

# Hanford Elementary School District

## REGULAR BOARD MEETING AGENDA

*Wednesday, January 22, 2020*

HESD District Office Board Room

714 N. White Street, Hanford, CA

### OPEN SESSION

5:30 p.m.

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

### 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
- e) Presentation of Audit Report (D. Endo - District Auditor)

### 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 November 20, 2019; December 13, 2019; December 20, 2019; December 26, 2019; December 27, 2019; January 3, 2020 and January 10, 2020.
- b) Approve minutes of Regular Board Meeting held on December 18, 2019.
- c) Approve interdistrict transfers as recommended.
- d) Approve donation of 60 toys from Fresno CHP.
- e) Approve donation of 105 assorted reams of bond, cardstock and NCR paper from Adventist Health.
- f) Approve donation of \$1,000.00 from Mangini.

### 3. INFORMATION ITEMS

- a) Receive for information the Williams Uniform Complaints Quarterly Report (Gabler)
- b) Receive for information the monthly financial reports for the period of 07/01/2019-12/31/2019 (Endo)
- c) Receive for information a report from the District Parent Advisory Committee for December 10, 2019 Meeting (Carlton)
- d) Receive for information a report from the District English Learner Advisory Committee for December 12, 2019 Meeting (Gomez)

- e) Receive for information the State Indicators from the California School Dashboard (Carlton)
- f) Receive for information the Local Indicators for State Priority 1: Basic Services (Carlton)
- g) Receive for information the Lincoln Kindergarten Wing Addition Project filed on January 16, 2020 (Mulligan)

#### 4. BOARD POLICIES AND ADMINISTRATION

- a) Consider approval of the Consolidated Application for Funding Categorical Aid Programs (Winter Release) (Carlton)
- b) Consider approval of award for the Lincoln Modernization Project (Mulligan)
- c) Consider approval of services agreement with RMA Geoscience for the Washington Modernization Project (Mulligan)
- d) Consider approval of services agreement with Lane Engineers, Inc. for the Monroe Parking Lot Project (Mulligan)
- e) Consider approval to solicit bids for the Re-Roof Building Project at Woodrow Wilson Jr. High (Mulligan)
- f) Consider approval of the following revised Administrative Regulation: (McConnell)
  - AR 4156.4 – Use of District or Personal Automobiles
- g) Consider approval of the following revised Board Policy and Administrative Regulation: (Gomez)
  - BP/AR – Migrant Education Program

#### 5. PERSONNEL (Martinez)

##### a) Employment

##### Classified

- Kristy Kairis, READY Program Tutor – 4.5 hrs., Simas, effective 12/10/19
- Jason Perreira, Delivery Worker: Mail and Material – 8.0 hrs., Warehouse/DSF, effective 12/16/19
- Dana Raulino, Bus Driver – 4.5 hrs., Transportation/DSF, effective 1/13/20
- Vanessa Villalobos, READY Program Tutor – 4.5 hrs., effective 1/13/20

##### Temporary Employees/Substitutes

- Jennifer Aguirre, Short-term READY Program Tutor – 4.5 hrs., Richmond, effective 1/13/20 to 3/13/20
- Matthew Burrage, Substitute READY Program Tutor, effective 12/17/19
- Chandler Contente, Substitute Groundkeeper II and Delivery Worker: Mail and Material, effective 12/9/19
- Mayra Rodriguez Delgado, Substitute Food Service Worker I, effective 12/6/19
- Stephanie Farias, Short-term READY Program Tutor – 4.5 hrs., King, effective 1/13/20 to 4/17/20
- Audussie Martinez, Substitute Yard Supervisor, effective 12/13/19
- Melissa Rodriguez Medel, Substitute READY Program Tutor, Special Circumstance Aide and Special Education Aide, effective 1/13/20
- Anadalila "Ana" Mendoza Martinez, Substitute Yard Supervisor, effective 12/10/19
- Temporary Employees/Substitutes (cont.)
- Norma Quintana, Short-term Special Circumstance Aide – 5.75 hrs., Simas, effective 1/13/20 to 4/3/20

- Oratio Smith, Substitute Yard Supervisor, effective 1/13/20
- Yasmin Torres, Substitute Yard Supervisor, effective 12/19/19

#### Yard Supervisors

- Maria Arroyo, Yard Supervisor – 2.25 hrs., Richmond, effective 12/19/19
- b) Employment and Certification of Temporary Athletic Team Coaches Pursuant to Title 5 CCR 5594
- Jacob Pacheco, 7-8 Assistant Wrestling Coach, Wilson, effective 11/13/19 to 2/13/20
  - Jared Souza, 7-8 Wrestling Coach, Kennedy, effective 1/6/20 to 2/13/20
- c) Resignation
- Amy Garcia, Yard Supervisor – 3.5 hrs., Jefferson, effective 12/20/19
  - Veronica Limon, Substitute Yard Supervisor, effective 12/20/19
  - Ana Torres Limon, Substitute READY Program Tutor, effective 12/17/19
  - Noelia Naranjo, Substitute Translator and Yard Supervisor, effective 12/20/19
  - Melissa Rodriguez Medel, READY Program Tutor – 4.5 hrs., Hamilton, effective 12/20/19
- d) Retirement
- Phil Mattos, Account Technician IV – 8.0 hrs., Fiscal Services, effective 2/3/20
- e) Promotion
- Lorene Silva, from Account Technician II to Account Technician IV, Fiscal Services Department/D.O., effective 2/3/20
- f) Voluntary Decrease in Hours
- Jennifer Aguirre, Yard Supervisor, from 2.5 hrs. to 2.0 hrs., Roosevelt, effective 1/13/20
- g) Temporary Out of Class
- Ada Portilla, from READY Program Tutor – 4.5 hrs., to READY Site Lead – 5.0 hrs., Simas, effective 12/16/19 to 12/20/19
- h) Teaching Outside of Credential Area – Adopt Resolution No. 17-20
- Deborah Arnold, Science, Jefferson Academy
- i) Volunteers

<u>Name</u>	<u>School</u>
Jeannette Garcia	Hamilton
Jacqueline Harvey	Hamilton
Jose Munguia	Hamilton
Erik Noble	Hamilton
Sherrie Thompson-Pedro	Hamilton
Arthur Valdez	Monroe
Melissa Mendes	Simas

## **6. FINANCIAL (Endo)**

- Consider approval of the audit report
- Consider approval of the actuarial contract for services in accordance with Government Accounting Standards Board (GASB) Statement 75
- Consider adoption of Resolution # 18-20: Kings County Investment Policy
- Consider approval of the Building Fund (Measure U) Financial and Performance Audit Report

## **ADJOURN MEETING**

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/13/2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/22/2020

**ITEM:**

Consider approval of warrants.

**PURPOSE:**

The administration is requesting the approval of the warrants as listed on the registers dated: 11/20/19, 12/13/19, 12/20/19, 12/26/19, 12/27/19, 01/03/20 and 01/10/20.

**FISCAL IMPACT:**

See attached.

**RECOMMENDATIONS:**

Approve the warrants.



**Warrant Register For Warrants  
Dated 11/20/2019**

Warrant Number	Vendor Number	Vendor Name	Amount
12624110	7262	ALISIA BYARS Travel (Parent)	\$775.98
<b>Total Amount of All Warrants:</b>			<b>\$775.98</b>



# Warrant Register For Warrants

## Dated 12/13/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12625866	6431	AMAZON.COM Medical Supp/Allowance/Instl Matls	\$6,311.12
12625867	2352	AMS.NET Equipment/Software License/Leases	\$66,335.59
12625868	6253	AT&T Telephone	\$105.70
12625869	3644	TIFFANY D CARPENTIERI Mileage	\$4.76
12625870	7495	EDITH CARRILLO DE TEMORES Mileage	\$165.65
12625871	7497	CHANDLER CONTENTE Other Services	\$30.00
12625872	405	DASSEL'S PETROLEUM INC. Fuel	\$6,094.67
12625873	7150	DESIREE DAVIS Mileage	\$42.92
12625874	7474	DALYLA DE LEON Mileage	\$105.56
12625875	7432	STACEY DENNIS Mileage	\$61.71
12625876	7492	ANA DIAZ ARCINIEGA Mileage	\$32.48
12625877	486	KENNY EGGERT Athletic Supplies	\$155.05
12625878	7082	DAVID ENDO Travel & Conf	\$36.83
12625879	7498	MARISSA FACCINTO Other Services	\$100.00
12625880	5517	FRESNO STATE Recruitment Fair	\$650.00
12625881	556	JOY GABLER Travel & Conf/Mileage	\$260.27
12625882	7438	MALIKIA GALLOWAY Mileage	\$138.04
12625883	1393	GAS COMPANY Gas	\$3,383.12
12625884	6020	FRANK R GONZALES Mileage	\$209.96
12625885	3253	CORI GRIFFIN Allowance	\$184.47
12625886	3656	HANFORD AUTO & TRUCK PARTS Grounds/Transportation Supplies	\$674.38
12625887	1895	JENNIFER HENDERSON Books	\$45.69
12625888	7493	JERRY HINOJOS DOMIINGUEZ Mileage	\$185.14
12625889	7494	MERCEDES HUERTA Mileage	\$66.12
12625890	2528	INDUSTRIAL PLUMBING SUPPLY Maint Supplies	\$1,910.00
12625891	779	KEENAN & ASSOC. CPIC Health & Welfare	\$5,617.50
12625892	778	KEENAN & ASSOC. MED. EYE SERV. Health & Welfare	\$10,629.25
12625893	7457	KG COMMUNICATIONS INC. Equipment & Matls	\$12,147.14
12625894	796	KINGS COUNTY OFFICE OF ED Other County Costs	\$38,633.19
12625895	802	KINGS COUNTY PIPE & SUPPLY Maint/Grounds Supplies	\$393.48
12625896	986	LAWNMOWER MAN Grounds Supplies	\$55.75
12625897	7450	JULIA LOFY Mileage	\$40.60
12625898	2903	JAIME MARTINEZ Travel & Conf	\$86.40
12625899	4704	KELLEY MAYFIELD Mileage	\$56.38
12625900	5219	MICHAL MCWAY Mileage	\$43.50
12625901	4093	MUSEUM OF TOLERANCE Field Trip	\$1,134.00
12625902	5510	NEWEGG.COM Tech Matls	\$33.97
12625903	6191	TERESA NIBLETT Allowance	\$170.05
12625904	4149	KELLIE NOJI Allowance	\$199.32
12625905	7331	ALBERTO ORDONEZ Mileage	\$43.85
12625906	4465	CYNTHIA PURSELL Instl Matls	\$76.09
12625907	2993	TIM REVIOUS Travel & Conf	\$60.00
12625908	7483	ERICKSON REYES Mileage	\$39.44
12625909	4511	DOUG ROSE Maint Supplies	\$29.25
12625910	7433	ATHEENA SANCHEZ Mileage	\$78.88
12625911	1367	SISC III Health & Welfare	\$597,391.50
12625912	7500	SAMANTHA SOLIS Mileage	\$81.20
12625913	3800	SONITROL OF FRESNO Leases	\$7,371.00

**Warrant Register For Warrants  
Dated 12/13/2019**

<b>Warrant Number</b>	<b>Vendor Number</b>	<b>Vendor Name</b>	<b>Amount</b>
12625914	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	\$3,351.30
12625915	1403	STANISLAUS FOUNDATION – DENTAL Other Services	\$13,383.26
12625916	4673	JAMIE SUMNERS Allowance	\$200.00
12625917	3665	TECH MUSEUM OF INNOVATION Study Trip	\$50.00
12625918	6944	TETER LLP Buildings & Improvements	\$8,460.41
12625919	5946	THE HARTFORD Health & Welfare	\$1,261.60
12625920	1521	UNITED REFRIGERATION INC. Maint Supplies	\$492.10
12625921	6943	WEST VALLEY SUPPLY Grounds Supplies	\$137.90
12625922	7159	ZACHARY WESTOVER Mileage	\$46.98
12625923	7475	AMANDA ZAYAS Mileage	\$100.22
<b>Total Amount of All Warrants:</b>			<b>\$789,184.74</b>

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**Grand Total For All Districts:**

**\$789,184.74**

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**Credit Card Register For Payments  
Dated 12/13/2019**

Document Number	Vendor Number	Vendor Name	Amount
14027682	1111	J W PEPPER & SON INC Band Supplies	\$826.29
14027683	806	KINGS COUNTY TROPHY Instl Matls	\$42.90
14027684	4276	LEARNING A-Z Software Licenses	\$1,128.91
14027685	1802	MEDALLION SUPPLY Maint Supplies	\$261.43
14027686	1466	TERMINIX INTERNATIONAL Pest Control	\$457.00
<b>Total Amount of All Credit Card Payments:</b>			<b>\$2,716.53</b>



# Warrant Register For Warrants

## Dated 12/20/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12626480	1142	MICHELE ALEXANDER Travel & Conf/Mileage	\$42.35
12626481	6431	AMAZON.COM Office Supplies/Instl Matls	\$5,454.82
12626482	59	AMERIPRIDE UNIFORM SERVICES Laundry/Mop/Mat Service	\$3,353.90
12626483	6253	AT&T Telephone	\$2,428.48
12626484	3258	BANK OF AMERICA Travel & Conf/Software License	\$20,097.20
12626485	3710	KELLY BEKEDAM Allowance	\$60.91
12626486	7399	BIMBO BAKERIES USA Food	\$1,890.00
12626487	7250	LUCY BRIENO Allowance	\$107.49
12626488	5410	CRUZ CHAVEZ Parent Inv Supplies	\$143.88
12626489	3068	DEBRA COLVARD Travel & Conf	\$371.20
12626490	1670	CONTRACT PAPER GROUP INC Warehouse	\$24,702.68
12626491	6486	CARA CUMMINGS Mileage	\$19.95
12626492	5974	JOHN DOMINGUEZ Parts	\$25.68
12626493	3682	FASTENAL Maint Supplies	\$17.85
12626494	4832	STACY FREITAS Mileage	\$11.72
12626495	2141	FRESNO COUNTY OFFICE OF ED Travel & Conf	\$75.00
12626496	4161	MATT GAMBLE Parent Inv Supplies	\$100.00
12626497	2749	GARDA CL WEST INC. Kitchen Services	\$136.40
12626498	1393	GAS COMPANY Gas	\$1,997.55
12626499	591	GOLD STAR FOODS Food	\$35,217.36
12626500	4075	PETER GONSALVES Allowance	\$69.45
12626501	622	CHERYL GUILBEAU Mileage	\$25.64
12626502	7228	SAMANTHA HERNANDEZ Homeless Needs	\$81.08
12626503	686	JERI HIGDON Travel & Conf/Mileage	\$42.35
12626504	2427	HOME DEPOT CREDIT SERVICES Garden Project	\$1,644.95
12626505	3354	KAGAN Travel & Conf	\$1,077.00
12626506	7488	INC KAMRAN & COMPANY Kitchen Equipment	\$24,835.51
12626507	3494	KINGS COUNTY BOWL Field Trips	\$510.25
12626508	801	KINGS COUNTY MOBILE LOCKSMITH Repairs	\$471.26
12626509	808	KINGS WASTE & RECYCLING Garbage	\$1,174.50
12626510	7312	MATTHEW KNEVELBAARD Mileage	\$42.98
12626511	5893	MONICA KRAEMER Mileage	\$76.21
12626512	838	LAWRENCE TRACTOR COMPANY Equipment	\$2,691.89
12626513	838	LAWRENCE TRACTOR COMPANY Grounds Supplies	\$9.91
12626514	3521	LEON ENVIRONMENTAL SERVICES Other Services	\$475.00
12626515	6657	FRANK LOURENCO Travel & Conf	\$10.00
12626516	4629	LOWE'S OF HANFORD Supplies	\$168.01
12626517	7260	LOWE'S PRO SERVICES Maint/Grounds/Custodial Supp	\$1,107.40
12626518	6617	LESLIE MARAIN Travel & Conf/Mileage	\$108.24
12626519	5018	WAIVE MAZE Mileage	\$33.25
12626520	351	CHERYLL MCGUIRE Parent Inv Supplies	\$139.56
12626521	4603	MEDI Repairs	\$92.26
12626522	5583	ANGELYNN OUELLETTE Incentives	\$98.64
12626523	5111	P & R PAPER SUPPLY COMPANY INC Kitchen Supplies	\$6,436.96
12626524	7501	IRVING PACHECO READY Supplies	\$19.96
12626525	3949	CHRIS PICHE Leadership Supplies	\$297.83
12626526	1168	PRODUCERS DAIRY PRODUCTS Food	\$16,349.72
12626527	1204	SHARON RAMSEIER-WILLIAMS Inst'l Consultant	\$1,042.17



