcava 

DATE: January 14, 2019

FOR: ☒ Board Meeting  
☐ Superintendent's CabinetFOR: ☐ Information  
☒ Action

Date you wish to have your item considered: January 23, 2019

## ITEM:

**PURPOSE: BP 6153 - School-Sponsored Trips** (BP revised)

Policy updated to reflect **NEW LAW (AB 341, 2017)** which eliminates the prohibition against the use of district funds to pay for the expenses of students participating in field trips or excursions to another state, to the District of Columbia, or to a foreign country.

**FISCAL IMPACT: None at this time****RECOMMENDATIONS: Action Item: Approval**

# Hanford ESD

## Board Policy

### School-Sponsored Trips

BP 6153

#### Instruction

The Board of Trustees recognizes that ~~field school-sponsored trips~~ supplement ~~are important components of a student's development.~~ ~~Besides supplementing and enrich the~~ enriching classroom learning experience, lead to increased student achievement ~~experiences, such trips encourage new interests among students, make them more aware of community resources, and foster student engagement.~~ help them relate their school experiences to the outside world. The Board encourages field trips to reinforce and increase learning opportunities and ~~to believe that careful planning can greatly enhance~~ district programs.

(cf. 0460 - Local Control and Accountability Plan)

~~Field~~ the value and safety of such trips shall be conducted in connection with the district's course of study or school-related social, educational, cultural, athletic, school band, or other extracurricular or cocurricular activities.

~~If the Board allocates funds for school-sponsored trips, individual schools may be provided with budgetary allocations so that they can plan ahead. Special trip expense funds may be established when necessary for fund-raising purposes.~~

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

(cf. 6143 - Courses of Study)

(cf. 6145 - Extracurricular and Cocurricular Activities)

(cf. 6145.2 - Athletic Competition)

#### Requests for field

~~All~~ trips involving out-of-state, or overnight travel shall be submitted to require the prior approval of the Board. Other trips may be approved by the Superintendent or designee. The Superintendent

~~Principals shall ensure that teachers develop plans which provide for the safety of students and their proper supervision by certificated staff on all school-sponsored trips. Other school employees and parents/guardians also may participate in this supervision and may be asked to attend preparatory training sessions and/or~~ designee shall review the request and make meetings.

~~In advance of a recommendation study trip, teachers shall determine educational objectives which relate directly to the Board as to whether the request should be approved by the Board. All other field trips shall be approved in advance by the principal curriculum. Principals shall ensure that teachers develop plans which provide for the best use of students' learning time while on the trip. Teachers also shall provide appropriate instruction before and after the trip.~~

(cf. 3312.2 - Educational Travel Program Contracts)

The principal shall establish a process for approving a staff member's request to conduct a field trip. When planning trips, staff shall consider student safety, objectives of instruction, the most effective use of instructional time, the distance from school, district and student expense, and transportation and supervision requirements. Principals may exclude from the trip any student whose presence on the trip would pose a safety or disciplinary risk.

(cf. 3530 - Risk Management/Insurance)

(cf. 3541.1 - Transportation for School-Related Trips)

(cf. 5142 - Safety)

(cf. 5143 - Insurance)

(cf. 5144 - Discipline)

(cf. 5144.1 - Suspension and Expulsion/Due Process)

No field trip shall be authorized if any student would be excluded from participation because of a lack of sufficient funds.

(cf. 1230 - School-Connected Organizations)

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

(cf. 1700 - Relations Between Private Industry and the Schools)

The Board may approve the use of district funds for student expenses for in-state or out-of-state, field trips or excursions when permitted by law. In addition, expenses of instructors, chaperones, and other personnel participating in such trips, as well as incidental expenses for the use of district equipment during the trip, may be paid from district funds. (Education Code 35330)

Legal Reference:

EDUCATION CODE

8760 Authorization of outdoor science and conservation programs

32040-32044 ~~First—Duty to equip school with first aid equipment: field kit~~

~~32041—Field trips~~

~~32043—Snakebite kits on field trips~~

~~32044—Violations~~

35330 Excursions and field trips—

35331 Provision for medical or hospital service for pupils (on field trips)

35332 Transportation by chartered airline

35350 Transportation of students

44808 Liability when pupils not on school property

48908 Duties of pupils; authority of teachers

BUSINESS AND PROFESSIONS CODE

17550-17550.9 Sellers of travel

17552-17556.5 Educational travel organizations

Management Resources:

WEB SITES

American Red Cross: <http://www.redcross.org>

Association of Directors of Activities: <http://www.cada1.org>

U.S. Department of Homeland Security: <http://www.dhs.gov>

Policy HANFORD ELEMENTARY SCHOOL DISTRICT

adopted: May 16, 2001 Hanford, California

revised:

**AGENDA REQUEST FORM**

**TO:** Joy Gabler

**FROM:** Jaime Martinez

**DATE:** January 14, 2019

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

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 23, 2019**

**ITEM:** Consider approval of personnel transactions and related matters.

**PURPOSE:**

**a. Employment**

Temporary Employees/Substitutes

- 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)

#### **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

#### **c. Voluntary Transfer**

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

#### **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

#### **e. Volunteers NEED NEW VOLUNTEERS**

<u>Name</u>	<u>School</u>
Melissa Deleon	Hamilton
Elizabeth Gonzalez	Lincoln
Raul Padilla	Simas
Roberta Smith	Simas

**RECOMMENDATION:** Approve.



## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/11/2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/23/2019

**ITEM:**

Consider adoption of Resolution No. 11-19: Kings County Investment Policy.

**PURPOSE:**

The Hanford Elementary School District is required to annually adopt the Director of Finance's investment policy. This resolution approves the investment parameters set forth by the investment policy and delegates the District's investment authority to the Kings County Director of Finance. The policy has been reviewed and approved by the County Treasury Oversight Committee and the Board of Supervisors.

**FISCAL IMPACT:**

None.

**RECOMMENDATIONS:**

Adopt Resolution No. xx-19: Kings County Investment Policy.

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

\*\*\*\*\*

IN THE MATTER OF APPROVING  
THE KINGS COUNTY DIRECTOR OF  
FINANCE'S STATEMENT OF INVESTMENT  
POLICY AND DELEGATING  
INVESTMENT AUTHORITY TO THE  
KINGS COUNTY DIRECTOR OF FINANCE  
UNDER CALIFORNIA GOVERNMENT CODE  
SECTIONS 53607, 53646 AND 53684 /

RESOLUTION NO. 11-19

WHEREAS, under Government Code section 53646, the Kings County Director of Finance ("Treasurer") may render an annual statement of investment policy to the Kings County Board of Supervisors and to the governing board of any local agency which has funds on deposit in the Kings County Treasury; and

WHEREAS, on January 8, 2019 the Kings County Board of Supervisors approved the Director of Finance's Statement of Investment Policy dated January 1, 2019 ("Investment Policy"); and

WHEREAS, the Investment Policy has been submitted to the District Board of Trustees ("District Board") for approval under Government Code section 53646; and

WHEREAS, under Government Code section 53646, the Treasurer may render a quarterly report ("Quarterly Report") to each local agency which has funds on deposit in the County Treasury and for which the Treasurer has made investments; and

WHEREAS, the HANFORD ELEMENTARY SCHOOL DISTRICT ("District") has funds on deposit with the Kings County Director of Finance ("Treasurer"); and

WHEREAS, when keeping, holding, depositing and investing District funds on the District's behalf, the Treasurer acts as the "ex-officio" treasurer of the District; and

WHEREAS, the District Board has authority under Government Code sections 53607 and 53684 to delegate authority to the Treasurer to deposit and invest District funds under the provisions of Government Code sections 53601 and 53635; and