# Warrant Register For Warrants

## Dated 12/20/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12626528	7449	JAMIE REYES-CAMARGO Mileage	\$19.84
12626529	7346	RMA GEOSCIENCE INC. Buildings & Improvements	\$852.25
12626530	3569	WENDI SANTIMORE Mileage	\$10.14
12626531	1303	SAVE MART SUPERMARKETS Food	\$246.97
12626532	7442	SCHOOLSIN Instl Matls	\$829.42
12626533	7292	SCREENCAST-O-MATIC Software License	\$270.00
12626534	3131	SHERWIN-WILLIAMS CO Maint Supplies	\$247.51
12626535	3743	SHRED-IT USA – FRESNO Shred Services	\$611.96
12626536	1356	SILVAS OIL COMPANY INC. Fuel	\$665.75
12626537	6368	SINCLAIR RESEARCH GROUP Inst'l Consultant	\$4,375.00
12626538	1374	SMART & FINAL STORES (HFD DO) Supplies	\$626.91
12626539	1801	SMART & FINAL STORES (HFD KIT) Food	\$313.78
12626540	6324	AMANDA SMITH Mileage	\$39.08
12626541	1389	PATRICIA SOPER Mileage	\$19.95
12626542	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	\$22,653.06
12626543	1403	STANISLAUS FOUNDATION – DENTAL Other Services	\$13,077.82
12626544	1444	SYSCO FOODSERVICES OF MODESTO Food	\$24,816.94
12626545	4064	TULARE COUNTY OFFICE OF ED Travel & Conf	\$275.00
12626546	2653	VALLEY OXYGEN Maint Supplies	\$435.27
12626547	2870	WARD'S NATURAL SCIENCE Instl Matls	\$456.83
<b>Total Amount of All Warrants:</b>			<b>\$226,229.88</b>



**Credit Card Register For Payments  
Dated 12/20/2019**

Document Number	Vendor Number	Vendor Name	Amount
14027736	2	A-Z BUS SALES INC Transportation Supplies	\$1,552.10
14027737	415	DELRAY TIRE & RETREADING INC. Repairs	\$93.32
14027738	652	HANFORD SENTINEL Other Services	\$1,499.00
14027739	827	LA TAPATIA TORTILLERIA INC. Food	\$807.95
14027740	3620	MENTORING MINDS Books	\$817.82
14027741	1071	ORIENTAL TRADING CO. INC. Instl Matls	\$3,233.71
14027742	4749	SHINDIGZ Instl Matls	\$367.99
14027743	5391	STARFALL EDUCATION Software License	\$270.00
14027744	1466	TERMINIX INTERNATIONAL Pest Control	\$25.00
14027745	5311	VORTEX INDUSTRIES INC. Repairs	\$2,994.97
14027746	1637	WOODWIND & BRASSWIND Band Supplies	\$625.20
<b>Total Amount of All Credit Card Payments:</b>			<b>\$12,287.06</b>



**Warrant Register For Warrants  
Dated 12/26/2019**

Warrant Number	Vendor Number	Vendor Name	Amount
12626914	267	CORINA CARRERA Mileage	\$31.09
12626915	4832	STACY FREITAS Mileage	\$.75
12626916	1769	FRESNO PRODUCE Food	\$23,669.30
12626917	5018	WAIVE MAZE Mileage	\$2.13
12626918	7449	JAMIE REYES-CAMARGO Mileage	\$1.28
12626919	3569	WENDI SANTIMORE Mileage	\$.65
12626920	6324	AMANDA SMITH Mileage	\$2.51
<b>Total Amount of All Warrants:</b>			<b>\$23,707.71</b>



# Warrant Register For Warrants

## Dated 12/27/2019

Warrant Number	Vendor Number	Vendor Name	Amount
12627272	2073	ACCUCUT Instl Matls	\$250.00
12627273	7255	ACER SERVICE CORPORATION Instl Matls	\$2,457.58
12627274	6431	AMAZON.COM Instl Matls/Office Supp/Books/Allowance	\$4,054.49
12627275	6253	AT&T Telephone	\$82.22
12627276	3947	ATKINSON ANDELSON LOYA RUUD & ROMO Legal	\$147.00
12627277	140	BIG 5 SPORTING GOODS CORP. Homeless Needs	\$173.71
12627278	3178	ERIN BOLING Allowance	\$199.75
12627279	3967	CAHPERD CONFERENCE Travel & Conf/Memberships	\$1,645.00
12627280	236	STATE OF CALIFORNIA Other Services	\$813.00
12627281	4393	CAROLINA BIOLOGICAL SUPPLY CO Instl Matls	\$158.79
12627282	6625	COSCO FIRE PROTECTION Inspections	\$315.00
12627283	3051	CUESTA JAZZ BANDS Entry Fee	\$225.00
12627284	3618	CURRICULUM ASSOCIATES INC. Books	\$341.82
12627285	3973	DANIELLE DARPLI Mileage	\$64.90
12627286	7506	LISBETH FRY Payroll Liability Holding	\$3.80
12627287	1393	GAS COMPANY Gas	\$615.79
12627288	2544	EVA GONZALEZ Allowance	\$200.00
12627289	5541	JOANN GRAHAM Mileage	\$129.17
12627290	2188	THE HOME DEPOT PRO Warehouse	\$6,907.76
12627291	3784	BEATRIZ HUIZAR Allowance	\$74.63
12627292	2528	INDUSTRIAL PLUMBING SUPPLY Maint Supplies	\$223.73
12627293	7457	KG COMMUNICATIONS INC. Transportation Services	\$1,174.45
12627294	3494	KINGS COUNTY BOWL Field Trip	\$263.25
12627295	5828	KINGS COUNTY DEPT OF PUBLIC WORKS Fuel	\$71.96
12627296	2491	MID-COUNTY FIRE EXTINGUISHER Inspections	\$83.00
12627297	1004	MORRISON'S SILKSCREEN Instl Matls	\$675.67
12627298	6654	MEGAN MUNRO Payroll Liability Holding	\$675.00
12627299	7446	MY DRAGON BOOKS Books	\$744.44
12627300	2649	PEGGY NOBLE Mileage	\$37.24
12627301	7203	PARADIGM HEALTHCARE SERVICES LLC. Other Services	\$214.68
12627302	7445	PRO-PT Other Services	\$165.00
12627303	7346	RMA GEOSCIENCE INC. Land Improvements	\$605.50
12627304	5175	ROSETTA STONE LTD Software License	\$4,191.90
12627305	1278	S & S WORLDWIDE INC. Warehouse	\$361.59
12627306	5084	SACRAMENTO COUNTY OFFICE OF Testing Services	\$335.34
12627307	5079	SCHOOL KIDS HEALTHCARE Medical Supplies	\$86.28
12627308	1327	SCHOOL SPECIALTY Instl Matls	\$62.85
12627309	3168	SCHOOLWORKS INC. Other Services	\$9,000.00
12627310	4748	TARYN SCHRECKENGOST Allowance	\$200.00
12627311	1404	STANISLAUS FOUNDATION – ADMIN Other Services	\$2,704.75
12627312	5622	JOANNA STONE Mileage	\$142.62
12627313	3728	JASON STRICKLAND Jacket Replacement	\$26.79
12627314	6823	TCG GROUP HOLDINGS Other Services	\$248.00
12627315	4064	TULARE COUNTY OFFICE OF ED Travel & Conf	\$400.00
12627316	3242	VALLEY COLLISION CENTER Repairs	\$1,200.00
12627317	1558	VERIZON WIRELESS Telephone	\$882.01
12627318	1575	WALMART COMMUNITY RFCSLLC Homeless Needs/Instl Matls	\$2,686.67
12627319	2405	WPS Psych Matls	\$169.88

**Warrant Register For Warrants  
Dated 12/27/2019**

Warrant Number	Vendor Number	Vendor Name	Amount
12627320	4152	LAURIE YOUNG Allowance	\$79.80
<b>Total Amount of All Warrants:</b>			<b>\$46,571.81</b>



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**Grand Total For All Districts:**

**\$46,571.81**

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**Credit Card Register For Payments**  
**Dated 12/27/2019**

Document Number	Vendor Number	Vendor Name	Amount
14027801	82	ASCD Software License	\$12,800.00
14027802	176	BSN SPORTS Warehouse	\$366.65
14027803	652	HANFORD SENTINEL Buildings & Improvements	\$1,050.32
14027804	1111	J W PEPPER & SON INC Band Supplies	\$168.37
14027805	806	KINGS COUNTY TROPHY Instl Matls	\$96.53
14027806	1313	SCHOLASTIC TEACHERS STORE Books	\$1,778.06
14027807	1619	WILBUR-ELLIS COMPANY LLC Grounds Matls	\$3,680.14
<b>Total Amount of All Credit Card Payments:</b>			<b>\$19,940.07</b>



# Warrant Register For Warrants

## Dated 01/03/2020

Warrant Number	Vendor Number	Vendor Name	Amount
12627487	7379	ACCELERATE LEARNING INC. Textbooks/eBooks	\$371,843.49
12627488	5638	AMERICAN SAFETY & HEALTH Travel & Conf	\$21.45
12627489	6253	AT&T Telephone	\$42.04
12627490	150	BLINDS ETC. Repairs	\$799.94
12627491	5253	CSNO Travel & Conf	\$2,005.00
12627492	3618	CURRICULUM ASSOCIATES INC. Books	\$1,696.72
12627493	6190	CUSTOMINK Instl Matls	\$231.49
12627494	7456	EIDE BAILLY LLP Audit Expense	\$2,000.00
12627495	6412	FATTE ALBERTS PIZZA COMPANY Food	\$292.79
12627496	1393	GAS COMPANY Gas	\$606.04
12627497	6262	NANCY GONZALES Postage	\$22.00
12627498	5855	HOBBY LOBBY Instl Matls	\$138.96
12627499	2188	THE HOME DEPOT PRO Custodial Supplies/Equipment	\$4,696.21
12627500	711	THE HORN SHOP Repairs	\$433.83
12627501	713	HOUGHTON MIFFLIN Books	\$645.32
12627502	796	KINGS COUNTY OFFICE OF ED Other Services	\$1,134.00
12627503	1937	ME-N-ED'S PIZZERIA Food	\$208.60
12627504	2491	MID-COUNTY FIRE EXTINGUISHER Custodial Matls	\$178.77
12627505	7390	NEOPOST USA INC Repairs	\$156.53
12627506	1058	OFFICE DEPOT Office Supplies	\$200.60
12627507	7362	PLAY & PARK STRUCTURES DIRECT Equipment	\$2,719.40
12627508	5067	RUSSELL SIGLER INC Maint Supplies	\$90.13
12627509	1278	S & S WORLDWIDE INC. Athletic Supplies	\$47.68
12627510	1374	SMART & FINAL STORES (HFD DO) Supplies	\$143.76
12627511	4114	TULARE COUNTY OFFICE OF EDUCATION Inst'l Consultant	\$34,800.00
12627512	1508	U.S. POSTAL SERVICE (CMRS-POP) Postage	\$3,500.00
<b>Total Amount of All Warrants:</b>			<b>\$428,654.75</b>



**Credit Card Register For Payments**  
**Dated 01/03/2020**

Document Number	Vendor Number	Vendor Name	Amount
14027822	91	AUTOMATED OFFICE SYSTEMS Leases	\$5,018.41
14027823	2461	GAMETIME Grounds Matls	\$1,037.41
14027824	599	GOPHER SPORT Athletic Supplies	\$387.61
14027825	5690	INDOFF INCORPORATED Facilities Matls	\$71.63
14027826	2463	JONES SCHOOL SUPPLY CO. INC. Instl Matls	\$223.46
14027827	806	KINGS COUNTY TROPHY Instl Matls	\$210.21
14027828	4276	LEARNING A-Z Software License	\$1,599.60
14027829	1071	ORIENTAL TRADING CO. INC. Instl Matls	\$126.17

**Total Amount of All Credit Card Payments:****\$8,674.50**



# Warrant Register For Warrants

## Dated 01/10/2020

Warrant Number	Vendor Number	Vendor Name	Amount
12627783	6431	AMAZON.COM Instl Matls/Books	\$2,456.74
12627784	6253	AT&T Telephone	\$105.00
12627785	6859	CENTRAL COAST AQUARIUM Study Trip	\$600.00
12627786	7171	CONN DOORS Repairs	\$1,861.80
12627787	1393	GAS COMPANY Gas	\$4,882.01
12627788	6963	GONZALEZ ARCHITECTS Buildings & Improvements	\$43,901.00
12627789	632	CITY OF HANFORD Water/Sewer	\$18,657.28
12627790	2188	THE HOME DEPOT PRO Warehouse	\$8,604.67
12627791	779	KEENAN & ASSOC. CPIC Health & Welfare	\$5,580.00
12627792	778	KEENAN & ASSOC. MED. EYE SERV. Health & Welfare	\$10,538.03
12627793	5290	KEENAN & ASSOCIATES Other Services	\$3,590.00
12627794	796	KINGS COUNTY OFFICE OF ED Other Services	\$50.00
12627795	7384	LA ESQUITA MI PUEBLO TAQUERIA #2 Leadership Dinner	\$328.36
12627796	7450	JULIA LOFY Mileage	\$22.33
12627797	4629	LOWE'S OF HANFORD Science Matls	\$127.20
12627798	3948	PACIFIC TOWING & TRANSPORT Transportation	\$500.00
12627799	4118	KERRY PIEROTTE Mileage	\$43.73
12627800	7091	ANASTASIA PRISAZNIK Instl Matls	\$97.55
12627801	1188	QUILL LLC Warehouse	\$1,930.81
12627802	1327	SCHOOL SPECIALTY Warehouse	\$1,229.01
12627803	1367	SISC III Health & Welfare	\$592,017.50
12627804	7509	ORATIO SMITH Other Services	\$25.00
12627805	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	\$12,722.42
12627806	4381	STAPLES - BUSINESS ADVANTAGE Instl Matls	\$60.79
12627807	5946	THE HARTFORD Health & Welfare	\$1,245.83
12627808	7347	NICK TOKMAN Inst'l Consultant	\$500.00
12627809	2138	THE TREE HOUSE Warehouse	\$11,395.21
12627810	1506	TWB INSPECTIONS Buildings & Improvements/Land Improvements	\$7,625.00
12627811	1873	ZEE MEDICAL SERVICE CO. First Aid Supplies	\$405.35
<b>Total Amount of All Warrants:</b>			<b>\$731,102.62</b>





**Credit Card Register For Payments**  
**Dated 01/10/2020**

Document Number	Vendor Number	Vendor Name	Amount
14027842	5747	CRISIS PREVENTION INSTITUTE (C Travel & Conf	\$2,180.00
14027843	1466	TERMINIX INTERNATIONAL Pest Control	\$426.00
<b>Total Amount of All Credit Card Payments:</b>			<b>\$2,606.00</b>



**Hanford Elementary School District**  
***Minutes of the Annual Organizational Board Meeting***  
***December 18, 2019***

Minutes of the Annual Organizational Board Meeting of the Hanford Elementary School District Board of Trustees on December 18, 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. Trustees Garcia, Hernandez, and Strickland were present. Trustee Garner was absent.

**HESD Managers Present** Joy C. Gabler, Superintendent, and the following administrators were present: Kristina Baldwin, Lindsey Calvillo, Doug Carlton, Debra Colvard, Kenny Eggert, David Endo, Javier Espindola, Ramiro Flores, Matthew Gamble, David Goldsmith, Lucy Gomez, Lindsay Hastings, Rick Johnston, Jaime Martinez, Karen McConnell, Gerry Mulligan, Jennifer Pitkin, Julie Pulis, Cynthia Pursell, Jill Rubalcava, Cruz Sanchez-Leal and Jay Strickland.

**Closed Session** Trustees adjourned to closed session for the purpose of:

- Student Discipline pursuant to Education Code section 48918

**Open Session** Trustees returned to open session at 5:51 p.m.

**Case #20-05** Trustee Strickland moved to accept the Findings of Facts and expel Case #20-05 at Community Day School for the remainder of trimester two of the 2019-20 school year for violation of Education Code 48900 and/or 48915 as determined by the administrative Panel at hearings held on December 16, 2019. Student may attend their home school (Washington) after March 2, 2020 if student complies with the Plan of Rehabilitation. Trustee Garcia seconded; motion carried 5-0:

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

### **ANNUAL BOARD ORGANIZATION**

Secretary of the Board, Superintendent Gabler, conducted the election of officers for 2020.

**Strickland elected President for 2020** Trustee Revious nominated Trustee Strickland for President of the HESD Board of Trustees. There were no other nominations. Trustee Garcia moved that nominations be closed, Trustee Hernandez seconded, and the motion carried 4-0:

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

Trustees then casted their votes by roll call for Trustee Strickland as President of the Board of Trustees:

Garcia – Yes  
Hernandez – Yes

Revious – Yes

Strickland – Yes

By unanimous vote, Trustee Strickland was elected to serve as 2020 President of HESD Board of Trustees.

**Hernandez  
elected Vice-  
President for  
2020**

Trustee Garcia nominated Trustee Hernandez for Vice-President of the HESD Board of Trustees. There were no other nominations. Trustee Strickland moved that nominations be closed, Trustee Revious seconded, and the motion carried 4-0:

Garcia – Yes

Hernandez – Yes

Revious – Yes

Strickland – Yes

Trustees then casted their vote for Trustee Hernandez as Vice-President of the Board of Trustees:

Garcia – Yes

Hernandez – Yes

Revious – Yes

Strickland – Yes

By unanimous vote, Trustee \_\_\_\_\_ was elected to serve as 2020 Vice-President of HESD Board of Trustees.

**Revious elected  
Clerk for 2020**

Trustee Revious nominated Trustee Garcia for Clerk of the Board of Trustees. Then Trustee Garcia nominated Trustee Revious for Clerk of the Board of Trustees. There were no other nominations. Trustee Strickland moved that nominations be closed, Trustee Hernandez seconded, and the motion carried 4-0:

Garcia – Yes

Hernandez – Yes

Revious – Yes

Strickland – Yes

Trustees then casted their vote for Trustee Revious or Trustee Garcia as Clerk of the Board:

Garcia – Revious

Hernandez – Revious

Revious – Revious

Strickland – Revious

By unanimous vote Trustee Revious was elected to serve as 2020 Clerk for the HESD Board of Trustees.

**Committee  
Appointments**

President Strickland appointed Trustees to serve on the following committees for 2020 as follows:

Budget Committee – Garcia and Hernandez

Kings County School Boards Association – Garner

HESD Educational Foundation – Strickland

Trustee Revious motioned to adopt the appointed Trustees. Trustee Strickland seconded, motion carried 4-0:

Garcia – Yes

Hernandez – Yes  
Revious – Yes  
Strickland – Yes

### **Board Meeting 2020 Calendar**

An amendment was made to the calendar. The November meeting was moved from the 11<sup>th</sup> to the 18<sup>th</sup> because of Veteran's Day Holiday.

Trustee Revious motioned to adopt the Board Meeting Calendar for 2020 with the amendment. Trustee Strickland seconded, motion carried 4-0:

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

### **HESD Highlights**

Superintendent Joy Gabler shared HESD highlights and shout-outs. Some of the highlights included:

- Office Westlund and Office Snodgrass started the *Do The Right Thing Award* recognition program this year which allows our SROs to acknowledge a student(s) for exemplary behavior on a monthly basis. In August, Kylie McKeown from Simas received the award for assisting Kinder and TK students in the cafeteria. In September, the entire flag football team from Hamilton received the award for demonstrating sportsmanship throughout the season. In October, Kassidy Dutra from Simas received the award for her willingness to help whenever needed. In November, Jayleen Chavez and Wylee Barajas from Jefferson received the award for Wreaths Across America project. In December, Xavier & Elijah Valdez from Hamilton received award for finding a \$100 and turning it in.
- Karen McConnell received the Inspirational Leadership Award from the California Department of Education for her continuous and innovative support to the after-school field.
- Mr. Juan Padilla, teacher from Jefferson Academy, made it on the cover of California Educator Magazine Dec 2019/Jan 2020 issue for his work at Jefferson and securing a grant for rolling science labs.
- JFK Band students: Esmeralda Valle and Violeta Campos earned spots on the Tulare/Kings County Honor Band. Violeta earned 1<sup>st</sup> chair.
- WW Band students: Theresa Flores, Khryza Castillo, Bryson Gonzales, Brandon Vasquez, Fernando Medina and Eduardo Mendoza also made it to the Tulare/Kings County Honor Band. Fernando and Eduardo earned 1<sup>st</sup> chair.
- Jefferson Academy: Jayleen Chavez and Wylee Barajas collected donations for Wreaths Across America as part of the 4 - H Emerald Star Project. They had a goal of collecting 800 wreaths but exceeded that goal and got over 1,100 wreaths to be place at our local cemetery.
- Congratulations to Jefferson Academy for receiving the 2020 California Distinguished School Award.

Trustee Garcia thanked Trustee Revious for serving as the President to the Board for 2019. He also thanked everyone for their hard work.

Trustee Revious stated they couldn't do what they do without the work of the staff. He looks forward to the future.

**Winter Reception** At 6:15 p.m. the Board of Trustees took a break for the Winter Reception. Trustees returned to open session at t 6:37 p.m.

### **PRESENTATIONS, REPORTS AND COMMUNICATIONS**

**Public Comments** April Silva, HETA President, stated she was coming to the Board to talk about Resolution #15-20. They believe education tutors and bilingual aids will help teachers and students that need support. They need extra support in the kinder classrooms. She continued stating it is hard for the teachers that are in the classroom. They understand the students are not able to be suspended from the classrooms, but their behavior is out of control and instruction gets interrupted. As a District we need to find alternatives and ways to deal with this issue.

**Board and Staff Comments** Trustee Revious stated the teachers have been the priority and will continue to be the priority and the Board has always been committed to the staff. Superintendent Joy Gabler added we are working with the union to address needs and concerns. Trustee Garcia added he has been on both sides and understands where she is coming from. The Board is here to help everyone. April stated they just want to be open to other solutions. Trustee Strickland added the Board works with the staff and Superintendent. Trustee Hernandez asked if they are requesting more assistance in the classroom. April answered yes, additional aides in the classroom. All teachers need help, but kindergarten is the main one. April stated, this resolution is to release 9 aides, but we want more help. Jaime Martinez added the resolution on the agenda is not releasing actual people or aides. These spots have been vacant as school sites moved away from using education tutors as academic intervention support and they are not the same as classroom aides. This is not eliminating actual people. Trustee Strickland asked if they have budgeted for these positions and time. Jaime answered no, they have been vacant for years. Jaime Martinez added, the sites work with Doug Carlton's office on how they want to allocate their funds. Administrative representatives, teacher representatives and parent representatives vote on the site plan through School Site Council. They made sure they were not eliminating people. Trustee Strickland asked if they could put them as classroom aides. David Endo answered that must go through Doug's office. Doug stated those positions were not to support behavior and the use Title 1 funds require Title 1 compliant job descriptions. Doug added, the District has a social worker, counselors, student specialists and phycologists to address behavioral concerns. Kerry Pierotte added education tutors do help with academics. Karen McConnell commented on the placement of the aides with the most fragile learners and the lack of student academic growth. Trustee Garcia stated he appreciated their passion. Trustee Strickland added it is a process and the Board appreciates the input. It is a State-wide issue. Let's work on it together and stay positive

**Requests to Address the Board** None

**Dates to Remember** President Strickland reviewed dates to remember: Winter Break starts December 23<sup>rd</sup> through January 10<sup>th</sup>; Regular Board meeting on January 22<sup>nd</sup>; and Martin Luther King Holiday on January 17<sup>th</sup>.

## CONSENT ITEMS

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

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

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

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

The items approved are as follows:

- a) Warrant listings dated November 8, 2019; November 15, 2019; November 22, 2019 December 2, 2019 and December 06, 2019.
- b) Minutes of Regular Board Meeting held on November 13, 2019.
- c) Interdistrict transfers as recommended.
- d) Donation of \$1,489.00 from Jefferson Parent Teacher Club.
- e) Donation of \$500.00 from Pistachios & Almonds and Wonderful Giving.
- f) Donation of \$6,750.00 from HESD Educational Foundation.

Trustee Revious acknowledged the donors.

## INFORMATION ITEMS

**Budget Calendar 2020/21** David Endo, Chief Business Official, presented for information the Budget Calendar for the 2020-2021 budget.

**Classified Employee Summer Assistance Program** David Endo, Chief Business Official, presented for information the Classified Employee Summer Assistance Program. The program was created in the 2018-19 budget to provide one-time wages to classified employees during the summer that are not 12-month employees. There are 36 million dollars available this year but may not be dollar for dollars and funds may not be seen till the summer. The district will have to do payroll taxes on the program. The district will participate again this year as it is a good benefit for our classified employees.

**Financial Report 7/1/19-11/30/19** David Endo, Chief Business Official, presented for information the monthly financial reports for the period of 07/01/2019-11/30/2019.

**AR 4156.4** Karen McConnell, Assistant Superintendent to Special Services, presented for information the following revised Administrative Regulation:

- AR 4156.4 – Use of District or Personal Automobiles

**BP/AR 6175** Lucy Gomez, Director of Curriculum, presented for information the following revised Board Policy and Administrative Regulation:

- BP/AR 6175 – Migrant Education Program



## **BOARD POLICIES AND ADMINISTRATION**

- Washington Modernization Project** Trustee Revious made a motion to approve the Washington Modernization Project. Trustee Hernandez seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- TWB Inspections Agreement** Trustee Garcia made a motion to approve the inspection services agreement with TWB Inspections to oversee the Washington Modernization Project. Trustee Revious seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- Lincoln Modernization Project Bids** Trustee Revious made a motion to approve the solicitation of bids for the Lincoln Modernization Project. Trustee Hernandez seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- Mangini Associates, Inc. Agreement** Trustee Revious made a motion to approve the architectural services agreement with Mangini Associates, Inc. for the new parking lot at Monroe. Trustee Hernandez seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- Resolution #15-20** Jaime Martinez, Assistant Superintendent to Human Resources, stated by adopting this resolution it will not impact any actual employee and will not impact staffing for the years to come.  
  
Trustee Revious made a motion to adopt Resolution #15-20: Reduction in Classified Services for the 2019-20 School Year. Trustee Hernandez seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- BP/AR 1312.3** Trustee Hernandez made a motion to approve the Board Policy and Administrative Regulation 1312.3 – Uniform Complaint Procedures. Trustee Revious seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

- AR/E 1312.4** Trustee Hernandez made a motion to approve the following revised Administrative Regulation and Exhibit 1312.4 – William Uniform Complaint Procures. Trustee Revious seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- E 5145.6** Trustee Revious made a motion to approve the following revised Exhibit 5145.6 – Parental Notifications. Trustee Hernandez seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- AR 1220** Trustee Hernandez made a motion to approve the revised Administrative Regulation 1220 – Citizen Advisory Committees. Trustee Garcia seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- AR 1340** Trustee Hernandez made a motion to approve the revised Administrative Regulation 1340 – Access to District Records. Trustee Garcia seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- BB/E 9323.2** Trustee Revious made a motion to approve the revised Board Policy and Exhibit 9323.2 – Actions by the Board. Trustee Hernandez seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- BB 9324** Trustee Hernandez made a motion to approve the revised Board Bylaw 9324 – Minutes and Recordings. Trustee Revious seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- AR 5125.2** Trustee Revious made a motion to approve the revised Administrative Regulation 5125.2 – Withholding Grades, Diploma and Transcripts. Trustee Hernandez seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

- AR 5113** Trustee Hernandez made a motion to approve the revised Administrative Regulation 5113 – Absences and Excuses. Trustee Garcia seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- AR 5131.41** Trustee Garcia made a motion to approve the revised Administrative Regulation 5131.41 – Use of Seclusion and Restraint. Trustee Hernandez seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes
- AR 6173.2** Trustee Garcia made a motion to approve the revised Administrative Regulation 6173.2 – Education of Children of Military Families. Trustee Revious seconded; motion carried 4-0:  
Garcia – Yes  
Hernandez – Yes  
Revious – Yes  
Strickland – Yes

## PERSONNEL

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

- Garcia – Yes
- Hernandez – Yes
- Revious – Yes
- Strickland – Yes

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

- Garcia – Yes
- Hernandez – Yes
- Revious – Yes
- Strickland – Yes

The following items were approved:

### ***Item “a” – Employment***

#### Classified

- Ana Gomez, READY Program Tutor – 4.5 hrs., Simas, effective 11/22/19
- Steven Morales, Groundskeeper II – 8.0 hrs., Grounds/DSF, effective 12/9/19

#### Temporary Employees/Substitutes/Yard Supervisors

- Ashley Acle, Substitute Clerk Typist II, effective 11/13/19
- Oscar Barron, Short-term Licensed Vocational Nurse – 6.0 hrs., King, effective 12/2/19 to 12/16/19
- Kristin Brieno, Substitute READY Program Tutor, effective 11/18/19
- Sylvia Foreman, Short-term Special Education Aide – 5.0 hrs., Washington, effective 11/12/19 to 12/20/19
- Carolina Munoz Gomez, Short-term READY Program Tutor – 4.5 hrs., Richmond, effective 11/12/19 to 12/20/19

- Cynthia Gonzalez, Short-term Yard Supervisor – 3.0 hrs., Simas, effective 11/12/19 to 12/20/19
- Roxanna Hernandez, Substitute Translator: Oral Interpreter and Written Translator, effective 11/22/19
- Judie Morgan, Substitute Yard Supervisor, effective 11/21/19
- Alberto Ordonez, Short-term Media Services Aide – 5.5 hrs., Wilson, effective 12/9/19 to 2/28/20
- Richard Perez Jr., Substitute READY Program Tutor, effective 12/2/19
- Dana Raulino, Substitute Yard Supervisor, effective 11/12/19

Yard Supervisors

- Cynthia Gonzalez, Yard Supervisor – 3.0 hrs., Simas, effective 12/6/19
- Sara Lira, Yard Supervisor – 1.5 hrs., King, effective 12/2/19
- Charmon Valenzuela, Yard Supervisor – 1.0 hr., King, effective 12/9/19

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

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

- Rachel Castellanos, 4-6 Grade Girls Basketball Coach, Roosevelt, effective 11/18/19 to 2/27/20
- Santiago Covarrubias Jr., 8th Grade Boys Soccer Coach, Kennedy, effective 11/18/19 to 2/13/20
- Patricia Diaz, Folkloric Dance Coach, Jefferson, effective 1/21/20 to 3/1/20
- Jose Guillen Leon, 7th Grade Boys Soccer Coach, Wilson, effective 12/2/19 to 2/13/20
- Alberto Ordonez, Junior Legos Coach, Jefferson, effective 1/21/20 to 3/1/20
- Michael Quinones, 4-6 Boys Basketball Coach, Washington, effective 11/18/19 to 2/27/20
- Eugene Reyes, 7-8 Grade Boys/Girls Wrestling Coach, Wilson, effective 11/12/19 to 2/8/20
- Julius Rojas, 4-6 Girls Basketball Coach, Lincoln, effective 11/18/19 to 2/27/20
- Raymond Ruiz, 7-8 Grade Boys/Girls Wrestling Coach, Kennedy, effective 11/12/19 to 2/8/20
- Jesus Garcia Vargas, 8th Grade Boys Soccer Coach, Wilson, effective 11/12/19 to 2/13/20

***Item "c" –  
Resignations***

- Ana Gomez, READY Program Tutor – 4.5 hrs., Richmond, effective 11/6/19
- Judie Morgan, Bus Driver – 4.5 hrs., Transportation/DSF, effective 12/13/19
- Tagen Ormonde, Teacher, Simas, effective 12/20/19
- Rachel Shimmin, READY Program Tutor – 4.5 hrs., Simas, effective 11/19/19

***Item "d" –  
Termination due  
to Failure to  
Respond***

- Dorcel Boyd, Substitute Clerk Typist I, READY Program Tutor, Special Education Aide, and Yard Supervisor, effective 5/3/18
- Cesar Calvillo Calderon, Substitute Groundskeeper II, effective 1/11/19
- Ricardo Cuevas, Substitute Computer Maintenance Technician, effective 1/23/19
- Brian Gutierrez, Substitute Custodian I, effective 9/20/18
- Ruben Gutierrez, Substitute Custodian I, effective 10/15/18
- Jesus Ornelas Gutierrez, Substitute Groundskeeper II, effective 11/16/18
- Robert Higdon, Substitute Maintenance Worker II, Warehouse/ Reprographics and Mail Technician, effective 10/4/16
- Lauren Magpayo, Substitute READY Program Tutor, effective 4/27/18
- Justin Miranda, Substitute Custodian II and Groundskeeper II, effective 10/12/18
- Henry Miranda, Substitute Yard Supervisor, effective 4/4/18
- Nalleli Pelayo, Substitute READY Program Tutor, Translator: Oral Interpreter, and Written Translator, effective 12/21/18

- Destiny Ramirez, Substitute Babysitter, READY Program Tutor, and Yard Supervisor, effective 8/27/18
- Jason Rose, Substitute Groundskeeper I, effective 8/8/18
- John Schray III, Substitute Food Service Worker I/II and Yard Supervisor, effective 5/14/18

***Item “e” –  
Retirements***

- Gary Pereira, Delivery Worker: Mail and Material – 8.0 hrs., Warehouse/DSF, effective 12/30/19

***Item “f” – More  
Hours***

- Jennifer Aguirre, Yard Supervisor, from 2.0 hrs. to 2.5 hrs., Roosevelt, effective 11/18/19
- Angela Corona, Yard Supervisor, from 3.0 hrs. to 3.5 hrs., Roosevelt, effective 11/18/19
- Denise Davis, Yard Supervisor, from 1.5 hrs. to 2.0 hrs., Roosevelt, effective 11/18/19

***Item “g” –  
Administrative  
Transfer***

- Jessica Bateman, READY Program Tutor – 4.5 hrs., from Simas to Richmond, effective 12/2/19

***Item “h” –  
Voluntary  
Reduction in  
Hours***

- Valarie Casarez, Yard Supervisor, from 2.5 hrs. to 1.0 hr., Roosevelt, effective 11/18/19

***Item “i” –  
Temporary Out of  
Class***

- Paul Borges, from Bus Driver/Service Worker – 8.0 hrs., to Mechanic – 8.0 hrs., Transportation/DSF, effective 11/4/19 to 12/6/19
- Kimberly Carrera, from READY Program Tutor – 4.5 hrs., to READY Site Lead – 5.0 hrs., Richmond, effective 11/6/19 to 12/20/19

***Item “j” –  
National  
University  
Agreement***

- Consider approval of an Internship Credential Program Agreement with National University
- Authorize agreement to enter into an Internship Credential Program Agreement between Hanford Elementary School District and National University effective November 22, 2019.