WHEREAS, the District Board now wishes to approve the Director of Finance's Statement of Investment Policy and to delegate investment authority to the Kings County Director of Finance ("Treasurer") for the ensuing twelve-month period.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Pursuant to Government Code section 53646, the District Board hereby approves the Investment Policy.
2. Pursuant to Government Code section 53646, the District Board acknowledges and approves the procedures utilized by the Treasurer in rendering and submitting each Quarterly Report, under the provisions of which the Treasurer shall render each such report. Under the provisions of Government Code section 53607, the Treasurer shall prepare a monthly report and maintain it on file in his/her office for review and inspection by the District Board, staff and designated agents.
3. Pursuant to Government Code sections 53607 and 53684, and subject to the requirements of Government Code sections 53601 and 53635, the District Board hereby delegates to the Kings County Director of Finance ("Treasurer") the discretionary authority to deposit, invest or reinvest the funds of the District in the County Treasury commencing on the date of approval of this resolution and continuing for the ensuing twelve months. Without limiting his discretion in any way, the Treasurer is hereby expressly authorized to invest such District funds in the Treasurer's Pooled Investment Portfolio.
4. The District Board hereby delegates to the Treasurer the discretionary authority to determine which District funds on deposit in the Kings County Treasury are monies which are sinking funds or money not required for immediate use within the meaning of Government Code section 53601 and which monies are excess funds within the meaning of Government Code section 53684.
5. The Treasurer shall assume full responsibility for such deposit and investment transactions until such time as the District Board revokes this delegation of authority or until the date which is twelve months from the date of approval of this resolution, unless renewed on or before that date by the District Board.

The foregoing resolution was adopted upon motion by Trustee \_\_\_\_\_, seconded by Trustee \_\_\_\_\_, at a regular meeting held on the 23<sup>rd</sup> day of January, 2019, by the following vote:

AYES: Trustees  
 NOES: Trustees  
 ABSENT: Trustees

\_\_\_\_\_  
 President of the Board of Trustees  
 HANFORD ELEMENTARY SCHOOL DISTRICT

WITNESS my hand and seal of said Board of Trustees this 23<sup>rd</sup> day of January, 2019.

\_\_\_\_\_  
 Clerk of said Board of Trustees

DATE: January 9, 2019  
TO: Kings County School Districts  
FROM: Tammy Phelps, Assistant Director of Finance -Treasury  
SUBJECT: 2019 Director of Finance's Investment Policy

I am sending a copy of the 2019 Investment Policy. The Policy was reviewed and approved by the County Treasury Oversight Committee on December 7, 2018 and the Board of Supervisors on January 8, 2019. Also included is a sample district resolution approving the Statement of Investment Policy and delegating investment authority to the Kings County Director of Finance. Annually, your District Board must act on the resolution. For your convenience, the Office of Education is distributing these documents electronically via email. Please return approved resolutions to the Office of Education.

The changes to the 2019 Director of Finance's Statement of Investment Policy are as follows:

**Language that clarifies and further restricts conducting investment security transactions with brokers/dealers who are designated by the Federal Reserve Bank as primary government dealers or a divisions of a primary dealer.**

**Other modifications to the policy are insignificant and intended to correct grammar or increase clarity.**

If you have any questions, please feel free to call me at 852-2462.

**COUNTY OF KINGS**

**DIRECTOR OF FINANCE'S**

**STATEMENT OF**

**INVESTMENT POLICY**

**JANUARY 1, 2019**



---

James P. Erb, CPA  
Director of Finance

Approved by CTOC    December 7, 2018  
Approved by BOS        January 8, 2018

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## **I. AUTHORITY**

Kings County Ordinance No.557, adopted on January 14, 1997 as an urgency ordinance, delegated to the County Director of Finance the authority to continue to invest or reinvest the funds of the County and the funds of other depositors in the County treasury, pursuant to Section 53600 et seq., inclusive of Section 53684, of the California Government Code. The County Director of Finance, as agent of the county, trustee, and fiduciary, assumes full responsibility for the investment program. The Board of Supervisors shall annually review the Director of Finance's performance and may annually renew this delegation of authority for a one-year period pursuant to Government Code 53607. The Board of Supervisors may also revoke the investment authority by County ordinance.

## **II. POLICY STATEMENT**

Annually, the County Director of Finance shall prepare an Investment Policy, pursuant to G.C. 27133 and G.C. 53646, that will be reviewed by the County Treasury Oversight Committee and rendered for approval to the Board of Supervisors and local agencies.

The purpose of this Statement of Investment Policy (Policy) is to establish cash management and investment guidelines for the County Director of Finance, who is responsible for the stewardship of the Kings County Investment Pool. Each transaction and the entire portfolio must comply with California Government Code Section 53601 et seq., Section 53635 et seq., and this policy. All portfolio activities will be judged by the Standard of Prudence and ranking of investment objectives. Those activities which violate its spirit and intent will be deemed to be contrary to the policy.

## **III. POOLED INVESTMENT FUND OVERSIGHT COMMITTEE**

In accordance with California Government Code Section 27130 et seq., the Board of Supervisors, in consultation with the County Director of Finance, has created a County Treasury Oversight Committee (Resolution No. 95-081, December 5, 1995) to allow local agency representatives participation in the policies that guide the investment of depositor funds. The primary responsibilities of the committee include: (a) to review and monitor the County Director of Finance's Statement of Investment Policy, (b) to cause an annual audit to be conducted to determine the County Treasury's compliance, and (c) to establish criteria for depositor withdrawal of funds for the purpose of investing or depositing outside the County Treasury pool. The meeting of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign for any member of a legislative body of any local agency that has deposited funds into the county treasury, in the previous three years or during the period that the employee is a member of the committee. While serving on the Oversight Committee, a member may not directly or indirectly raise money for any member of a legislative body of any local agency that has deposited funds into the county treasury. Finally, a member may not secure employment with, or



be employed by, bond underwriters, bond counsel, security brokerages or dealers, or a financial services firms, with whom the Director of Finance is doing business during the period that the person is a member of the committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the County treasury and investment operations.

#### IV. INVESTMENT OBJECTIVES

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

**A. SAFETY OF PRINCIPAL** - The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they are from securities default or erosion of market value. The objective will be to mitigate credit risk and interest rate risk.

**1. Credit Risk** is the risk of loss due to the failure of the security issuer or backer. Credit risk is mitigated by: (a) limiting investments to the safest types of securities; (b) pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Treasury will do business; and (c) diversifying the investment portfolio so that potential losses on individual securities will be minimized.

**2. Interest Rate Risk** is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk is mitigated by: (a) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and (b) by investing operating funds primarily in shorter-term securities.

**B. LIQUIDITY** - As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the County Director of Finance to meet all operating requirements which may be reasonably anticipated in any depositor's fund. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). No more than 35% of the portfolio may be invested in securities maturing in three to five years and during peak tax collection no more than 30%. Percent restrictions shall be applicable only for the date of purchase. Any future percent deviations due to cash flow demands reducing the total investment portfolio shall not be considered out of compliance. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets (dynamic liquidity).