***Item “k” – Leave  
of Absence***

- Raquel Villarino, Teacher, King, effective 12/2/19 to 3/13/20, parental bonding

***Item “l” –  
Volunteers***

<u>Name</u>	<u>School</u>
Lydia Aldana	Hamilton
Alicia Clayhunter	Hamilton
Maribel Solorzano	Hamilton
Cassandra Wells	Hamilton
Marlyn Chang (HESD Employee)	Jefferson
Frances David	Jefferson
India Sigle	Kennedy
Corrina Bursiaga	Lincoln
Rebecca Hyde	Lincoln
Keisha Magana Aiken	Monroe
Angelique Goldston	Richmond
Natalie Zabala	Richmond
Olga Contreras (Cruz-Rumbo)	Roosevelt
Rosario Patino	Roosevelt

Lindsay Barron Johnson	Simas
Jovanna Duran	Simas
Sonia Ramirez (HESD Employee)	Simas
Marielena Vega	Washington

## **FINANCIAL**

**Certification of Signatures** Trustee Garcia made a motion to approval the certification of signatures. Trustee Revious seconded; motion carried 4-0:

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

**Kings County Treasurers Quarterly Compliance Report** Trustee Garcia made a motion to approval the Kings County Treasurer's Quarterly Compliance Report. Trustee Hernandez seconded; motion carried 4-0:

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

**Electric Buses Bid** Trustee Revious made a motion to approval the award of the Electric Buses Bid. Trustee Garcia seconded; motion carried 4-0:

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

**Resolution #16-20** Trustee Garcia made a motion to adopt the Resolution #16-20: which allows the District to apply for funding from the Volkswagen Mitigation Trust Fund. Trustee Revious seconded; motion carried 4-0:

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

**Adjournment** There being no further business, President Strickland adjourned the meeting at 7:22 p.m.

Respectfully submitted,

Joy C. Gabler,  
Secretary to the Board of Trustees

Approved:

\_\_\_\_\_  
Greg Strickland, President

\_\_\_\_\_  
Timothy Revious, Clerk

No	A/D	Sch Req'd	Home Sch	Date
I-205	A	Simas	Pioneer	1/13/2020
I-206	A	Jefferson	Pioneer	1/13/2020
I-207	A	Jefferson	Pioneer	1/13/2020
I-208	A	Jefferson	Pioneer	1/13/2020
I-209	D	Kennedy	Lemoore	1/13/2020

No	A/D	Sch Req'd	Home Sch	Date
O-156	A	Kit Carson	Lincoln	1/13/2020
O-157	A	Kit Carson	Lincoln	1/13/2020
O-158	A	Kit Carson	Lincoln	1/13/2020

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: Cynthia Pursell

DATE: 12/17/2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:** Donation of 60 toys for students at Lincoln**PURPOSE:** Accept donation from Fresno CHP**FISCAL IMPACT:****RECOMMENDATIONS:** Action to approve



## HANFORD ELEMENTARY SCHOOL DISTRICT

## AGENDA REQUEST FORM

**TO:** Joy C. Gabler

**FROM:** Gerry Mulligan *GM*

**DATE:** January 13, 2020

**FOR:** ☒ Board Meeting  
☐ Superintendent's Cabinet

**FOR:** ☐ Information  
☒ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:**

Accept donation of 105 assorted reams of bond, cardstock and NCR paper from Adventist Health.

**PURPOSE:**

Adventist Health has donated 105 assorted reams of bond, cardstock and NCR paper to Hanford Elementary School District.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

Accept donation.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Board of Trustees

FROM: Joy C. Gabler

DATE: 01/13/2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/22/2020

**ITEM:**

Consider approval of donation in the amount of \$1,000 from Mangini Associates.

**PURPOSE:**

Mangini Associates has donated \$1,000 to District.

**FISCAL IMPACT:**

Revenue would increase accordingly.

**RECOMMENDATIONS:**

Accept the donation.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Board of Trustees

FROM: Joy C. Gabler

DATE: January 13, 2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☒ Information  
☐ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:** Quarterly report (10/1/19 – 12/31/19) 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 2019-20 school year there were no Williams Uniform Complaints filed.

**FISCAL IMPACT:** None

**RECOMMENDATIONS:** None

# 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: 2019-2020

Date for information to be reported publicly at governing board meeting: January 22, 2020

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
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>

Joy C. Gabler

Print Name of District Superintendent

Signature of District Superintendent

Date

Please submit to: Genevieve Almanzar  
 Kings County Office of Education  
 Williams Compliance  
 (559) 589-7035  
[genevieve.almanzar@kingscoe.org](mailto:genevieve.almanzar@kingscoe.org)

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/13/2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☒ Information  
☐ Action

Date you wish to have your item considered: 01/22/2020

**ITEM:**

Receive for information monthly financial reports for the period of 07/01/2019-12/31/2019.

**PURPOSE:**

Attached are financial summaries for all of the District's funds for the period of 07/01/2019-12/31/2019.

**FISCAL IMPACT:**

The financial reports are informational only.

**RECOMMENDATIONS:**

Receive the monthly financial reports.

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

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Fund: 0100 General Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$12,645,653.88	\$12,844,832.80		
<b>REVENUES</b>						
1) LCFF Sources	8010-8099	\$4,578,406.00	\$24,225,328.54	\$62,578,909.00	38.71	61.29
2) Federal Revenues	8100-8299	\$1,431.52	\$950,901.27	\$3,925,993.00	24.22	75.78
3) Other State Revenues	8300-8599	\$292,824.00	\$1,425,793.70	\$6,404,378.60	22.26	77.74
4) Other Local Revenues	8600-8799	\$154,382.14	\$897,387.88	\$2,915,890.00	30.78	69.22
<b>5) Total, Revenues</b>		<b>\$5,027,043.66</b>	<b>\$27,499,411.39</b>	<b>\$75,825,170.60</b>	<b>36.27</b>	<b>63.73</b>
<b>EXPENDITURES</b>						
1) Certificated Salaries	1000-1999	\$2,775,005.29	\$13,929,802.41	\$30,771,755.00	45.27	54.73
2) Classified Salaries	2000-2999	\$1,071,461.64	\$5,836,706.44	\$12,132,522.00	48.11	51.89
3) Employee Benefits	3000-3999	\$1,507,466.55	\$7,433,085.84	\$19,417,978.00	38.28	61.72
4) Books and Supplies	4000-4999	\$194,431.78	\$1,230,245.29	\$3,715,347.24	33.11	66.89
5) Services, Oth Oper Exp	5000-5999	\$261,823.88	\$2,518,537.87	\$5,454,161.28	46.18	53.82
6) Capital Outlay	6000-6999	\$35,156.87	\$751,788.77	\$2,424,729.09	31.01	68.99
7) Other Outgo(excl. 7300`s)	7100-7499	(\$63,392.81)	\$405,105.19	\$1,547,955.00	26.17	73.83
8) Direct/Indirect Support	7300-7399	\$0.00	\$0.00	(\$157,000.00)	0.00	100.00
<b>9) Total Expenditures</b>		<b>\$5,781,953.20</b>	<b>\$32,105,271.81</b>	<b>\$75,307,447.61</b>	<b>42.63</b>	<b>57.37</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
B) Transfers Out	7610-7629	\$292,824.00	\$565,050.00	\$857,464.00	65.90	34.10
3) Contributions	8980-8999	\$0.00	\$0.00	\$0.00	0.00	100.00
<b>4) Total, Other Financing Sources/Uses</b>		<b>(\$292,824.00)</b>	<b>(\$565,050.00)</b>	<b>(\$857,464.00)</b>	<b>65.90</b>	<b>34.10</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>(\$1,047,733.54)</b>	<b>(\$5,170,910.42)</b>	<b>(\$339,741.01)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$7,474,743.46</b>	<b>\$12,505,091.79</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

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Fund: 0900 Charter Schools Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$200,875.92	\$1,697.00		
<b>REVENUES</b>						
1) LCFF Sources	8010-8099	\$27,473.00	\$27,473.00	\$0.00	0.00	100.00
3) Other State Revenues	8300-8599	\$0.00	\$3,036.44	\$0.00	0.00	100.00
4) Other Local Revenues	8600-8799	\$0.00	\$2,536.31	\$0.00	0.00	100.00
<b>5) Total, Revenues</b>		<b>\$27,473.00</b>	<b>\$33,045.75</b>	<b>\$0.00</b>	<b>0.00</b>	<b>100.00</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$27,473.00</b>	<b>\$33,045.75</b>	<b>\$0.00</b>		
<b>ENDING FUND BALANCE</b>			<b>\$233,921.67</b>	<b>\$1,697.00</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

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Fund: 1300 Cafeteria Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$1,652,016.26	\$1,652,016.26		
<b>REVENUES</b>						
2) Federal Revenues	8100-8299	\$420,253.17	\$1,072,345.38	\$3,462,604.00	30.97	69.03
3) Other State Revenues	8300-8599	\$31,406.75	\$78,948.62	\$236,668.00	33.36	66.64
4) Other Local Revenues	8600-8799	\$6,505.23	\$53,639.84	\$147,680.00	36.32	63.68
<b>5) Total, Revenues</b>		<b>\$458,165.15</b>	<b>\$1,204,933.84</b>	<b>\$3,846,952.00</b>	<b>31.32</b>	<b>68.68</b>
<b>EXPENDITURES</b>						
2) Classified Salaries	2000-2999	\$100,843.96	\$548,430.81	\$1,175,216.00	46.67	53.33
3) Employee Benefits	3000-3999	\$38,514.31	\$194,109.94	\$452,132.00	42.93	57.07
4) Books and Supplies	4000-4999	\$243,720.87	\$879,694.39	\$1,914,991.00	45.94	54.06
5) Services, Oth Oper Exp	5000-5999	\$4,080.64	(\$1,555.73)	(\$22,098.00)	7.04	92.96
6) Capital Outlay	6000-6999	\$0.00	\$89,780.18	\$235,000.00	38.20	61.80
8) Direct/Indirect Support	7300-7399	\$0.00	\$0.00	\$157,000.00	0.00	100.00
<b>9) Total Expenditures</b>		<b>\$387,159.78</b>	<b>\$1,710,459.59</b>	<b>\$3,912,241.00</b>	<b>43.72</b>	<b>56.28</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$71,005.37</b>	<b>(\$505,525.75)</b>	<b>(\$65,289.00)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$1,146,490.51</b>	<b>\$1,586,727.26</b>		



13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

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Fund: 1400 Deferred Maintenance Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$16,440.74	\$16,440.74		
<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	\$1,404.46	\$4,000.00	35.11	64.89
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$301,404.46</b>	<b>\$304,000.00</b>	<b>99.15</b>	<b>0.85</b>
<b>EXPENDITURES</b>						
6) Capital Outlay	6000-6999	\$38.75	\$32,708.33	\$320,440.74	10.21	89.79
<b>9) Total Expenditures</b>		<b>\$38.75</b>	<b>\$32,708.33</b>	<b>\$320,440.74</b>	<b>10.21</b>	<b>89.79</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>(\$38.75)</b>	<b>\$268,696.13</b>	<b>(\$16,440.74)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$285,136.87</b>	<b>\$0.00</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

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Fund: 1500 Pupil Transportation Equip

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$253,505.17	\$253,505.17		
<b>REVENUES</b>						
3) Other State Revenues	8300-8599	\$0.00	\$0.00	\$1,648,163.00	0.00	100.00
4) Other Local Revenues	8600-8799	\$0.00	\$1,760.82	\$5,000.00	35.22	64.78
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$1,760.82</b>	<b>\$1,653,163.00</b>	<b>0.11</b>	<b>99.89</b>
<b>EXPENDITURES</b>						
6) Capital Outlay	6000-6999	\$0.00	\$0.00	\$2,006,668.17	0.00	100.00
<b>9) Total Expenditures</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,006,668.17</b>	<b>0.00</b>	<b>100.00</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>\$101,760.82</b>	<b>(\$253,505.17)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$355,265.99</b>	<b>\$0.00</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

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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		\$5,508,018.03	\$5,508,018.03		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$27,874.69	\$95,000.00	29.34	70.66
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$27,874.69</b>	<b>\$95,000.00</b>	<b>29.34</b>	<b>70.66</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
A) Transfers In	8910-8929	\$292,824.00	\$465,050.00	\$757,464.00	61.40	38.60
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$292,824.00</b>	<b>\$465,050.00</b>	<b>\$757,464.00</b>	<b>61.40</b>	<b>38.60</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$292,824.00</b>	<b>\$492,924.69</b>	<b>\$852,464.00</b>		
<b>ENDING FUND BALANCE</b>			<b>\$6,000,942.72</b>	<b>\$6,360,482.03</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

1/8/2020 8:47:53AM

Fund: 2100 Building Fund-Local

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$49,829.57	\$49,829.57		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$312.42	\$6,000.00	5.21	94.79
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$312.42</b>	<b>\$6,000.00</b>	<b>5.21</b>	<b>94.79</b>
<b>EXPENDITURES</b>						
6) Capital Outlay	6000-6999	\$0.00	\$0.00	\$0.00	0.00	100.00
<b>9) Total Expenditures</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00</b>	<b>100.00</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$14,163.00	\$55,829.57	25.37	74.63
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$0.00</b>	<b>(\$14,163.00)</b>	<b>(\$55,829.57)</b>	<b>25.37</b>	<b>74.63</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>						
		<b>\$0.00</b>	<b>(\$13,850.58)</b>	<b>(\$49,829.57)</b>		
<b>ENDING FUND BALANCE</b>						
			<b>\$35,978.99</b>	<b>\$0.00</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

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 1/8/2020 8:47:53AM

Fund: 2110 Building Funds - Local 1

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$7,478,537.91	\$7,478,537.91		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$40,687.50	\$150,000.00	27.13	72.88
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$40,687.50</b>	<b>\$150,000.00</b>	<b>27.13</b>	<b>72.88</b>
<b>EXPENDITURES</b>						
6) Capital Outlay	6000-6999	\$0.00	\$0.00	\$0.00	0.00	100.00
<b>9) Total Expenditures</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00</b>	<b>100.00</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$0.00	\$6,114,321.31	0.00	100.00
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$6,114,321.31)</b>	<b>0.00</b>	<b>100.00</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$0.00</b>	<b>\$40,687.50</b>	<b>(\$5,964,321.31)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$7,519,225.41</b>	<b>\$1,514,216.60</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

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 1/8/2020 8:47:53AM

Fund: 2120 Building Funds - Local 2

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$0.00	\$0.00	0.00	100.00
5) Total, Revenues		<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>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		
<b>ENDING FUND BALANCE</b>						
			<b>\$0.00</b>	<b>\$0.00</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

1/8/2020 8:47:53AM

Fund: 2500 CapitalFacilities Fund

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$614,871.58	\$614,871.58		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$7,888.45	\$55,933.41	\$206,000.00	27.15	72.85
<b>5) Total, Revenues</b>		<b>\$7,888.45</b>	<b>\$55,933.41</b>	<b>\$206,000.00</b>	<b>27.15</b>	<b>72.85</b>
<b>EXPENDITURES</b>						
5) Services, Oth Oper Exp	5000-5999	\$0.00	\$152,840.00	\$165,000.00	92.63	7.37
<b>9) Total Expenditures</b>		<b>\$0.00</b>	<b>\$152,840.00</b>	<b>\$165,000.00</b>	<b>92.63</b>	<b>7.37</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$0.00	\$600,000.00	0.00	100.00
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$600,000.00)</b>	<b>0.00</b>	<b>100.00</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>						
		<u>\$7,888.45</u>	<u>(\$96,906.59)</u>	<u>(\$559,000.00)</u>		
<b>ENDING FUND BALANCE</b>						
			<u>\$517,964.99</u>	<u>\$55,871.58</u>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

Page 11 of 13  
 1/8/2020 8:47:53AM

Fund: 3500 SCHOOL FACILITY PROGRAM

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$418,075.43	\$418,075.43		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$2,692.83	\$10,000.00	26.93	73.07
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$2,692.83</b>	<b>\$10,000.00</b>	<b>26.93</b>	<b>73.07</b>
<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	\$563,780.90	\$1,867,566.93	\$8,791,134.78	21.24	78.76
<b>9) Total Expenditures</b>		<b>\$563,780.90</b>	<b>\$1,867,566.93</b>	<b>\$8,791,134.78</b>	<b>21.24</b>	<b>78.76</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
A) Transfers In	8910-8929	\$250,000.00	\$1,822,878.59	\$8,367,821.60	21.78	78.22
<b>4) Total, Other Financing Sources/Uses</b>		<b>\$250,000.00</b>	<b>\$1,822,878.59</b>	<b>\$8,367,821.60</b>	<b>21.78</b>	<b>78.22</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>						
		<u>(\$313,780.90)</u>	<u>(\$41,995.51)</u>	<u>(\$413,313.18)</u>		
<b>ENDING FUND BALANCE</b>						
			<u>\$376,079.92</u>	<u>\$4,762.25</u>		



13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

Page 12 of 13  
 1/8/2020 8:47:53AM

Fund: 4000 Special Reserve - Capital Outlay

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$3,275,630.82	\$3,275,630.82		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$0.00	\$15,057.32	\$11,000.00	136.88	(36.88)
<b>5) Total, Revenues</b>		<b>\$0.00</b>	<b>\$15,057.32</b>	<b>\$11,000.00</b>	<b>136.88</b>	<b>(36.88)</b>
<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	\$0.00	\$72,876.96	\$91,773.00	79.41	20.59
<b>9) Total Expenditures</b>		<b>\$0.00</b>	<b>\$72,876.96</b>	<b>\$91,773.00</b>	<b>79.41</b>	<b>20.59</b>
<b>OTHER FINANCING SOURCES/USES</b>						
1) Transfers						
B) Transfers Out	7610-7629	\$250,000.00	\$1,808,715.59	\$1,597,670.72	113.21	(13.21)
<b>4) Total, Other Financing Sources/Uses</b>		<b>(\$250,000.00)</b>	<b>(\$1,808,715.59)</b>	<b>(\$1,597,670.72)</b>	<b>113.21</b>	<b>(13.21)</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>(\$250,000.00)</b>	<b>(\$1,866,535.23)</b>	<b>(\$1,678,443.72)</b>		
<b>ENDING FUND BALANCE</b>			<b>\$1,409,095.59</b>	<b>\$1,597,187.10</b>		

13 Hanford Elementary School District  
 Fiscal Year: 2020  
 Requested by dendo

## Fiscal Position Report

December 2019

Page 13 of 13  
 1/8/2020 8:47:53AM

Fund: 6720 Self-Insurance/Other

		December Amount	YTD Amount	Revised Budget	% of Budget	% Remain
<b>BEGINNING BALANCE</b>						
Net Beginning Balance	9791-9795		\$476,891.50	\$476,891.50		
<b>REVENUES</b>						
4) Other Local Revenues	8600-8799	\$1,279.11	\$219,309.77	\$720,000.00	30.46	69.54
<b>5) Total, Revenues</b>		<b>\$1,279.11</b>	<b>\$219,309.77</b>	<b>\$720,000.00</b>	<b>30.46</b>	<b>69.54</b>
<b>EXPENDITURES</b>						
5) Services, Oth Oper Exp	5000-5999	(\$16,265.21)	\$263,885.77	\$711,500.00	37.09	62.91
<b>9) Total Expenditures</b>		<b>(\$16,265.21)</b>	<b>\$263,885.77</b>	<b>\$711,500.00</b>	<b>37.09</b>	<b>62.91</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>\$17,544.32</b>	<b>(\$44,576.00)</b>	<b>\$8,500.00</b>		
<b>ENDING FUND BALANCE</b>			<b>\$432,315.50</b>	<b>\$485,391.50</b>		

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

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 2, 2020

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☒ Information  
☐ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:** Receive for information a report from the District Parent Advisory Committee for the meeting held on December 10, 2019 (For PAC Meeting #1)

**PURPOSE:** The PAC advises the board on the educational programs and services included in the Local Control Accountability Plan.

**FISCAL IMPACT:** PAC is a requirement of the Local Control Funding Formula.

# Hanford Elementary School District

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Hanford Elementary School District (HESD)  
Parent Advisory Committee  
Report to the Board of Trustees

Date of Meeting: December 10, 2019  
Starting Time: 9:00 a.m. to 10:30 a.m.  
Location: District Office Board Room, 714 N. White Street

Purpose of the Meeting: To consult, review, and comment on the Hanford Elementary Local Control Accountability Plan.

---

The Parent Advisory Committee received information on the following topics:

- The Local Control Accountability Plan (LCAP)
  - Overview of the Local Control Accountability Plan (LCAP) including the LCFF, the Eight State Priorities, and the district's goals and expected outcomes.
  - Overview of services and programs for students in the LCAP.
- The California School Dashboard
  - Overview of the California School Dashboard including state and local indicators.
  - Hanford Elementary School District's performance on the State Indicators for ELA, math, and EL progress.

The Parent Advisory Committee made the following recommendations:

- Identify groups of students, especially high-risk students, who are improving and replicate strategies and supports that were given to these students to other high-risk student groups.
- Increase services for at risk students and/or student groups including after school tutoring and enrichment programs.
- Support parent awareness of available interventions, enrichment and support using Remind, the district website, and other communication tools, ensuring families can make use of available resources.

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

TO: Joy Gabler

FROM: Lucy Gomez

DATE: January 2, 2020

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☒ Information  
☐ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:** Receive for information a report from the District English Learner Advisory Committee for the meeting held on December 12, 2019. (For DELAC Meeting #1)

**PURPOSE:** The DELAC advises the board on the educational programs and services for English Learners.

**FISCAL IMPACT:** DELAC is a requirement of the Local Control Funding Formula and for Federal Title I, II, and III programs.

# Hanford Elementary School District

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## Hanford Elementary School District (HESD) District English Learner Advisory Committee Report to the Board of Trustees

Date of Meeting: December 12, 2019  
 Starting Time: 9:00 a.m. to 10:30 a.m.  
 Location: District Office Board Room, 714 N. White Street

Purpose of the Meeting: Purpose of the Meeting: To advise the board on conducting a district-wide needs assessment on a school by school basis; to provide appropriate training materials and training, planned in full consultation with committee members, to assist members in carrying out their legal advisory responsibilities; to assist in the development of an LEA master plan, including policies guiding consistent implementation of EL educational programs and services that takes into consideration the SPSAs.

---

The DELAC received information on the following topics:

- Review HESD Parent Involvement Policy (BP/AR 6020)
- The School Family Compact
- The California School Dashboard:
  - The Academic Indicators in ELA and mathematics for English Learners
  - The English Learner Progress Indicator (ELPI)
- The District's Programs and Services for English Learners

The DELAC Made the Following Recommendations:

- Continue to implement BP/AR 6020 (Parent Involvement) as written
- Continue to implement the School Family Compact as Written

Regarding the California School Dashboard, the DELAC Made the Following Recommendations:

- Because students who have been reclassified outperform most other student groups, work to identify the types of supports and services that students who have been reclassified received, and expand or extend these services to other student groups, especially EL students.
- Work to identify the types of support and the strategies that are used by the families of students who have been reclassified, and provide outreach, training, and support to the families of EL students so that they may support their students in similar ways.
- Emphasize the academic language required for proficiency in mathematics and provide instruction and support to EL students that supports understanding, reasoning, spoken, and written expressions.

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

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 2, 2020

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☒ Information  
☐ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:**

Receive information on State Indicators from the California School Dashboard

- Test Scores in ELA and Math
- English Learner Progress
- 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.

# California School Dashboard

January 22, 2020



# California School Dashboard

The California School Dashboard is comprised of both *Local Indicators* and *State Indicators*

## Local Indicators

- Implementation of State Standards
- Access to a Broad Course of Study
- *Teacher Credentialing, Instructional Materials, Facilities*
- Parent Engagement (Surveys)
- School Climate (Surveys)

## State Indicators

- *Test Scores in ELA and Math*
- *English Learner Progress*
- *Chronic Absenteeism*
- *Suspension Rate*

# Local Indicators

*Instructional Materials*

*Facilities*

*Teacher Credentialing*



# Local Indicators: Instructional Materials and Facilities

- Instructional Materials:

*Percent Of Students Without Access To Their Own Copies Of Standards-Aligned Instructional Materials For Use At School And At Home*

- All students have access to their own copies of standards aligned materials for use at school and home.
  - Williams Inspection in September 2019 showed no findings. All students have access to the standards-aligned materials.
  - Board Resolution #3-20 Sufficiency of Instructional Materials on 9/11/19.

- Facilities:

*Instances Where Facilities Do Not Meet The "Good Repair" Standard (Including Deficiencies And Extreme Deficiencies)*

- All facilities meet the "Good Repair" Standard.
  - Williams Inspection in September 2019 showed no findings.
  - Facilities Inspection Tool (FIT) in August 2019 showed the district's facilities to be in "Exemplary" condition.

# Local Indicators: Teacher Credentialing

## Teacher Credentialing 2019-2020

- 256 Classroom Teachers
- 241 With Full Credential
- 15 Without Full Credential
- 0 Teaching Outside of Subject Area (Misassignments)

# State Indicators

Test Scores in ELA and Math

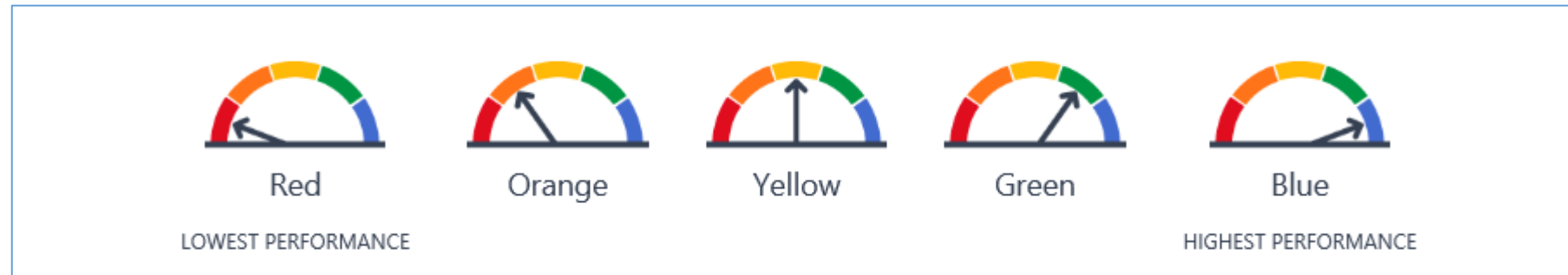
Chronic Absenteeism

Suspension Rate



## State Indicators: Test Scores in ELA and Math, Chronic Absenteeism, Suspension Rate

State Indicators on the CA School Dashboard are shown with a color-coded gauge.



For State Indicators, performance is based on two factors:

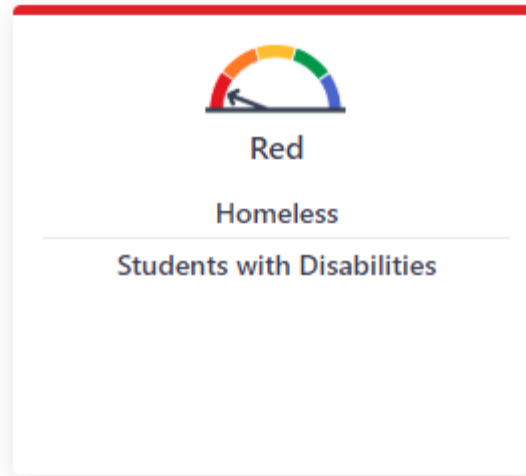
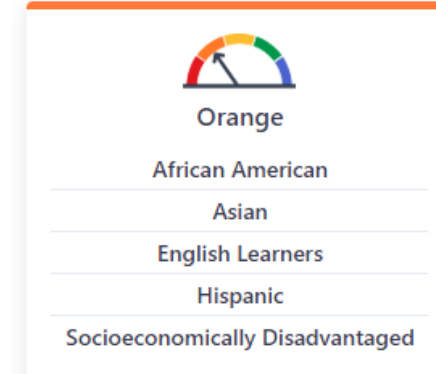
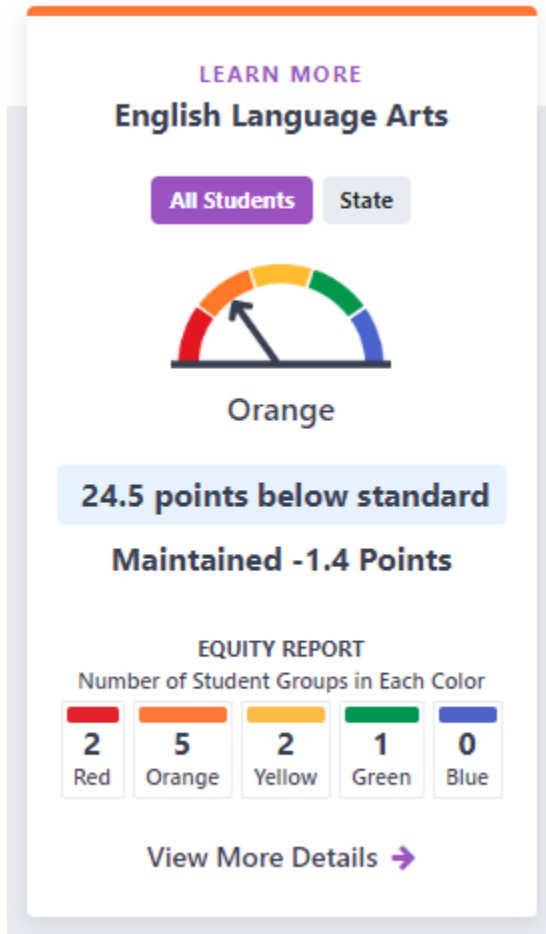
1

Current year results, and

2

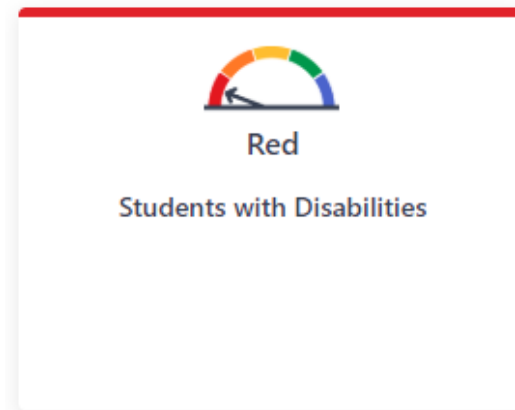
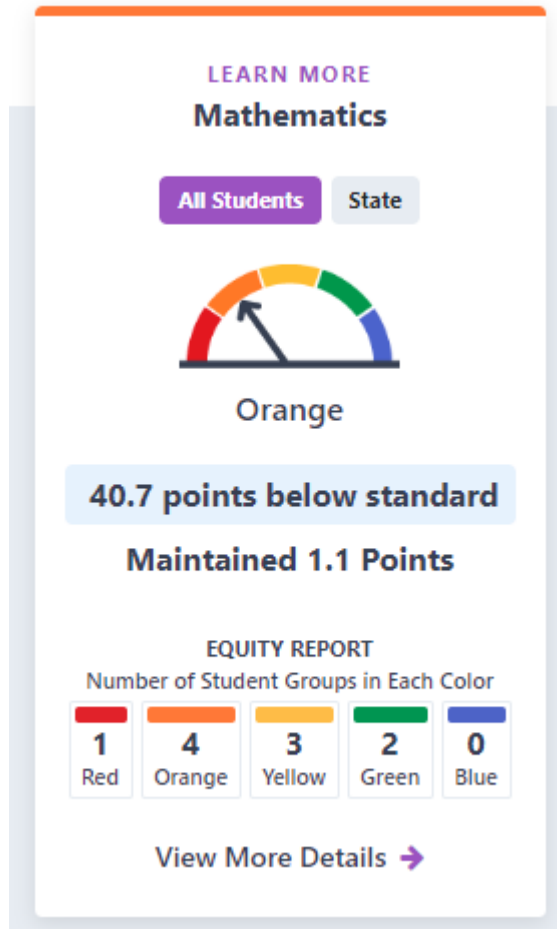
Whether results improved from the prior year.

# English Language Arts: How Did We Perform?



- White Students, Foster Youth: Increased
- All Students, Socioeconomically Disadvantaged, Hispanic, English Learners, Students with Disabilities: Maintained
- Two or More Races, Asian, African American, Homeless: Declined

# Mathematics: How Did We Perform?



- White, Asian, Foster Youth, English Learners : Increased
- All Students, Socioeconomically Disadvantaged, Hispanic: Maintained
- Two or More Races, Homeless, African American, Students with Disabilities: Declined



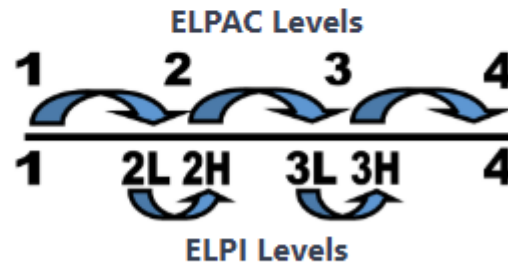
# English Learner Progress: How Did We Perform?

## English Learner Progress Indicator

### All English Learner Students

Explore information on the percentage of current EL students making progress towards English language proficiency or maintaining the highest level.

**Assessments:** ELs take the ELPAC exam to measure progress towards English language proficiency. The ELPAC has 4 levels.



**Accountability:** The 4 ELPAC levels were divided into 6 ELPI levels to determine whether ELs made progress toward English language proficiency.