**C. PUBLIC TRUST** - In managing the Pooled Investment Fund, the County Director of Finance and the authorized investment staff should avoid any transactions that might impair public confidence in Kings County and the participating local agencies. Investments should be made

with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

**D. MAXIMUM RATE OF RETURN** - As the fourth objective, the Pooled investment Fund is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities can be sold prior to maturity for the following reasons: (1) a declining credit security to minimize loss of principal; (2) a security swap to improve the quality, yield, or target duration in the portfolio; (3) the liquidity needs of the portfolio require that the security be sold; (4) a call notification of a make-whole bond which, given unfavorable market conditions, could deteriorate the price of the bond on the redemption date, or (5) to realize a profit. If there is a realized loss of principal, the loss will first be allocated against the interest earned in the current quarter on the sold security. If the security's current interest is not sufficient to cover the loss, then the Director of Finance may allocate the loss against a profit realized from selling a security in the same quarter, and/or the total current and future portfolio interest earnings. In the event of an imminent loss of principal for which the security's interest would not be sufficient to cover the loss, the Director of Finance may withhold from the total current and future portfolio interest earnings to reserve against a future maximum anticipated actual loss.

## **V. STANDARD OF CARE**

**A. PRUDENCE** - The County Director of Finance, as a trustee and therefore a fiduciary, is subject to the Prudent Investor Standard-which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors." The standard of prudence to be used by investment staff shall be the "prudent person" standard, which provides, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, liquidity needs, as well as the probable income to be derived." This standard shall be applied in the context of managing an overall portfolio.

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds the County Director of Finance shall act with the care, skill, prudence and diligence to meet the aims of the investment objectives listed in order in Section IV., Investment Objectives. Investment staff acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or

market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

**B. ETHICS AND CONFLICT OF INTEREST** - Treasury staff involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. The investment staff shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. The investment staff shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the treasury.

Pursuant to Government Code Section 27133(d), the County Director of Finance, individual Treasury employees, or any member of the County Treasury Oversight Committee may not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the County Treasury conducts business in an amount exceeding \$50.00.

**C. DELEGATION OF AUTHORITY** - Authority to manage the investment program is granted to the County Director of Finance by the Kings County Board of Supervisors. The moneys invested will be actively managed by the Director of Finance and his/her staff, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate staff. (See also Safekeeping and Custody, Internal Controls VI B. below). The authority to execute investment transactions for the portfolio shall be limited to the Assistant Director of Finance - Treasury, the Treasury Manager, and in the absence of the Treasury Manager, the Accounting Specialist-Treasury Operations.

## **VI. SAFEKEEPING AND CUSTODY**

**A. DEPOSITORY INSTITUTIONS** – As far as possible, all money belonging to, or in the custody of the County Director of Finance shall be deposited for safekeeping in state or national banks selected by the Director of Finance, or may be invested as set forth in Section VII. To be eligible to receive funds, the bank shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisorial agency of its record of meeting the credit needs of California’s communities pursuant to Section 2906 of Title 12 of the United States Code.

**B. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS** - Schedule 1- Statement of Authorized Firms, on page 15, is a list of County Director of Finance approved financial institutions and broker/dealers authorized to provide investment services to the Treasury. Authorized firms can be added or deleted only with the Director of Finance’s approval. Any changes will result in modification to Schedule 1, but will not be considered a revision to this policy. Changes to authorized firms shall be reported to the County Treasury Oversight Committee and Board of Supervisors within two (2) weeks. The authorized parties include

"primary" dealers or divisions of a primary dealers, selected on the basis of creditworthiness, capital adequacy, availability of investment inventory, and experience in trading in authorized investments. Firms utilized for money market mutual funds must either attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized statistical-rating organizations (NRSRO) OR have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience (i) investing in the securities and obligations as authorized in G.C. 53601, or (ii) managing money market mutual funds; and have assets under management in excess of five hundred million dollars (\$500,000,000). All financial institutions and broker/dealers who desire to become qualified firms for County Treasury investment transactions must supply the audited financial statements, proof of National Association of Securities Dealers (NASD) certification, proof of State registration, completed broker/dealer questionnaire, and certification of having read the Kings County Investment Policy. An annual review of the financial condition of qualified firms will be conducted by the Assistant Director of Finance - Treasury.

The Treasury shall not do any investment business with any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution, in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to any member of the Board of Supervisors or any candidate for those offices. Firms must provide corporate policy statements regarding compliance with political contributions limitations of Rule G-37.

**C. INTERNAL CONTROLS** - The County Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the investment portfolio are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Daily, or when next available, the County Director of Finance or designee will

(1) Review and initial all Investment Purchase Orders to verify compliance with the overall Policy, Investment Parameters, and Authorized Institutions.

(2) Review and initial the "Daily Balance Sheet" to insure continuous compliance of portfolio investments (percentage distribution ) to the Policy and Investment Parameters.

Weekly, the County Director of Finance or designee will verify that the Portfolio Percentage Report by investment type is balanced to the Daily Balance Sheet.

Monthly, all funds maintained by the County Director of Finance, including cash in treasury, deposits in transit, Kings County Department of Finance's checking account balance, and investment holdings will be audited by the County Department of Finance – Accounting Division.

Quarterly, the County Director of Finance or designee will report compliance of the investment portfolio to the Director of Finance's Statement of Investment Policy. (See Section IX. Reporting Methods on page 12)

Annually, the County Treasury Oversight Committee shall hire an external auditor to conduct an independent review to assure compliance of the Director of Finance's investment activities with the Statement of Investment Policy.

**D. SAFEKEEPING** - All securities purchased either outright or on repurchase agreements shall be held in safekeeping by a third party bank trust department acting as agent for the County under terms of a custody agreement executed by the bank and the Director of Finance. The only exceptions authorized are purchases from Local Agency Investment Fund (LAIF), collateralized time deposits, collateralized bank money market accounts, and investments in money market mutual funds.

**E. VOLUNTARY DEPOSITORS** - If a local agency determines the agency has excess funds which are not required for immediate use and with the consent of the County Director of Finance, the legislative or governing body may, by resolution or minute order, authorize the deposit of excess funds into the County Treasury for the purpose of investment pursuant to Government Code Section 53635. At no time will the County Treasury accept deposits of personal funds unless by Court order.

The County Director of Finance shall, on a case by case basis, determine the terms and conditions under which a city, public district, or any public or municipal corporations located within Kings County, and not required to deposit their funds in the County Treasury, may voluntarily deposit funds for investment purposes. The County Director of Finance shall evaluate each proposed deposit request prior to approving the deposit into the Treasury. The County Director of Finance must make a finding that the proposed deposit will not adversely affect the interests of the other depositors in the County Investment pool, prior to approving the deposit.

**F. WITHDRAWAL OF FUNDS FOR EXTERNAL INVESTMENT** - The County Treasury Oversight Committee's approved policy statement on "Treasury Restrictions on Withdrawal for External Investment" establishes the terms and conditions for Treasury depositors withdrawing funds for investment outside the County investment pool. (See Appendix A on page 17 and 18)

Any local agency, public entity, or public official that has funds on deposit in the County Treasury investment pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the County Treasury pool, shall submit a resolution or minute order approved by the legislative or governing body requesting the withdrawal of the funds. Funds withdrawn shall become the responsibility of the requesting legislative body, and the Director of Finance will be held harmless from liability.

The County Director of Finance shall evaluate each proposed withdrawal for its consistency with the County Treasury Oversight Committee policy prior to approving the withdrawal. The County Director of Finance must also make a finding that the proposed withdrawal will not adversely affect the interests of the other depositors in the County Treasury pool, prior to approving the withdrawal.

## **VII. SUITABLE AND AUTHORIZED INVESTMENTS**

**A. INVESTMENT TYPES** - The County treasury may invest money among the following authorized investments and within the limits imposed by Government Code 53601 et seq. or 53635 et seq., or as more further restricted in Schedule 2-Investment Parameters on page 16:

- 1. United States Treasury Bills, Notes, Bonds, and Certificates of Indebtedness**, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- 2. Registered state warrants or treasury notes or bonds of the State of California**, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.
- 3. Registered treasury notes or bonds of any of the other 49 states** including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- 4. Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California**, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- 5. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments**, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- 6. Banker's Acceptances (BA)** otherwise known as Bills of Exchange or Time Drafts, both domestic and foreign, drawn on and accepted by a commercial bank.
- 7. Commercial Paper (CP)** of "prime" quality issued by corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000).