### English Learner Progress

All Students

State

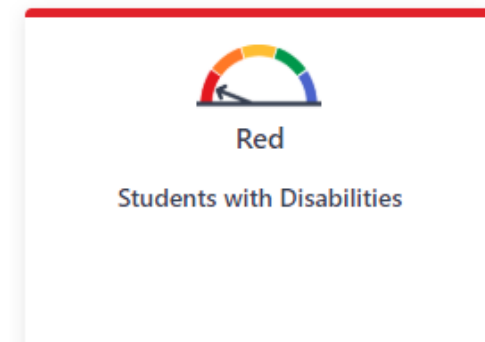
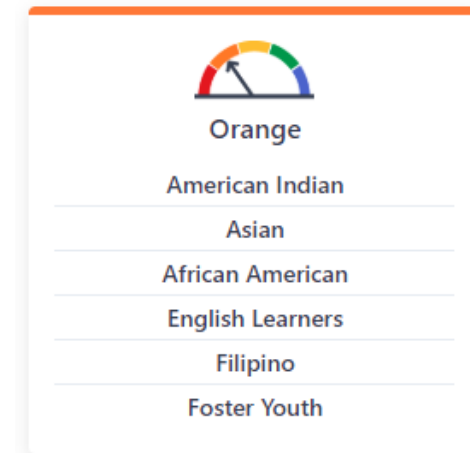
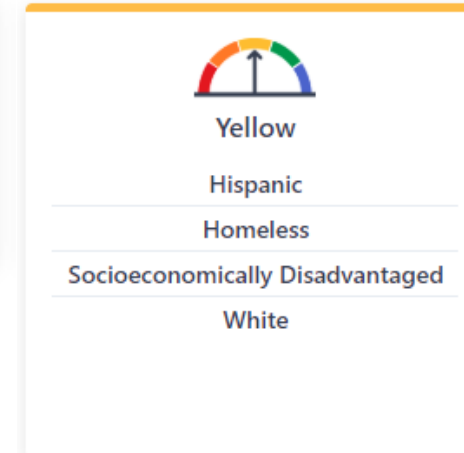
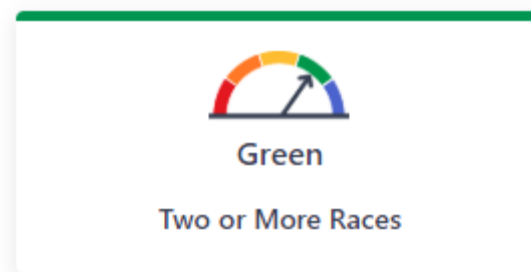
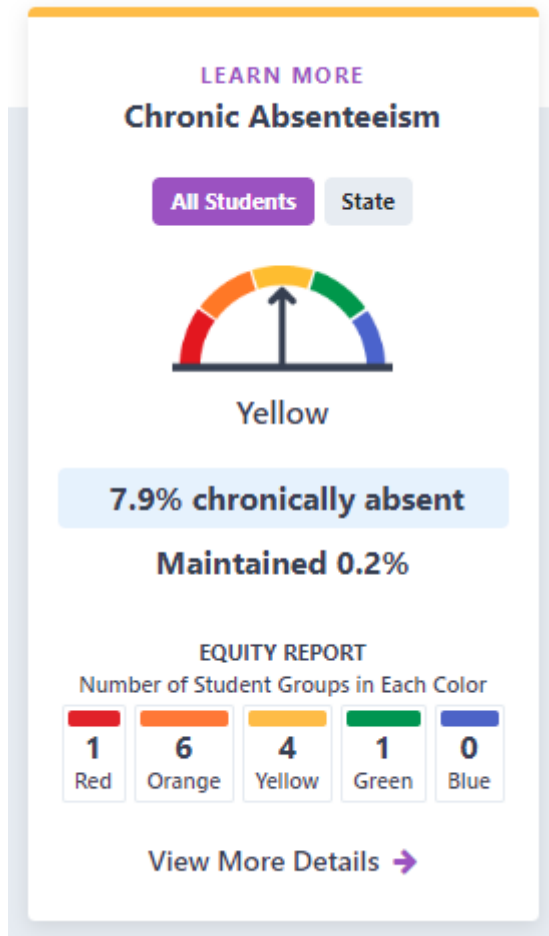
**41.9% making progress  
towards English language  
proficiency**

**Number of EL Students: 1,101**

**Performance Level**

Low

# Chronic Absenteeism: How Did We Perform?



- Two or More Races, Homeless: Declined
- All Students, White, Socioeconomically Disadvantaged, Hispanic: Maintained
- Foster Youth, Filipino, English Learners, African American, Asian, American Indian, Students with Disabilities: Increased

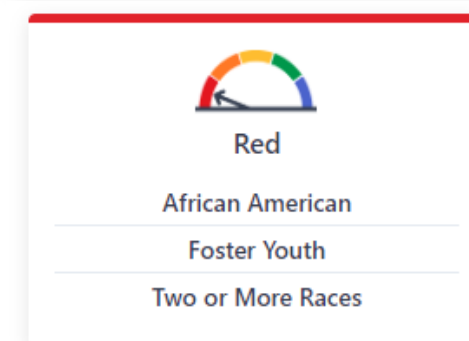
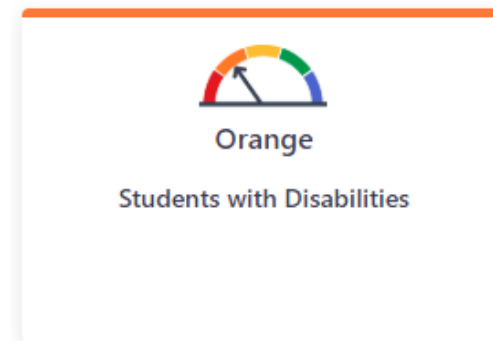
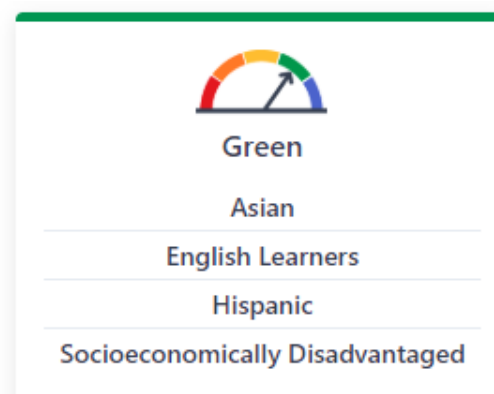
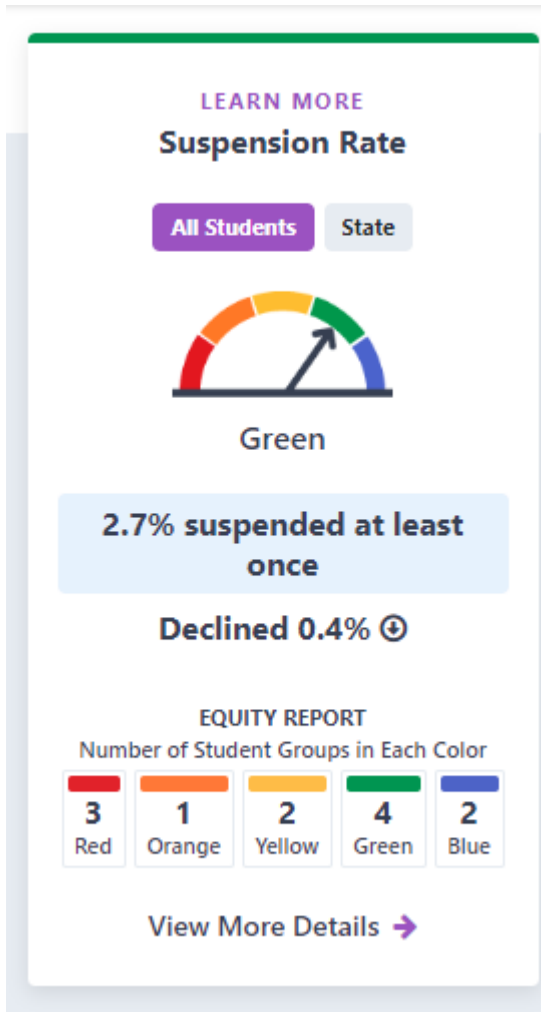
Chronic Absenteeism:

HESD: 7.9%

Kings County: 9.7%

California Overall: 12.2%

# Suspensions: How Did We Perform?



- All Students, American Indian, Filipino, Hispanic, Socioeconomically Disadvantaged, Asian, White, Homeless: Declined
- English Learners, Students with Disabilities: Maintained
- African American, Two or More Races, Foster Youth: increased

# Conclusions/Takeaways

- There was little change in students' test scores in ELA and math. Test scores "Maintained" for both subjects.
- Although the Chronic Absenteeism rate "Maintained" overall, HESD's chronic absenteeism rate is lower than Kings County and California overall.
- The district's suspension rate continues to decline while we maintain our expectations and standards for behavior and citizenship.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 2, 2020

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☒ Information  
☐ Action

Date you wish to have your item considered: January 22, 2020

### ITEM:

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

- Instructional Materials
- Teacher Misassignments
- 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 C. Gabler

FROM: Gerry Mulligan *GM*

DATE: January 15, 2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☒ Information  
☐ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:**

A Notice of Completion for the Lincoln Kindergarten Wing Addition project was filed on January 16, 2020.

**PURPOSE:**

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

**FISCAL IMPACT:**

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

**RECOMMENDATION:**

None.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 2, 2020

For: ☒ Board Meeting  
☐ Superintendent's Cabinet

For: ☐ Information  
☒ Action

Date you wish to have your item considered: January 22, 2020

**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:** Gerry Mulligan *GM*

**DATE:** January 10, 2020

**FOR:** ☒ Board Meeting  
☐ Superintendent's Cabinet

**FOR:** ☐ Information  
☒ Action

Date you wish to have your item considered January 22, 2020

**ITEM:**

Consider award for the Lincoln Modernization project.

**PURPOSE:**

Bids will be accepted until 2:00 p.m. on Tuesday, January 21, 2019. All eligible bids received will be opened, tabulated and will be presented to the Board.

**FISCAL IMPACT:**

Cost of the project will be presented at the Board Meeting.

**RECOMMENDATION:**

Award bid as presented for the Lincoln Modernization project.



## HANFORD ELEMENTARY SCHOOL DISTRICT

**Agenda Request Form**

**TO:** Joy C. Gabler  
**FROM:** Gerry Mulligan  
**DATE:** January 8, 2020 *GM*  
**FOR:** (X) Board Meeting  
( ) Superintendent's Cabinet  
**FOR:** ( ) Information  
(X) Action

Date you wish to have your item considered: January 22, 2020

**ITEM**

Consider approval for construction inspection and testing services agreement with RMA Geoscience for the Washington Modernization project.

**PURPOSE**

Services to be performed includes compaction testing, concrete sampling/testing, batch plant, post-installed anchors, masonry infill, and anchor testing, in accordance with DSA project requirements.

**FISCAL IMPACT**

The estimated fee for this agreement is \$17,000.00

**RECOMMENDATION**

Approve construction inspection and testing services agreement with RMA Geoscience for the Washington Modernization project.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**Agenda Request Form**

TO: Joy C. Gabler

FROM: Gerry Mulligan *GM*

DATE: January 10, 2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:**

Consider approval for land surveying services agreement with Lane Engineers, Inc. for the Monroe Elementary School - New Parking Lot project.

**PURPOSE:**

To provide land surveying services for the Monroe Elementary School – New Parking Lot with Lane Engineers, Inc.

**FISCAL IMPACT:**

Surveying services are not to exceed \$7,8200.00.

**RECOMMENDATION:**

Approve land surveying services contract with Lane Engineers, Inc. for the Monroe Elementary School – New Parking Lot project.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**Agenda Request Form**

TO: Joy C. Gabler

FROM: Gerry Mulligan *GM*

DATE: January 10, 2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:**

Consider approval to solicit bids for the Re-Roof Building Project at Woodrow Wilson Jr. High.

**PURPOSE:**

The District would like to solicit bids for the Re-Roof Building project at Woodrow Wilson Jr. High. Once a bid is awarded, we expect to start the project in June 2020. The entire project will be required to be completed by August 2020.

**FISCAL IMPACT:**

The total estimated cost for labor and materials on this project is \$300,000.

**RECOMMENDATION:**

Authorize the solicitation of bids for the Re-Roof Building project at Woodrow Wilson Jr. High.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: Karen McConnell

DATE: December 20, 2019

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:** Review recommended revisions to Administrative Regulation 4156.4 – Use of District or Personal Automobiles

**PURPOSE:** Revision of the current policy to include the READY Program Supervisor's ability to transport when necessary.

**FISCAL IMPACT:** None

**RECOMMENDATIONS:**

# Hanford ESD

## Administrative Regulation

### Use Of District Or Personal Automobiles

AR 4156.4

#### Personnel

#### 1. Legal Operation of Vehicles

In accordance with Board policy, no district employee shall operate a district vehicle or his/her personal automobile for work-related purposes, or to transport students or other employees, without full compliance with State law, including:

- a. Holding an appropriate, valid California Driver's License for the vehicle they operate
- b. Carry in the vehicle at all times a valid vehicle registration document for the automobile
- c. For personal automobiles, maintain at all times the minimum liability insurance for the vehicle.

#### d. Passenger Restraint Systems

2. All drivers shall wear safety belts and shall ensure that all passengers are properly secured in seat belts or child passenger restraint systems in accordance with law. (Vehicle Code 27315, 27360, 27360.5, 27363)

A child who is under age 8 years shall be properly secured in a rear seat in an appropriate child passenger restraint system meeting federal safety standards, except under any of the following circumstances: (Vehicle Code 27360, 27363)

- a. The child is four feet nine inches or taller, in which case a safety belt may be used.
- b. Use of a child passenger restraint system would be impractical by reason of physical unfitness, medical condition, or size and an appropriate special needs child passenger restraint system is not available.
- c. There is no rear seat, the rear seats are side-facing jump seats or rear-facing seats, the child passenger restraint system cannot be installed properly in the rear seat, all rear seats are already occupied by children under age 8 years, or medical reasons necessitate that the child not ride in the rear seat.
- d. The child is otherwise exempted by law.

#### 3. Transportation of Students

Only personnel holding the following positions are authorized to transport students:

- a. Personnel licensed and authorized to operate a district school bus
- b. Superintendent
- c. Assistant Superintendent
- d. Director
- e. Principal
- f. Vice Principal
- g. Learning Director
- h. School Nurse
- i. School Operations Officer
- j. Student Specialist
- k. School Psychologists
- l. School Counselor
- m. Parent Liaison Specialist
- n. School Social Worker

o. **READY Program Supervisor**

4. Unauthorized transportation of students or the operation of a district vehicle or personal automobile in violation of law and this administrative regulation is subject to disciplinary action up to, and including, termination, and may subject the employee to criminal and civil penalties.

Regulation	HANFORD ELEMENTARY SCHOOL DISTRICT	
approved:	November 7, 2001	Hanford, California
revised:	October 1, 2003	
revised:	March 29, 2006	
revised:	April 16, 2008	
revised:	April 24, 2012	
revised:	August 27, 2014	

revised: October 10, 2018  
revised: December 11, 2019  
adopted:

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy Gabler

FROM: Lucy Gomez

DATE: January 13, 2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: January 22, 2020

**ITEM:** Receive the following revised Board Policy and Administrative Regulation for action:

BP/AR 6175 -Migrant Education Program

**PURPOSE:** Policy updated to include priorities for migrant education services, as amended by the federal Every Student Succeeds Act, and provision of services to private school students, formerly in AR. Policy also adds language encouraging the superintendent to annually report to the board regarding the performance of migrant students. Regulation updated to add definition of "migrant student" and add new section on "Summer School" reflecting requirement for any district receiving federal migrant education funding to conduct summer school programs for eligible migrant students.

**FISCAL IMPACT:** None

**RECOMMENDATIONS:** Approve BP/AR 6175 -Migrant Education Program



# Hanford ESD

## Board Policy

### Migrant Education Program

BP 6175

#### Instruction

The Board of Trustees desires to provide a comprehensive program for migrant students that attempts to mitigate the impact of educational disruption, cultural and language barriers, social isolation, health-related problems, and other factors that may inhibit their ability to succeed in school. The Board of Trustees recognizes that the children of migratory workers move frequently and may attend school irregularly. For this reason, communication between staff and the parents/guardians of these children is especially important. The Board encourages parents/guardians and staff to make every effort to support and assist each other so as to ensure that migrant children maintain sufficient progress.

The district shall make use of available funds to provide supplementary services for migrant students. ~~These services shall be coordinated with other existing district resources such as health screening, compensatory education programs, and programs for English language learners.~~

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

(cf. 0415 - Equity)

(cf. 5145.3 - Nondiscrimination/Harassment)

(cf. 5145.9 - Hate-Motivated Behavior)

The Superintendent or designee shall cooperate with the regional migrant service center in outreach and identification of eligible migrant students and in the provision of migrant education services. The Superintendent or designee shall also coordinate migrant education services with other programs within the district and with other public agencies that serve migrant workers and their families.

(cf. 1400 - Relations Between Other Governmental Agencies and the Schools)

(cf. 5141.6 - School-Based Health and Social Services)

(cf. 5147 - Dropout Prevention)

(cf. 5148 - Child Care and Development)

(cf. 5148.2 - Before/After School Programs)

(cf. 5148.3 - Preschool/Early Childhood Education)

(cf. 6164.2 - Guidance/Counseling Services)

(cf. 6171 - Title I Programs)

(cf. 6174 - Education for English Language Learners)

~~The Superintendent or designee shall plan for late enrollments of migrant students and shall ensure that all migrant students are correctly identified and placed. Insofar as possible, he/she~~

~~shall acquire records from students' previous school districts and shall consult these records when identifying the students' comprehensive needs and preparing their individual learning plans. Teachers are encouraged to consult with these students' past teachers as part of their effort to provide continuity in education.~~

~~The Superintendent or designee shall ensure that migrant students' records are updated in a timely manner. When students transfer to another district, their records shall be provided to that district in order to assist the district in identifying students' educational and other needs.~~

~~(cf. =~~

The district shall give first priority for services to migrant students who are failing, or are most at risk of failing, to meet state academic standards or have dropped out of school. (20 USC 6394)

(cf. 6011 - Academic Standards)

The district shall provide services to eligible private school students residing within the district on an equitable basis with participating public school students. (20 USC 7881; 34 CFR 200.87)

~~5125—Student Records)~~

~~The Superintendent or designee shall provide supplementary staff development activities which improve skills that meet the needs of migrant students.~~

The Superintendent or designee shall ensure that each migrant student is placed at the appropriate grade level upon enrollment and is provided services in accordance with an individual needs assessment and learning plan.