- 8. Negotiable Certificates of Deposit** issued by a nationally or state chartered bank or a savings association or federal association, or by a federally- or state-licensed branch of a foreign bank.
- 9. Certificates of Deposit Account Registry Service (CDARS)** placed with a local CDARS member. CDARS are fully insured as to principal and interest that may be accrued by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
- 10. Collateralized Time Deposits** issued by a nationally or state-chartered bank or savings and loan association within the State of California with an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities pursuant to Section 2906 of Title 12 of the United States Code.
- 11. Repurchase Agreements or Reverse Repurchase Agreements, or Securites Lending Agreement** purchased in compliance with the Government Code 53601(j). Repurchase agreements must be issued by nationally or state-chartered banks or primary security dealers with whom the County Director of Finance has entered into a Master Repurchase Agreement.
- 12. Medium Term Corporate Notes (MTN)**, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- 13. Shares of Beneficial Interest** issued by diversified management companies (1) that invests in the securities and obligations as authorized by subdivision (a) to (k), inclusive, or subdivisions (m) to (o) inclusive of Government Code 53601, and that comply with the investment restrictions of Article 2 of the Government Code (commencing with Section 53630), or (2) that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. (15 U.S.C. Sec 80a-1, and following.)
- 14. Local Agency Investment Fund (LAIF)** an investment pool created by Government Code 16429.1 in which the State Treasurer invests pooled political subdivision funds.
- 15. Notes, Bonds, or other obligations** secured by a valid first priority security interest in eligible securities listed in Section 53651 having a market value at least equal to that required by Section 53652.
- 16. Shares of beneficial interest issued by joint powers authority** organized pursuant to Government Code Section 6509.7 that invests as authorized in subdivision (l) (2) of Government Code Section 53601.
- 17. Supranational Debt Obligations** United States dollar-denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-

American Development Bank (IADB) only, eligible for purchase and sale within the United States. Authorized by CGC 53601 (q) and this policy.

**B. RESTRICTIONS ON AUTHORIZED INVESTMENTS-** In accordance with G.C. 53601.6, the County Treasury shall not invest any funds in inverse floaters, range notes, or mortgage derived interest-only strips. Additionally, no funds shall be invested in any security that could result in zero interest accrual if held to maturity. No funds shall be invested in Medium Term Corporate Notes with a make-whole call provision that, at time of purchase, are priced at a premium. No shares of beneficial interest will be purchased where the principal dollars invested are subject to daily net asset value (NAV) adjustments of the fund's portfolio except for the CalTrust. The Treasury shall not invest in financial options and futures contracts directly, but may purchase authorized investments of callable securities with imbedded call provisions. The Treasury will not purchase an authorized investment below the credit quality restriction of Schedule 2 - Investment Parameters, but may elect to hold an instrument to maturity that has been later downgraded by the nationally recognized statistical-rating organization i.e. Moody's, Standard and Poors, or Fitch.

**C. COMPETITIVE BIDDING** - Bids for investment products shall be taken from a minimum of three authorized institutions. Awards will be made giving consideration to safety, liquidity, a balanced portfolio, and diversification. Exceptions to the above would involve repurchase agreements, securities possessing unique characteristics which would make competitive bidding impractical, or market circumstances in which competitive bidding could be adverse to the best interest of the Director of Finance's investment program.

**D. COLLATERALIZATION** - In accordance with California Government Code 53652, 53601 (j) full collateralization of public deposits is required for collateralized time deposits, collateralized bank money market accounts, and repurchase agreements. The Director of Finance may waive collateralization for that portion of any deposit that is fully insured by the FDIC per Government Code 53653.

## **VIII. INVESTMENT PARAMETERS**

**A. DIVERSIFICATION** - The investments will be diversified by security type and institution within the percent restrictions of Government Code 53601, 53601.8, 53635, 53635.2, and 53635.8 or as further defined in Schedule 2, Investment Parameters. Percent restrictions shall be applicable only for the date of purchase. Any future percent deviations due to cash flow demands reducing the total investment portfolio shall not be considered out of compliance. Maximum investment amounts in any issuer name shall be limited as provided in the Investment Parameters on page 16.

**B. MAXIMUM MATURITIES** - Maturity limitations for each instrument type shall be restricted as provided in Government Code 53601, 53601.8, 53635, and 53635.8 or as further defined in Schedule 2 - Investment Parameters on page 16. No investment shall be made in any security, other than a security underlying a repurchase agreement authorized in this policy, which at the time of investment has a term remaining to maturity in excess of five years, unless a



legislative body has granted express authority to make that investment either specifically or as part of an investment program approved by that legislative body no less than three months prior to the investment.

## **IX. REPORTING**

**A. METHODS** - The County Director of Finance or designee shall prepare an investment report at least quarterly, including a succinct management summary that provides a clear picture of the status of the investment portfolio. This summary will be prepared in a manner, which will allow the reader to ascertain whether investment activities have conformed to the investment policy.

The report will be provided within 30 days following the end of the quarter covered by the report and submitted to the County Board of Supervisors, County Administrative Officer, Finance Director, other members of the County Treasury Oversight Committee, and pool participants.

The report will include the following:

1. A Statement of Compliance with the Investment Policy.
2. A listing of individual securities and moneys held at the end of the reporting period to include:
  - (a) The type of instrument.
  - (b) The name of the issuer.
  - (c) Purchase date, maturity date, and days to maturity.
  - (d) Issuers rating.(Long term or short term, as appropriate)
  - (e) Par and dollar amount invested in each security.
  - (f) The current market value of securities as of the date of the report and the source of the valuation.
3. A statement estimating the ability of the County Treasury to meet its pool's expenditure requirement for the next six months.
4. A statement of the method of interest accounting used.
5. Portfolio Sector Allocation and Quality Allocation graphs.
6. A Statement of Interest Earnings Report for the Quarter.
7. If applicable, a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, but excluding funds deposited into the Local Agency Investment Fund administered by the State Treasurer.

**B. QUARTERLY INTEREST CALCULATION AND APPORTIONMENT** - Gross interest for the quarter is the total interest earned on an accrual basis on the Treasury portfolio investments for that quarter. Administrative expenses pursuant to G.C. 27013 are deducted to

arrive at net interest to be apportioned. Administrative expenses consist of audit expenses, direct banking expenses, not otherwise recovered directly from Treasury depositors, safekeeping fees, plus actual quarterly Treasury operational expenses. The net earnings for the quarter are divided by the Treasury's total average daily balance creating an "interest allocation factor" or "daily interest factor" for each average dollar invested. Multiply the "interest allocation factor" by the quarterly average daily balance of each fund to determine the interest earnings for each fund. Interest is apportioned quarterly to all depositors in the Treasury pool. The "interest allocation factor" can be converted into the annualized quarterly interest rate; multiply the factor by the number of days in the year, and divide that answer by the number of days in the quarter.

## **X. POLICY EXCEPTIONS & REVISIONS**

**A. EXEMPTION** - Any previously legal investments, that settled prior to the effective date and that no longer meet the current guidelines of this Policy, shall be exempted from the new requirements. At maturity or liquidation, such moneys shall be reinvested only as provided by this Policy.

Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance thereof. The proceeds of sales, or funds set aside for the repayment, of any notes or other indebtedness issued shall not be invested for a term that exceeds the term of the notes.