The Superintendent or designee shall [may](#) annually report to the Board regarding student performance on statewide assessments of core academic subjects and English language development, as appropriate, for students enrolled in the district's migrant education program. In addition, the Superintendent or designee shall periodically report to the Board regarding the alignment of district services with the needs of students as identified in student needs assessments conducted pursuant to Education Code 54443.1. [As necessary, the Board shall seek technical assistance from the migrant education regional service center and/or make changes in the services provided by the district in order to improve student achievement.](#)

~~(cf. 4131—Staff Development)~~

~~The Superintendent or designee shall 0500 - Accountability convene a district parent/guardian advisory council to actively involve parents/guardians in planning, operating and evaluating the migrant children program. Advisory council members shall receive training to help them to carry out their responsibilities. (Education Code 54444.2)~~

~~(cf. 6162.51 - State Academic Achievement Tests 1220—Citizen Advisory Committees)~~

~~(cf. =~~



~~1312.3 Uniform Complaint Procedures)~~

Legal Reference:

EDUCATION CODE

200 Educational equity

220 Prohibition against discrimination

234.7 Student protections relating to immigration and citizenship status

51225.1 Exemption from district graduation requirements

51225.3 High school graduation, course requirements

54440-54445 Migrant education program~~children~~

CODE OF REGULATIONS, TITLE 5

3080 Application of uniform complaint procedures

4600-4670 Uniform complaint procedures

UNITED STATES CODE, TITLE 20

6311 Title I state plan

6381-6381k Even Start family literacy program

6391-6399 Education of ~~migrant students~~migratory children

7881 Services for private school students

CODE OF FEDERAL REGULATIONS, TITLE 34

200.8140-200.8945 ~~Migrant education program~~

Policy HANFORD ELEMENTARY SCHOOL DISTRICT

adopted: May 16, 2001 Hanford, California

revised: December 18, 2019



# Hanford ESD

## Administrative Regulation

### Migrant Education Program

AR 6175

#### Instruction

#### Eligibility

Students age 3 to 21 years shall be eligible for the district's migrant education program if they, their parents/guardians, or their spouses are migratory agricultural workers or fishers shall be those migrant students who, in the preceding 36 months, have moved into within the past three years. In providing these services, the district shall give first priority to migrant students aged 3 through 21 who are failing, or most at risk of failing, to economic necessity meet state content and engaged in new temporary or seasonal employment or personal subsistence in agriculture or fishing. If such employment was not secured soon after the move, students may be considered migrant students if they, their parents/guardians, or their spouses actively sought such new employment student performance standards, and have a recent history of moves for temporary or seasonal agricultural or fishing employment. (20 USC 6399; whose education has been interrupted during the regular school year. (20 USC 6394, 34 CFR 200.8140)

A student who ceases to be a migrant student during a school termsemester shall be eligible for services until the end of the term. If comparable services are not available through other programs, a student who is no longer migratory may continue to receive services for one additional school year. Students who were eligible for services in secondary school may continue to be served through credit accrual programs until graduation. (20 USC 6394)semester.

#### Student Records

The Superintendent or designee shall maintain records documenting the eligibility of students enrolled in the district's migrant education program. However, the district shall not collect information or documents regarding the citizenship or immigration status of students or their family members for the purpose of determining eligibility for migrant education services.

(cf. 5125 - Student Records)

(cf. 5145.13 - Response to Immigration Enforcement)

The Superintendent or designee shall acquire education and health records from migrant students' previous school districts, as appropriate.

When a migrant student transfers to another district, the student's records shall be provided to the receiving district upon request at no cost in order to assist that district in meeting the needs of the student. (20 USC 6398)

## Program Components

The migrant education program shall include all of the following components~~provide~~:  
(Education Code 54443.1)

~~1. Individual assessment of the educational and relevant health needs of each participating student, within 30 days of enrollment.~~

2. A general needs assessment summarizing the needs of the population to be served.

23. A comprehensive program to meet the educational, health, and related needs of participating students which ~~meets student needs and~~ supplements the district-provided core-curriculum. ~~This program~~ and includes, but is not limited to ~~shall provide~~:

a. Instructional services, including academic, remedial~~Academic instruction~~

~~b. Remedial~~ and compensatory ~~instruction~~

~~(cf. 6171 - Title I Programs)~~

, bilingual-crosscultural, ~~e. Bilingual assistance and career technical~~multicultural instruction

~~(cf. 6141.6 - Multicultural Education)~~

~~(cf. 6174 - Education for English~~ Language ~~Learners)~~

d(cf. 6177 - Summer Learning Programs)

(cf. 6178 - Career Technical Education)

b. Counseling and career education services

(cf. 6164.2 - Guidance/Counseling Services)

c.e Preschool services in accordance with Education Code 54443~~(after school-aged services have been provided)~~

~~(cf. 5148.3 - Preschool/Early Childhood Education - Child Care and Development)~~

df. Other educational services that are not otherwise available in sufficient quantity or quality to eligible migrant students

e. The acquisition of instructional

~~g. Instructional~~ materials and equipment necessary to adequately provide the for appropriate services

fh. Other related services to meet the special needs of eligible ~~needed to enable~~ migrant students to enable them to participate effectively in instructional services



g. The coordination and teaming of existing resources serving migrant students, such as bilingual-crosscultural education, health screening, and compensatory education

(cf. 5141.6 - School Health Services)

(cf. 5147 - Dropout Prevention)

(cf. 6171 - Title I Programs)

3. Individual assessment of the educational and relevant health needs of each participating student, within 30 days of enrollment, including assessments concurrently provided pursuant to compensatory education, bilingual-crosscultural education, school improvement programs, and other programs serving the student

4. A brief individual learning plan listing the services to be provided to each student, ~~which-~~ This plan shall be given to the parent/guardian in writing or at a parent/guardian conference, annually and ~~when each time~~ the student moves to a new district.—

5. Staffing and staff development plans and practices to meet the needs of students and implement the program

(cf. 4131 - Staff Development)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

6. Parent/guardian and community involvement as specified in Education Code 54444.2, including, but not necessarily limited to, the establishment of a parent/guardian advisory council to actively involve parents/guardians in planning, operating, and evaluating the district's migrant education program

(cf. 1220 - Citizen Advisory Committees)

(cf. 6020 - Parent Involvement)

The migrant education program shall provide for the same opportunities for parent/guardian involvement that are provided to parents/guardians for federal Title I programs. (20 USC 6394)

7. Evaluations which include annual student progress and overall program effectiveness and quality control reports

Contingent upon funding, the district shall provide home-based and/or school-based family literacy services to migrant families to enhance literacy levels, parenting skills, and English language skills of parents/guardians.

### Summer School

The district shall conduct summer school program(s) for eligible migrant students. The summer school program shall respond to the individual needs of participating students and shall build on

and be consistent with the instructional programs offered to these students during the regular school year. Coursework shall be of the same level of difficulty in each subject as that provided to students enrolled in regular classes of instruction within the district in the preceding year. (Education Code 54444.3)

Teachers in the summer school program shall have cultural training or background and understanding of the special needs of migrant students and possess the proper credential for the subjects and grade levels to which they are assigned. (Education Code 54444.3)

The program shall comply with the following requirements for instructional time: (Education Code 54444.3)

1. For kindergarten class, a minimum of 180 minutes per day, including recesses, for not less than 20 instructional days
2. For grades 1-8, a minimum of 200 minutes per day, including recesses and passing time but excluding noon intermissions, for not less than 20 instructional days
3. For grades 7-12, a minimum of 240 minutes per day, including passing time but excluding noon intermissions, for not less than 30 instructional days

When district facilities that are suitable for the summer climate are available, the district shall make facilities available at cost to other agencies that request facilities for the operation of migrant summer school programs. When approved by the Superintendent of Public Instruction, the district may jointly offer facilities with a neighboring district to meet the needs of the migrant summer school program for the entire area. (Education Code 54444.3)

#### Applicability of Graduation Requirements

(cf. 6146.1 - High School Graduation Requirements)

However, when a migrant student who has completed the second year of high school transfers into the district or transfers between high schools within the district, the student shall be exempted from all district-adopted coursework and other district-established graduation requirements, unless the district makes a finding that the student is reasonably able to complete the additional requirements in time to graduate from high school by the end of the fourth year of high school. Within 30 calendar days of the transfer, the Superintendent or designee shall notify the student and the student's parent/guardian of the availability of the exemption and whether the student qualifies for it. If the Superintendent or designee fails to provide this notification, the student shall be eligible for the exemption once notified, even if the notification occurs after the student no longer meets the definition of a migrant student. (Education Code 51225.1)

(cf. 5145.6 - Parental Notifications)

To determine whether a migrant student is in the third or fourth year of high school, the district shall use either the number of credits the student has earned as of the date of the transfer or the



length of school enrollment, whichever qualifies the student for the exemption. (Education Code 51225.1)

The Superintendent or designee shall notify any migrant student who is granted an exemption and the student's parent/guardian how any requirements that are waived will affect the student's ability to gain admission to a postsecondary educational institution and shall provide information about transfer opportunities available through the California Community Colleges. (Education Code 51225.1)

The district shall not require or request a migrant student to transfer schools in order to qualify for an exemption, and no request for a transfer solely to qualify for an exemption shall be made by a migrant student or parent/guardian. (Education Code 51225.1)

If a migrant student is exempted from local graduation requirements, the exemption shall continue to apply after the student no longer meets the definition of a migrant student if the student is still enrolled in school or transfers to another school or district. (Education Code 51225.1)

Upon making a finding that a migrant student is reasonably able to complete district graduation requirements within a fifth year of high school, the Superintendent or designee shall: (Education Code 51225.1)

1. Inform the student and parent/guardian of the student's option to remain in school for a fifth year to complete the district's graduation requirements and how that will affect the student's ability to gain admission to a postsecondary educational institution
2. Provide information to the student about transfer opportunities available through the California Community Colleges
3. Upon agreement with the student or parent/guardian, permit the student to stay in school for a fifth year to complete the district's graduation requirements

#### Parent Advisory Council

The parent advisory council shall be comprised of members who are knowledgeable of the needs of migrant students and shall be elected by the ~~All~~ parents/guardians of students enrolled in the district's migrant education program. The composition of the council shall be determined by the parents/guardians at ~~shall be invited to a general meeting to which all parents/guardians of participating students shall be invited.~~ The parents/guardians shall ~~be and~~ informed, in a language they understand, that they have the sole authority to decide on the ~~advisory council's~~ composition of the council. (Education Code 54444.2)

~~—~~At least two-thirds of the advisory council shall consist of ~~migrant~~ parents/guardians of migrant students. (Education Code 54444.2)

All parent/guardian candidates for the council shall be ~~nominated~~ elected by parents/guardians.

Nonparent candidates, such as teachers, administrators, other school personnel, or students, shall be nominated by the groups they represent. All other community candidates shall be nominated by the parents/guardianstheir peers. (Education Code 54444.2)

The parent/guardian advisory council shall meet at least six times during the year and shall:  
(Education Code 54444.4)

1. Establish program goals, objectives, and priorities
2. Review annual needs assessments~~and year-end assessment~~, program activities for each school, and individual learning plans
3. Advise on the selection, development, and reassignment of migrant education program staff
4. Participate actively in planning and negotiating program applications and service agreements—
5. Perform all other responsibilities required under state and federal laws or regulations

The Superintendent or designee shall establish and implement a training program for advisory council members to enable them to carry out their responsibilities. The training program shall be developed in consultation with the council and shall include appropriate training materials in a language understandable to each member. (Education Code 54444.2)

The Superintendent or designee shall provide the council, without charge, a copy of all applicable state and federal migrant education statutes, rules, regulations, guidelines, audits, monitoring reports, and evaluations. Upon request, these materials also shall be provided without charge to each member of the council. (Education Code 54444.2)

#### Notification and Complaints

Information regarding the educational rights of migrant students, as specified in Education Code 51225.1 and 51225.2, shall be included in the annual uniform complaint procedures notification distributed to students, parents/guardians, employees, and other interested parties pursuant to 5 CCR 4622. (Education Code 51225.1, 51225.2)

Any complaint that the district has not complied with requirements regarding the education of migrant students, as specified in Education Code 51225.1 or 51225.2, may be filed in accordance with the district's procedures in AR 1312.3 - Uniform Complaint Procedures.

(cf. 1312.3 - Uniform Complaint Procedures)

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

revised: November 3, 2003

revised: [December 18, 2019](#)






HANFORD ELEMENTARY SCHOOL DISTRICT  
Human Resources Department

**AGENDA REQUEST FORM**

**TO:** Joy C. Gabler

**FROM:** Jaime Martinez 

**DATE:** January 13, 2020

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

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **January 22, 2020**

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

**PURPOSE:**

**a. Employment**

Classified

- Kristy Kairis, READY Program Tutor – 4.5 hrs., Simas, effective 12/10/19
- Jason Ferreira, Delivery Worker: Mail and Material – 8.0 hrs., Warehouse/DSF, effective 12/16/19
- Dana Raulino, Bus Driver – 4.5 hrs., Transportation/DSF, effective 1/13/20
- Vanessa Villalobos, READY Program Tutor – 4.5 hrs., effective 1/13/20

Temporary Employees/Substitutes

- Jennifer Aguirre, Short-term READY Program Tutor – 4.5 hrs., Richmond, effective 1/13/20 to 3/13/20
- Matthew Burrage, Substitute READY Program Tutor, effective 12/17/19
- Chandler Contente, Substitute Groundkeeper II and Delivery Worker: Mail and Material, effective 12/9/19
- Mayra Rodriguez Delgado, Substitute Food Service Worker I, effective 12/6/19
- Stephanie Farias, Short-term READY Program Tutor – 4.5 hrs., King, effective 1/13/20 to 4/17/20
- Audussie Martinez, Substitute Yard Supervisor, effective 12/13/19
- Melissa Rodriguez Medel, Substitute READY Program Tutor, Special Circumstance Aide and Special Education Aide, effective 1/13/20
- Anadalila "Ana" Mendoza Martinez, Substitute Yard Supervisor, effective 12/10/19

### Temporary Employees/Substitutes (cont.)

- Norma Quintana, Short-term Special Circumstance Aide – 5.75 hrs., Simas, effective 1/13/20 to 4/3/20
- Oratio Smith, Substitute Yard Supervisor, effective 1/13/20
- Yasmin Torres, Substitute Yard Supervisor, effective 12/19/19

### Yard Supervisors

- Maria Arroyo, Yard Supervisor – 2.25 hrs., Richmond, effective 12/19/19

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

- Jacob Pacheco, 7-8 Assistant Wrestling Coach, Wilson, effective 11/13/19 to 2/13/20
- Jared Souza, 7-8 Wrestling Coach, Kennedy, effective 1/6/20 to 2/13/20

### **c. Resignations**

- Amy Garcia, Yard Supervisor – 3.5 hrs., Jefferson, effective 12/20/19
- Veronica Limon, Substitute Yard Supervisor, effective 12/20/19
- Ana Torres Limon, Substitute READY Program Tutor, effective 12/17/19
- Noelia Naranjo, Substitute Translator and Yard Supervisor, effective 12/20/19
- Melissa Rodriguez Medel, READY Program Tutor – 4.5 hrs., Hamilton, effective 12/20/19

### **d. Retirement**

- Phil Mattos, Account Technician IV – 8.0 hrs., Fiscal Services, effective 2/3/20

### **e. Promotion**

- Lorene Silva, from Account Technician II to Account Technician IV, Fiscal Services Department/D.O., effective 2/3/20

### **f. Voluntary Decrease in Hours**

- Jennifer Aguirre, Yard Supervisor, from 2.5 hrs. to 2.0 hrs., Roosevelt, effective 1/13/20

### **g. Temporary Out of Class**

- Ada Portilla, from READY Program Tutor – 4.5 hrs., to READY Site Lead – 5.0 hrs., Simas, effective 12/16/19 to 12/20/19

### **h. Teaching Outside of Credential Area – Adopt Resolution No. 17-20**

- Deborah Arnold, Science, Jefferson Academy

**i. Volunteers**

<u>Name</u>	<u>School</u>
Jeannette Garcia	Hamilton
Jacqueline Harvey	Hamilton
Jose Munguia	Hamilton
Erik Noble	Hamilton
Sherrie Thompson-Pedro	Hamilton
Arthur Valdez	Monroe
Melissa Mendes	Simas

**RECOMMENDATION:** Approve.

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

In the Matter of Teachers )  
Assigned Outside Credential Area )

## RESOLUTION #17-20

WHEREAS, there is a need at Jefferson Academy for a partial teaching assignment in **Science**; and

WHEREAS, Education Code Section 44258.2 authorizes the assignment of the holder of a Single Subject credential to teach any subject in grades 5-8 outside his/her credential area if the teacher completed 12 semester units of course work in that subject; and

WHEREAS, such assignment requires the teacher's consent and annual action by the Governing Board; and

WHEREAS, signed consent statements to teach the subject matters indicated below are on file for the teacher listed below to teach a cored Math/Science class at the 8<sup>th</sup> grade level;

NOW, THEREFORE, BE IT RESOLVED that the following teacher be approved to teach partial assignments in the subjects indicated at the 8<sup>th</sup> grade level in accordance with the provisions cited above:

Deborah Arnold – Science, Jefferson Academy

The foregoing resolution was duly adopted by the Hanford Elementary School District Board of Trustees at a regular meeting held on January 22, 2020, with the following vote:

AYES:

NOES:

ABSENT:

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



## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/13/2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/22/2020

**ITEM:**

Consider acceptance of the audit report.

**PURPOSE:**

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

There were were no findings in this audit report.

**FISCAL IMPACT:**

None.

**RECOMMENDATIONS:**

Accept the audit report.



Annual Financial Statements  
June 30, 2019

## Hanford Elementary School District

# HANFORD ELEMENTARY SCHOOL DISTRICT

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**JUNE 30, 2019**

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Hanford Elementary School District  
Hanford, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hanford Elementary School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hanford Elementary School District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, budgetary comparison schedule on page 69, schedule of changes in the District's total OPEB liability and related ratios on page 70, schedule of the District's proportionate share of the net OPEB liability - MPP program on page 71, schedule of the District's proportionate share of the net pension liability on page 72, and the schedule of District contributions on page 73, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hanford Elementary School District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, on our consideration of the Hanford Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Hanford Elementary School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hanford Elementary School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Fresno, California  
December 9, 2019



# Hanford Elementary School District

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

(559) 585-3600

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**Superintendent**  
Joy C. Gabler

**Governing Board**  
Robert "Bobby" Garcia  
Jeff Garner  
Lupe Hernandez  
Timothy L. Revious  
Greg Strickland

## HANFORD ELEMENTARY SCHOOL DISTRICT KINGS COUNTY

### MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

#### INTRODUCTION

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

The Management Discussion and Analysis of Hanford Elementary School District's financial statements provide an overall review of the District's financial activities for the fiscal year ended June 30, 2019, with comparative information for the fiscal year ended June 30, 2018. This analysis will look at the District's financial performance as a whole. The management discussion and analysis should be reviewed in conjunction with the auditor's transmittal letter, notes to the basic financial statements and the basic governmental wide financial statements to enhance the understanding of the District's financial performance.