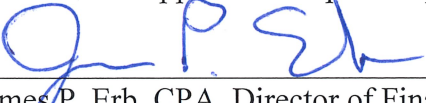
**B. AMENDMENTS** - This policy shall be reviewed at least on an annual basis. Any changes shall be submitted by the Director of Finance to the County Treasury Oversight Committee for consideration and comments, and the Board of Supervisors for review and approval.

**KINGS COUNTY DIRECTOR OF FINANCE'S  
SCHEDULE 1 - STATEMENT OF AUTHORIZED FIRMS**

The Treasury is authorized to conduct investment security transactions with the following investment firms and broker/dealers, designated by the Federal Reserve Bank as primary government dealers or divisions of primary dealers. Security transactions with firms, other than those appearing on this list, are prohibited.

- A. Firms designated by the Federal Reserve Bank as Primary Government Dealers or a division of a Primary Dealer:  
  
 UBS Financial Services Inc., an affiliate of UBS Securities LLC  
 RBC Capital Markets, LLC  
 Jefferies LLC  
 Wells Fargo Securities, LLC
- B. Firms designated for the purchase of money market mutual funds pursuant to G.C. 53601 (l) and (p):  
  
 BlackRock  
 Bank of the West  
 CalTRUST
- C. Firms designated for repurchase agreements with Master Repurchase Agreements on file:  
  
 UBS Financial Services Inc., an affiliate of UBS Securities LLC
- D. State of California, Local Agency Investment Fund
- E. Purchases directly from major issuers of commercial paper, bankers acceptances, negotiable certificates of deposit, or collateralized time deposits, meeting the requirements set forth in section 53635, 53601(g), 53601(i), 53601(n), respectively, and 53635.2 of the California Government Code.

To ensure compliance with the County Director of Finance's Investment Policy, firms designated in A and C above are supplied a complete copy of the policy and must certify having read it.

  
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 James P. Erb, CPA, Director of Finance

Dated: January 1, 2019

SCHEDULE 2 – INVESTMENT PARAMETERS (Revised 11/18/15)

AUTHORIZED INVESTMENTS	DIVERSIFICATION	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY (NRSRO)
U.S. Treasury notes, bills, bonds or other certificates of indebtedness	95% Max.	None	Max. 5 years	N/A
Notes, participations, or obligations issued by Federal agencies or United States government-sponsored enterprises (GSE)	85% Max.	None	Max. 5 years	N/A
Bonds, notes, warrants or certificates of indebtedness issued by the State of California or local agencies or County of Kings or any other State	20% or \$20mm Max.	None	Max. 5 years unless prior BOS approval	L/T rating A or A2 or better
Bankers Acceptances	40% Max.	Max. \$5mm any one name	Max. 180 days	S/T rating A-1 or P-1 L/T rating (if Out-standing) AA- or Aa3 or better
Commercial paper of corporations organized and operating within the U.S. with total assets exceeding \$500 mm	40% Max.	Max. 10% in any one name, No Extendable CP	Max. 270 days.	S/T rating A-1 or P-1 L/T rating (if Out-standing) AA- or Aa3 or better
State of California Local Agency Investment Fund	Max. Dollars allowed by State Treasurer	Max. Transactions allowed by State Treasurer	Overnight liquidity	N/A
Negotiable CD's issued by National or State chartered banks or a federally- or state- licensed branch of a foreign bank	25% Max. (CDs + CDARS)	G.C. 53638 policy restrictions	Max. 3 years	L/T rating AA- or Aa3 or better
Certificates of Deposit Account Registry Service (CDARS)	25% Max (CDs + CDARS)	G.C. 53601.8 & 53635.8 conditions apply	Max. 3 years	100% FDIC/NCUA insured as to Principal and Interest
Collateralized Time Deposits.	10% Max.	Collateral policy restrictions G.C. 53601(n)	Max. 24 months	
Repurchase Agreements with collateral restricted to U. S. Treasury, Federal Agencies, or United States government-sponsored enterprises (GSE)	10% Max.	Master Repurchase and Tri-Party Custodial Agreements to be on file. 102% haircut	Max. 1 year	
Reverse Repurchase Agreements or Securities Lending on U.S. Treasury & Federal Agency Securities in portfolio	10% Max with approval of the Director of Finance	G.C. 53601(j) Reverse Repurchase and Securities Lending restrictions	Max. 92 days unless guaranteed spread	
Corporate Notes on U.S. Corp or U.S. Subsidiary of a foreign corp.	30% Max.	Max. \$15mm any one name Make - Whole Call Restrictions	Max. 5 years	L/T rating AA- or Aa3 or better
Asset Backed Securities on U.S. Corp.	0% Max.	Not authorized	Not authorized	Not Authorized
Money Market mutual funds that invest in eligible securities meeting Government Code requirements.	20% Max. 10% per fund	Fund 5 years or more old NAV pricing <b>restriction</b> No front or back loads	Overnight liquidity	L/T rating: Highest rating from two NRSRO, i.e. AAA, Aaa, etc. Retain Investment Advisor per G.C. 53601(i) & (p)
Supranationals – Washington dollar denominated IBRD, IFC or IADB	20% Max. 10% per Name	Max. 10% in any one name	Max. 5 years	L/T rating: Highest rating from two NRSRO, i.e. AAA, Aaa, etc.

## APPENDIX A

### COUNTY TREASURY OVERSIGHT COMMITTEE

Policy Statement and Authorized Practice Approved March 4, 1996

#### Treasury Restrictions on Withdrawal for External Investment

Authorization: Pursuant to Government Code Section 27130 and Kings County Board of Supervisor's Resolution No. 95-081, dated December 5, 1995, the Kings County Treasury Oversight Committee is authorized to establish criteria on the withdrawal of funds on deposit in the County Treasury investment pool for the purpose of investing or depositing those funds outside the County Treasury pool.

Request for Withdrawal: Any local agency, public entity, or public official that has funds on deposit in the County Treasury investment pool and that seeks to withdraw funds for external deposit or investment, shall first submit a request by resolution or minute order approved by the legislative or governing body for withdrawal of the funds.

Assessment of Withdrawal Impact: The County Director of Finance shall evaluate all requests for withdrawal to determine if the interests of the other Treasury depositors in the County Treasury pool will be adversely affected. If the County Director of Finance determines that the combined number of requests or total dollar amount requested is sufficient to constitute a "run on the treasury", no withdrawal requests shall be processed until the County Treasury Oversight Committee has reviewed the treasury financial position and assists the Director of Finance in establishing an action plan.

Approval or Disapproval: The County Director of Finance shall approve all requests upon the finding that other Treasury depositors will not be adversely affected. If other Treasury depositors are perceived to be adversely impacted, the County Director of Finance may postpone action on any withdrawal request until the County Treasury Oversight Committee has reviewed the situation.

Approved Withdrawal Criteria: Approved withdrawals will be processed dependent on availability of funds, the type of investments required to be liquidated, market conditions, settlement periods, and dollar amounts to be withdrawn. The following are target goals for withdrawals:

- a. If adequate liquidity exists in short term investments and requires minimal liquidation and settlement, withdrawals of amounts up to \$1,000,000.00 shall be processed immediately upon the County Director of Finance's approval.
- b. If the County Treasury liquidity position is such as to require liquidation of more difficult investment(s), the below processing times shall apply based on the withdrawal dollar amounts and market factors.
  - (1). If the withdrawal amount is less than \$1,000,000.00, and favorable market conditions exist, requests shall be processed within three workdays.

(2). If the withdrawal amount is greater than \$1,000,000.00, or unfavorable market conditions exist, requests shall be processed within five workdays.

Disclaimer of Liability: Any and all funds withdrawn from the County Treasury investment pool for the purpose of investing or depositing such funds outside the pool shall become the responsibility of the legislative body requesting the action. The County Director of Finance or County of Kings shall in no manner be held responsible or liable for withdrawn funds or investments purchased with said funds. The request of any legislative body, by resolution or minute order, authorizing the withdrawal of funds for deposit or investment outside the County Treasury investment pool must provide a disclaimer of liability. The Director of Finance shall not honor any such withdrawal request if a disclaimer clause is not provided.

## **GLOSSARY OF TERMS**

**AGENCIES OR FEDERAL AGENCIES:** Federal sponsored agency securities including discount notes, or interest bearing notes, and bonds. The agencies were created by Congress to reduce the cost of capital for certain borrowing sectors of the economy deemed to be important enough to warrant assistance, such as farmers, homeowners, and students.

**ASKED PRICE:** The lowest price at which a dealer is willing to sell a security.

**BANKERS ACCEPTANCES (BA'S):** A time draft or bill of exchange that is accepted payment by banks engaged in financing of international trade. The accepting institution guarantees payment of the bill as well as the issuer.

**BID:** Price at which someone is willing here and now to purchase a security.

**BOOK VALUE:** The value at which a security is carried on the inventory list or other financial records of an investor. The Book Value may differ significantly from the security's current value in the market.

**BROKER:** Person or firm acting as intermediary between buyer and seller.

**CALLABLE BOND:** A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**CERTIFICATES OF DEPOSIT (CD'S):** A time deposit with a specific maturity evidenced by a certificate. They are issued in two forms negotiable and collateralized.

**Negotiable Certificates of Deposit:** May be sold by one holder to another prior to maturity. The issuing bank agrees to pay the amount of the deposit plus interest earned to the BEARER of the certificate at maturity.

**Collateralized Time Deposits:** These certificates are collateralized and are not money market instruments since they cannot be traded in the secondary market. They are issued on a fixed maturity basis and fixed payee.

**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SERVICES (CDARS):** Certificates of Deposit that are placed by a member bank with commercial banks, savings banks, savings and loan associations, or credit unions, such that the principal and all accrued interest during the term of the certificate are fully insured by either the FDIC OR NCUA.

**COLLATERAL:** Securities pledged by a bank to secure deposits of public funds, or an asset pledged by a borrower to a lender.

**COMMERCIAL PAPER:** An unsecured short-term promissory note issued by corporations with maturities ranging from 2 to 270 days.

**COUNTY TREASURY OVERSIGHT COMMITTEE:** A committee established by Board of Supervisors Resolution No. 95-081, dated December 5, 1995 to allow local agency representatives participation in the policies that guide the investment of depositor funds. The primary responsibilities include: (1) review and monitor the County Director of Finance's investment policy, (2) cause an annual audit to be conducted to determine the county treasury's compliance, and (3) establish criteria for depositor withdrawal of funds for the purpose of investing or depositing outside the county treasury pool.

**COUPON RATE:** The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own account.

**DEBENTURE:** A longer-term debt instrument issued by a corporation that is unsecured by other collateral. Hence, only the good faith and credit standing of the issuer backs the security.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery vs. payment and delivery vs. receipt. Delivery vs. payment is delivery of securities with an exchange of money for the securities. Delivery vs. receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills

**DIVERSIFICATION:** A process of investing assets among a range of security types by sector, maturity, and quality rating.

**DOLLAR WEIGHTED AVERAGE MATURITY:** The sum of the amount of each outstanding investment multiplied by the number of days to maturity, divided by the total amount of outstanding investments.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g. S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**FEDERAL FARM CREDIT BANKS (FFCB):** is a nationwide system of lending institutions that provide credit and related services to farmers, ranchers, producers and harvesters of agricultural products, and other farm related businesses.



**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL HOME LOAN BANKS (FHLB):** The institutions that regulate and lend to savings and loan association. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC) :** is a federally chartered and stockholder-owned corporation. Freddie Mac purchases mortgage loans from qualified financial institutions and resales these loans in the form of guaranteed mortgage securities.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional Federal Reserve Banks, their 24 branches, and all national and state banks that are members of the system.

**FLOATER:** A derivative that has its coupon determined by using the yield of other securities.

**FUTURES:** Futures contracts are the units of trading at a commodity exchange. They are legally binding agreements made within the confines of an exchange trading area. All futures contracts call for the purchase or sale of a physical commodity of financial instrument on dates from one month to more than two years in the future.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae)** Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institution. Security holder is protected by full faith and credit of the U.S. Government. Ginnie MAE securities are backed by the FHA, VA, or FMHM mortgages. The term "passthroughs" is often used to describe Ginnie Maes.

**GOVERNMENT-SPONSORED ENTERPRISES (GSE):** General term for several privately owned, publicly chartered agencies created to reduce borrowing costs for certain sectors of the economy such as farmers, homeowners and students. The GSEs that issue debt instruments include: Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit System, Federal Agricultural Mortgage Corporation, and the Student Loan Marketing Association.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable sales can be done at those quotes.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** The aggregate of all funds from political subdivisions that are placed in the custody of the California State Treasurer for investment and reinvestment.

**MARKET RISK:** The risk that the value of a security will rise or decline as a result of changes in market conditions.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase--reverse repurchase agreements that establishes each party's rights in the transaction. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

**MONEY MARKET MUTUAL FUND:** Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, etc.).

**NATIONALLY RECOGNIZED STATISTICAL-RATING ORGANIZATION (NRSRO)**  
Independent credit rating agencies which are utilized to analyze and rate the quality of the issuers underlying debt.

**OFFER:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.)

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**OPTIONS:** The buyer of a call option has the right to buy the underlying security at fixed price. The option seller is obligated to sell the security if the buyer chooses to exercise the option.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealer, banks and a few unregulated firms.

**PRUDENT PERSON RULE:** An investment standard. In California the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities approved by the State, the authorized investments. The trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**REINVESTMENT RISK:** The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

**REPURCHASE AGREEMENT (RP or REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, this is increasing bank reserves.

**REVERSE REPURCHASE AGREEMENT:** A dealer of securities buys securities from an investor with an agreement to sell them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" or "investor" money for the period of the agreement, and the terms of the agreement are structured to compensate the dealer for this. Investors use reverse-repos to meet temporary cash shortages without liquidating the investments.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITY:** Any investment instrument authorized for purchase under Government Code 53601 or 53635.

**SECURITIES AND EXCHANGE COMMISSION (SEC):** Agency created by Congress to protect investor in securities transactions by administering securities legislation.

**SECURITIES LENDING AGREEMENT:** An agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

**SUPRANATIONALS:** An international organization, or union, whereby member states transcend national boundaries or interests to share in the decision-making and vote on issues pertaining to the wider grouping.

**SURPLUS FUNDS:** All moneys are not required to meet the banks demands on the treasury to redeem check warrants on any given day are considered "surplus funds" for investments.

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY NOTES:** A interest bearing security issued by the U.S. Treasury to finance the Federal debt with a maturity range of from zero to ten years.

**TREASURY BOND:** Long-term U.S. Treasury securities having initial maturities between ten to thirty years.

**TRI-PARTY CUSTODIAL AGREEMENT:** A third party custodian bank agrees to safekeep the repo collateral in a segregated custody account for the client. The custodian bank independently prices the collateral and ensures that the collateral is properly securitized.

**UNIFORM NET CAPITAL RULE (SEC RULE 15C3-1):** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one-reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** The rate of annual income return on an investment expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period of the date of purchase to the date of maturity of the bond.

**YIELD-TO-CALL (YTC):** The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

**YIELD CURVE:** A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

**YIELD-TO-MATURITY:** The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/14/2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/23/2019

**ITEM:**

Consider approval of the Kindergarten Facility grant program resolution.

**PURPOSE:**

The administration is requesting the approval of a Kindergarten Facility grant program resolution which allows for the submission of applications for the Full-Day Kindergarten Facilities Grant Program. Established in the 2018/2019 State budget is a one-time program to build or retrofit existing school facilities for the purpose of full-day kindergarten. While the District currently offers full-day kindergarten districtwide, not all of the classrooms used for kindergarten are built to the unique specifications of kindergarten which this grant addresses. This is a competitive grant and it will not require the District demonstrate new construction/modernization eligibility prior to being awarded a grant. New construction eligibility will be reduced accordingly with no impact being applied to modernization eligibility.

The District intends to submit an application for Lincoln and Monroe Elementary at this time.

**FISCAL IMPACT:**

The District could be awarded approximately \$290,000 per a newly constructed Kindergarten classroom.

**RECOMMENDATIONS:**

Approve the Kindergarten Facility grant program resolution.

HANFORD ELEMENTARY SCHOOL DISTRICT  
RESOLUTION NO. 12-19  
**FULL DAY KINDERGARTEN FACILITY GRANT PROGRAM APPLICATION**

Whereas, the HANFORD ELEMENTARY SCHOOL DISTRICT has eligibility for new construction and/or modernization projects and desires to apply for state funding under Chapter 3, Part 10.5, Division 1, commencing with Section 17375, et. seq., of the Education Code for the following project(s).

1. Lincoln Elementary School New Kindergarten Bldg. SFP PTN # 63917-028
2. Monroe Elementary School New Kindergarten Bldg. SFP PTN # 63917-029

; And

Whereas, the Board of Trustees of the Hanford Elementary School District has decided to apply to the State School Building Program for State funds; and

Whereas, the Board of Trustees is required to approve this resolution in support of such applications for submittal to the Office of Public School Construction;

Whereas, the Board of Trustees has reviewed the application for submittal to the Office of Public School Construction;

Now, therefore be it hereby resolved by the Board of Trustees of the Hanford Elementary School District, as follows:

1. That the statements set forth in the application and supporting documents are true and correct to the best of our knowledge and belief;
2. That David Endo, Chief Business Official, is hereby designated as District Representative of the District and is hereby authorized and directed to file, on behalf of the District, such applications with the State Allocation Board;
3. That the District agrees to pay its match of the total costs of the project, unless the District qualifies for financial hardship funding, of which the District may only have to pay a portion or none of its share;
4. That the District certifies that the exact plans and specifications (P & S) for the project will be approved by DSA and CDE prior to requesting final apportionment.
5. That the District will implement full-day kindergarten programs at the project site(s).

Enacted this 23<sup>rd</sup> day of January, 2019  
by the Hanford Elementary School District Board of Trustees.

Ayes:  
Noes:  
Absent:

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

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/14/2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/23/2019

**ITEM:**

Consider acceptance of the Building Fund (Measure U) financial audit report.

**PURPOSE:**

In accordance with the requirements of Proposition 39, the District conducted an independent performance audit of the Building Fund to ensure the bond funds were spent exclusively on projects identified in the text of the ballot Measure U.

The financial audit report has been included for review.

**FISCAL IMPACT:**

None.

**RECOMMENDATIONS:**

Accept the Building Fund (Measure U) financial audit report.



**HANFORD ELEMENTARY SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE U)  
FINANCIAL AND PERFORMANCE AUDITS**

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**JUNE 30, 2018**

**HANFORD ELEMENTARY SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE U)  
FINANCIAL AUDIT**

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**JUNE 30, 2018**

# **HANFORD ELEMENTARY SCHOOL DISTRICT BUILDING FUND (MEASURE U)**

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***FINANCIAL SECTION***

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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

89/114

**VALUE THE** *difference*

## **INDEPENDENT AUDITOR'S REPORT**

Governing Board and  
Citizens' Oversight Committee  
Hanford Elementary School District  
Hanford, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Hanford Elementary School District's (the District), Building Fund (Measure U), and the related notes to the financial statements, as of and for the year ended June 30, 2018, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure U) of the Hanford Elementary School District at June 30, 2018, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure U, and are not intended to present fairly the financial position and changes in financial position of Hanford Elementary School District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements of the Hanford Elementary School District's Building Fund (Measure U). The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the 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. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018 , on our consideration of the District's Building Fund (Measure U) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Building Fund (Measure U) internal control over financial reporting and compliance.

*Vavrinuk, Trine, Day & Co. LLP*

Fresno, California  
December 10, 2018

**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)****BALANCE SHEET  
JUNE 30, 2018**

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**ASSETS**

Deposits and investments	\$ 2,890,330
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**LIABILITIES AND FUND BALANCE****Liabilities:**

Accounts payable	\$ 98,050
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**Fund Balance:**

Restricted for capital projects	2,792,280
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<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,890,330</b>
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The accompanying notes are an integral part of these financial statements.

**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

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**REVENUES**

Interest income	\$ 83,402
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**EXPENDITURES**

Capital outlay	<u>2,911,177</u>
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**DEFICIENCY OF REVENUES OVER EXPENDITURES**

(2,827,775)

**Other Financing Sources:**

Transfers out	<u>(2,933,000)</u>
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**NET CHANGE IN FUND BALANCE**

(5,760,775)

**FUND BALANCE - BEGINNING**

8,553,055

**FUND BALANCE - ENDING**

\$ 2,792,280

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



## **HANFORD ELEMENTARY SCHOOL DISTRICT BUILDING FUND (MEASURE U)**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018**

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Hanford Elementary School District's (the District) Building Fund (Measure U) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The Hanford Elementary School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

##### **Financial Reporting Entity**

The financial statements include only the Building Fund of the Hanford Elementary School District used to account for Measure U. This Fund was established to account for the expenditures of general obligation bonds issued under Measure U. These financial statements are not intended to present fairly the financial position and results of operations of the Hanford Elementary School District in compliance with accounting principles generally accepted in the United States of America.

##### **Fund Accounting**

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

##### **Basis of Accounting**

The Building Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

##### **Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

# **HANFORD ELEMENTARY SCHOOL DISTRICT BUILDING FUND (MEASURE U)**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018**

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### **Encumbrances**

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances lapse at June 30.

### **Fund Balance - Building Fund (Measure U)**

As of June 30, 2018, the fund balance is classified as follows:

**Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## **NOTE 2 - INVESTMENTS**

### **Policies and Practices**

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instrument; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreement; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

### **Investment in County Treasury**

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

# **HANFORD ELEMENTARY SCHOOL DISTRICT BUILDING FUND (MEASURE U)**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018**

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### **General Authorizations**

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Kings County Investment Pool. The District maintains a Building Fund (Measure U) investment of \$2,890,330 with the Kings County Investment Pool, with an average maturity of 523 days.

## **HANFORD ELEMENTARY SCHOOL DISTRICT BUILDING FUND (MEASURE U)**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018**

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#### **NOTE 3 - FAIR VALUE MEASUREMENTS**

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

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

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

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

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

#### **NOTE 4 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2018, consist of \$98,050 due to vendors for services received.

**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

**Construction Commitments**

As of June 30, 2018, the Building Fund (Measure U) had the following commitments with respect to the unfinished capital projects:

Measure U Projects	Remaining Construction Commitment	Expected Date of Completion
Martin Luther King classroom wing	\$ 315,241	August 2018
Martin Luther King Community Day School Campus	334,049	August 2018
Jefferson administration building	63,884	April 2018
Total Projected Cost Remaining	<u>\$ 713,174</u>	

**Litigation**

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

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***SUPPLEMENTARY INFORMATION***

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# **HANFORD ELEMENTARY SCHOOL DISTRICT BUILDING FUND (MEASURE U)**

## **SCHEDULE OF LONG-TERM OBLIGATIONS JUNE 30, 2018**

### **Measure U Bonded Debt**

The District's general obligation bonded debt under Measure U is as follows:

Issue Date	Maturity Dates	Interest Rate %	Original Issue	Bonds		Redeemed	Bonds	
				Outstanding July 1, 2017	Issued		Outstanding June 30, 2018	
2017	2019-47	2.0-5.0	\$ 8,800,000	<u>\$ 8,800,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,800,000</u>	

### **Election 2016, Series A General Obligation Bonds**

On June 14, 2017, the District issued \$8,800,000 in Election 2016, Series A, Measure U general obligation bonds. Proceeds from the bonds will be used 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. At June 30, 2018, the principal balance outstanding was \$8,800,000.

The bonds mature through 2047 as follows:

Fiscal Year	Interest to		Total
	Principal	Maturity	
2019	\$ 600,000	\$ 325,144	\$ 925,144
2020	115,000	322,625	437,625
2021	-	320,900	320,900
2022	-	320,900	320,900
2023	-	320,900	320,900
2024-2028	390,000	1,574,700	1,964,700
2029-2033	960,000	1,415,600	2,375,600
2034-2038	1,570,000	1,201,086	2,771,086
2039-2043	2,420,000	863,510	3,283,510
2044-2047	2,745,000	284,337	3,029,337
Total	<u>\$ 8,800,000</u>	<u>\$ 6,949,702</u>	<u>\$ 15,749,702</u>

**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH  
AUDITED BUILDING FUND (MEASURE U)  
JUNE 30, 2018**

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There were no adjustments to the Unaudited Actual Building Fund (Measure U), which required reconciliation to the audited financial statements at June 30, 2018.



**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)****NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

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**NOTE 1 - PURPOSE OF SCHEDULES****Schedule of Long-Term Obligations**

This schedule provides a debt repayment schedule associated with the bond proceeds received through issuance of Building Fund (Measure U) obligations.

**Reconciliation of Annual Financial and Budget Report With Audited Building Fund (Measure U)**

This schedule provides the information necessary to reconcile the fund balance of the Building Fund (Measure U) reported on the Unaudited Actual Financial Report to the audited financial statements.

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***OTHER INDEPENDENT AUDITOR'S REPORT***

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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

103/114

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

Governing Board and  
Citizens' Oversight Committee  
Hanford Elementary School District  
Hanford, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Hanford Elementary School District (the District) Building Fund (Measure U), as of and for the year ended June 30, 2018, and the related notes of the financial statements, and have issued our report thereon dated December 10, 2018 .

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure U, and are not intended to present fairly the financial position and changes in financial position of Hanford Elementary School District in accordance with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Hanford Elementary School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hanford Elementary School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Hanford Elementary School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hanford Elementary School District's Building Fund (Measure U) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vavrinek, Trine, Day & Co. LLP*

Fresno, California  
December 10, 2018

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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)**

**FINANCIAL STATEMENT FINDINGS  
JUNE 30, 2018**

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None reported.

**HANFORD ELEMENTARY SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE U)  
PERFORMANCE AUDIT**

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**JUNE 30, 2018**

**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)**

**PERFORMANCE AUDIT  
TABLE OF CONTENTS  
JUNE 30, 2018**

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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board and  
Citizens' Oversight Committee  
Hanford Elementary School District  
Hanford, California

We were engaged to conduct a performance audit of the Hanford Elementary School District (the District) Building Fund (Measure U) for the year ended June 30, 2018.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Building Fund (Measure U) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

*Vavrinek, Trine, Day & Co. LLP*

Fresno, California  
December 10, 2018

# **HANFORD ELEMENTARY SCHOOL DISTRICT BUILDING FUND (MEASURE U)**

**JUNE 30, 2018**

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## **AUTHORITY FOR ISSUANCE**

The general obligation bonds associated with Measure U were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by the requisite 55 percent of the voters of the District, pursuant to a request of the District made by a resolution adopted by the Board of Education of the District.

The District received authorization from an election held on November 8, 2016, to issue bonds of the District in an aggregate principal amount not to exceed \$24 million 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. On June 14, 2017, the District issued \$8,800,000 in Election 2016, Series A, Measure U general obligation bonds. The Series A Bonds represent the first series of bonds to be issued under the 2016 Authorization.

## **PURPOSE OF ISSUANCE**

The net proceeds of the Bonds and any other series of general obligation bonds issued under the Authorization will be used for the purposes specified in the District bond proposition submitted at the Election. An excerpt from the ballot language is as follows:

"HANFORD ELEMENTARY SCHOOLS REPAIR MEASURE: To repair and upgrade aging elementary/middle school facilities by repairing outdated classrooms, upgrading inadequate electrical systems, restrooms, improving access for disabled students, provide access to computers/modern technology, replacing aging portable classrooms and repairing, constructing, acquiring classrooms, facilities, sites, and equipment, shall Hanford Elementary School District issue \$24,000,000 in bonds at legal rates, requiring independent audits, citizens' oversight, no money for administrators, all funds staying local, without increasing current tax rates."

## **AUTHORITY FOR THE AUDIT**

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.

## **HANFORD ELEMENTARY SCHOOL DISTRICT BUILDING FUND (MEASURE U)**

**JUNE 30, 2018**

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3. Requires the school district to appoint a citizen's oversight committee.
4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

### **OBJECTIVES OF THE AUDIT**

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure U.
2. Determine whether salary transactions charged to the Building Fund, if any, were in support of Measure U and not for District general administration or operations.

### **SCOPE OF THE AUDIT**

The scope of our performance audit covered the period of July 1, 2017 to June 30, 2018. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2018, were not reviewed or included within the scope of our audit or in this report.

### **PROCEDURES PERFORMED**

We obtained the general ledger and the project expenditure reports prepared by the District for the period July 1, 2017 through June 30, 2018, for the Building Fund (Measure U). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure U as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2017 and ending June 30, 2018, and reviewed supporting documentation to ensure that such funds were properly expended on authorized bond projects.
2. We selected a sample of expenditures of Measure U funds totaling \$4,642,596 for the fiscal year ended June 30, 2018. This represents 79.44 percent of expenditures and transfers out which totaled \$5,844,177.
3. We verified that funds from the Building Fund (Measure U) were expended for authorized bond projects and issuance costs, and we verified that no funds were expended for salaries of District administrators or for other operating expenses of the District.

**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)****JUNE 30, 2018**

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**CONCLUSION**

The results of our tests indicated that, in all significant respects, the Hanford Elementary School District has properly accounted for the expenditures held in the Building Fund (Measure U) and that such expenditures were made for authorized Bond projects.

**HANFORD ELEMENTARY SCHOOL DISTRICT  
BUILDING FUND (MEASURE U)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018**

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None reported.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

**TO:** Joy C. Gabler

**FROM:** David Endo

**DATE:** January 14, 2019

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

**FOR:** ( ) Information  
(X) Action

Date you wish to have your item considered: January 23, 2019

**ITEM:**

Consider declaration of surplus property.

1987 Gillig School Bus license #08422

**PURPOSE:**

The Hanford Elementary School District has received funding assistance from the San Joaquin Valley Air Pollution Control District for the replacement of an old polluting school bus (1987 Gillig) with a new lower-emissions school bus. The Air District's funding was provided through the "School Bus Incentives Program" replacement component.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

Declare the property as surplus.