The Hanford Elementary School District is a medium-sized rural school district offering instruction to students from kindergarten through eighth grade. During the 2018-2019 school year, the District operated eight elementary schools, one K-8 charter school, two junior high schools, and one community day school on the traditional August through June schedule, for the instruction of approximately 6,034 students.

#### USING THE ANNUAL FINANCIAL REPORT

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

## HANFORD ELEMENTARY SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

#### FINANCIAL HIGHLIGHTS

- The Hanford Elementary School District's Government-wide Statement of Net Position illustrates total net position of \$(3.4) million, the result of assets and deferred outflows of \$104.3 million minus liabilities and deferred inflows of \$107.7 million.
- General Revenues accounted for \$66.3 million or 82 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$14.6 million or 18 percent of total revenues of \$80.9 million.
- The District had \$79.4 million in expenses related to governmental activities.
- The General Fund reported a positive fund balance of \$18.4 million.

#### STUDENT ENROLLMENT & DEMOGRAPHIC TRENDS

- The School District has an enrollment of approximately 6,034 students for the current 2018-2019 school year, with enrollment projected to remain static for the coming 2019-2020 school year.
- In addition to tracking enrollment, the District also watches actual Average Daily Attendance (ADA). The ADA is typically lower than a District's enrollment, although the two terms are often (though incorrectly) used interchangeably. The anticipated 2019-2020 ADA for the District is 5,852 excluding ADA from County run programs. The ratio of actual attendance to enrollment summarizes the District's changes and efforts to increase attendance. Figure 1 summarizes a historical analysis of the District's enrollment to actual positive attendance ratios.

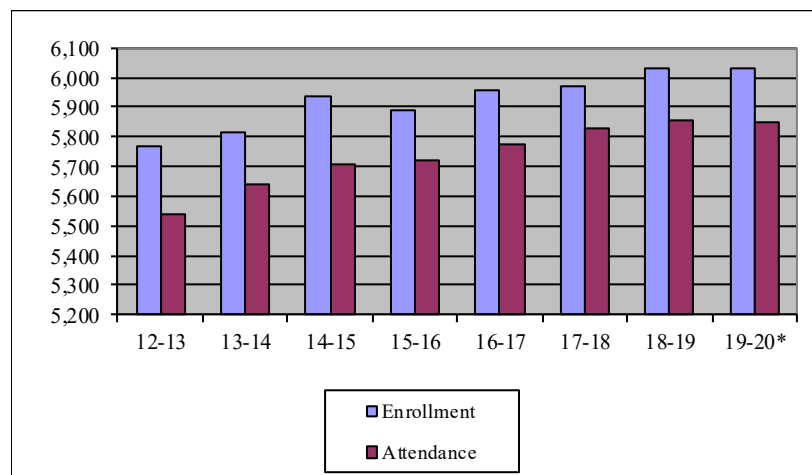


Figure 1. District Enrollment to Actual Attendance Data

## HANFORD ELEMENTARY SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

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

#### REPORTING THE DISTRICT AS A WHOLE

- THE STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

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

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

- FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various provisions. The District's three types of funds, governmental, proprietary, and fiduciary use different accounting approaches as further described in the notes to the financial statements.

- GOVERNMENTAL FUNDS

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

**HANFORD ELEMENTARY SCHOOL DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

---

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

- **PROPRIETARY FUNDS**

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

- **FIDUCIARY FUNDS**

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

The District is the trustee, or fiduciary, for its student activity funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

- **NOTES TO THE FINANCIAL STATEMENTS**

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

# HANFORD ELEMENTARY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

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- THE DISTRICT AS A WHOLE

The "Statement of Net Position" provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position for fiscal years 2018-2019 and 2017-2018, respectively.

Table 1. Net Position

(Amounts in millions)

	Governmental Activities		
	2019	2018	Change
<b>Assets</b>			
Current and other assets	\$ 39.1	\$ 29.3	\$ 9.8
Capital assets	45.1	41.5	3.6
<b>Total Assets</b>	<u>84.2</u>	<u>70.8</u>	<u>13.4</u>
<b>Deferred Outflows of Resources</b>	<u>20.1</u>	<u>20.5</u>	<u>(0.4)</u>
<b>Liabilities</b>			
Current liabilities	4.9	3.5	1.4
Long-term obligations	31.1	24.3	6.8
Net pension liability	68.3	65.5	2.8
<b>Total Liabilities</b>	<u>104.3</u>	<u>93.3</u>	<u>11.0</u>
<b>Deferred Inflows of Resources</b>	<u>3.4</u>	<u>2.8</u>	<u>0.6</u>
<b>Net Position</b>			
Net investment in capital assets	33.2	31.6	1.6
Restricted	5.9	5.0	0.9
Unrestricted	(42.5)	(41.4)	(1.1)
<b>Total Net Position</b>	<u><u>\$ (3.4)</u></u>	<u><u>\$ (4.8)</u></u>	<u><u>\$ 1.4</u></u>

# HANFORD ELEMENTARY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

Table 2 shows the changes in net position for fiscal years 2018-2019 and 2017-2018, respectively.

Table 2. Changes in Net Position

(Amounts in millions)	Governmental Activities		Change
	2019	2018	
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 0.4	\$ 0.3	\$ 0.1
Operating grants and contributions	14.2	12.8	1.4
General revenues:			
Federal and State aid not restricted	60.7	55.6	5.1
Property taxes	4.1	4.2	(0.1)
Other general revenues	1.5	2.1	(0.6)
<b>Total Revenues</b>	<u>80.9</u>	<u>75.0</u>	<u>5.9</u>
<b>Expenses</b>			
Instruction related	52.6	48.5	4.1
Pupil services	11.2	10.3	0.9
Administration	4.5	4.2	0.3
Plant services	7.5	7.3	0.2
Other	3.7	2.9	0.8
<b>Total Expenses</b>	<u>79.5</u>	<u>73.2</u>	<u>6.3</u>
<b>Change in Net Position</b>	<u><u>\$ 1.4</u></u>	<u><u>\$ 1.8</u></u>	<u><u>\$ (0.4)</u></u>

# HANFORD ELEMENTARY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

### GOVERNMENTAL FUNDS

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

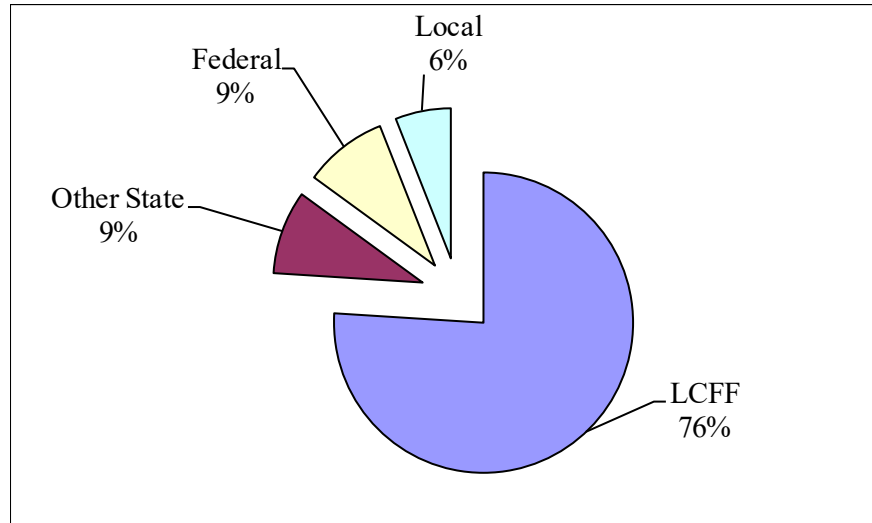


Figure 2. Revenues by Source

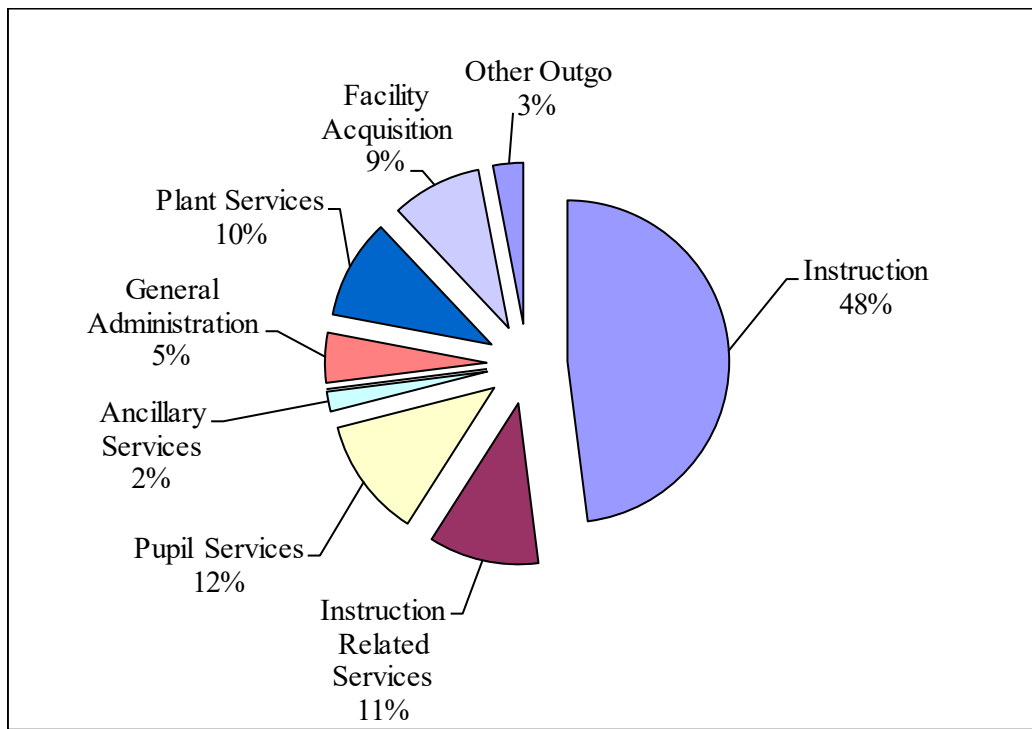


Figure 3. Expenditures by Function

# HANFORD ELEMENTARY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

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### GENERAL FUND BUDGET INFORMATION

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

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

- GENERAL FUND BUDGET VARIATIONS

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

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

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

The State and Federal budget issues have an impact on the District's General Fund budget. As revenues from these two sources change, so do District revenues, since 85 percent of District revenues come from State and Federal revenue streams.

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

The net difference in fund balance between the adopted budget and the final budget was an increase of \$1.5 million and may be summarized as follows:

- \$0.4 million decrease in total revenue mainly due to decreases in state revenue.

- \$1.9 million decrease in total expenditures due primarily to decreased spending for capital outlay and other outgo.



# HANFORD ELEMENTARY SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### • CAPITAL ASSETS

At June 30, 2018, the District had \$41.5 million in a broad range of capital assets, including land, buildings, and furniture and equipment, net of accumulated depreciation. At June 30, 2019, the District's net capital assets were \$45.1 million. This amount represents a net increase (including additions and deductions) of \$3.6 million, or 8.7 percent, from last year. Table 3 presents capital asset balances for each year and the net change.

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

(Amounts in millions)	Governmental Activities		Change
	2019	2018	
Land	\$ 3.0	\$ 3.0	\$ -
Buildings and improvements	37.6	31.7	5.9
Equipment	2.8	2.6	0.2
Construction in Progress	1.7	4.2	(2.5)
<b>Total</b>	<b>\$ 45.1</b>	<b>\$ 41.5</b>	<b>\$ 3.6</b>

#### • LONG-TERM OBLIGATIONS

At the end of this year, the District had \$31.2 million in long-term obligations outstanding versus \$24.3 million last year, an increase of 28.4 percent. Table 4 summarizes these obligations.

Table 4. Outstanding Obligations

(Amounts in millions)	Governmental Activities		Change
	2019	2018	
General obligation bonds	\$ 19.5	\$ 12.7	\$ 6.8
Compensated absences	0.4	0.3	0.1
Other postemployment benefits	11.3	11.3	-
<b>Total</b>	<b>\$ 31.2</b>	<b>\$ 24.3</b>	<b>\$ 6.9</b>

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

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

**HANFORD ELEMENTARY SCHOOL DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

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- **NET PENSION LIABILITY (NPL)**

At year-end, the District had a net pension liability of 68.3 versus 65.5 last year, and increase of 2.8 million, or 4.1 percent. The District also reported deferred outflows of resources from pension activities of \$19.6 million, and deferred inflows of resources from pension activities of \$3.0 million.

**FOR THE FUTURE**

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

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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

**HANFORD ELEMENTARY SCHOOL DISTRICT****STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Deposits and investments	\$ 37,049,072
Receivables	1,879,157
Prepaid expenses	7,394
Stores inventories	185,289
Nondepreciable capital assets	4,670,172
Capital assets being depreciated	69,920,299
Accumulated depreciation	(29,471,406)
<b>Total Assets</b>	<b>84,239,977</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	515,584
Deferred outflows of resources related to pensions	19,586,125
<b>Total Deferred Outflows of Resources</b>	<b>20,101,709</b>
<b>LIABILITIES</b>	
Accounts payable	4,679,183
Unearned revenue	202,288
Long-term obligations:	
Current portion of long-term obligations other than pensions	575,000
Noncurrent portion of long-term obligations other than pensions	30,497,330
<b>Total Long-Term Obligations</b>	<b>31,072,330</b>
Aggregate net pension liability	68,302,049
<b>Total Liabilities</b>	<b>104,255,850</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to net other postemployment benefits (OPEB) liability	433,239
Deferred inflows of resources related to pensions	3,016,803
<b>Total Deferred Inflows of Resources</b>	<b>3,450,042</b>
<b>NET POSITION</b>	
Net investment in capital assets	33,184,093
Restricted for:	
Debt service	1,649,096
Capital projects	1,032,947
Educational programs	1,620,963
Other activities	1,652,016
Unrestricted	(42,503,321)
<b>Total Net Position</b>	<b>\$ (3,364,206)</b>

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

## HANFORD ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Instruction	\$ 42,178,933	\$ 2,238	\$ 4,631,399	\$ 8,925
Instruction-related activities:				
Supervision of instruction	3,167,829	-	2,409,602	-
Instructional library, media, and technology	1,286,793	-	61,564	-
School site administration	5,942,702	-	333,527	-
Pupil services:				
Home-to-school transportation	1,522,411	20,217	243,113	-
Food services	3,585,871	93,657	3,567,072	-
All other pupil services	6,116,682	1,152	895,903	-
Administration:				
Data processing	843,304	424	14,131	-
All other administration	3,695,924	6,428	477,565	-
Plant services	7,500,726	18,127	201,601	-
Ancillary services	1,759,754	-	1,177,682	-
Interest on long-term obligations	694,910	-	-	-
Other outgo	1,201,540	245,168	238,584	-
<b>Total Governmental Activities</b>	<b>\$ 79,497,379</b>	<b>\$ 387,411</b>	<b>\$ 14,251,743</b>	<b>\$ 8,925</b>
General revenues and subventions:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Taxes levied for other specific purposes				
Federal and State aid not restricted to specific purposes				
Interest and investment earnings				
Transfers				
Miscellaneous				
<b>Subtotal, General Revenues</b>				
<b>Change in Net Position</b>				
Net Position - Beginning				
Net Position - Ending				

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

---

<b>Net (Expenses)</b>
<b>Revenues and</b>
<b>Changes in</b>
<b>Net Position</b>
<b>Governmental</b>
<b>Activities</b>
<hr/>
\$ (37,536,371)
(758,227)
(1,225,229)
(5,609,175)
(1,259,081)
74,858
(5,219,627)
(828,749)
(3,211,931)
(7,280,998)
(582,072)
(694,910)
(717,788)
<hr/>
(64,849,300)
<hr/>
3,001,475
1,024,153
29,966
60,705,845
416,042
800
1,111,597
<hr/>
66,289,878
<hr/>
1,440,578
(4,804,784)
<hr/>
\$ (3,364,206)
<hr/>

## HANFORD ELEMENTARY SCHOOL DISTRICT

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

	<b>General Fund</b>	<b>Building Fund</b>	<b>Non-Major Governmental Funds</b>
<b>ASSETS</b>			
Deposits and investments	\$ 21,539,876	\$ 7,528,367	\$ 7,434,319
Receivables	1,047,649	-	831,138
Due from other funds	40	-	400,000
Prepaid expenditures	7,394	-	-
Stores inventories	144,261	-	41,028
<b>Total Assets</b>	<b>\$ 22,739,220</b>	<b>\$ 7,528,367</b>	<b>\$ 8,706,485</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 4,129,756	\$ -	\$ 479,438
Due to other funds	-	-	400,040
Unearned revenue	202,288	-	-
<b>Total Liabilities</b>	<b>4,332,044</b>	<b>-</b>	<b>879,478</b>
<b>Fund Balances:</b>			
Nonspendable	156,755	-	41,438
Restricted	1,551,776	7,528,367	4,361,808
Committed	-	-	16,441
Assigned	5,761,523	-	3,407,320
Unassigned	10,937,122	-	-
<b>Total Fund Balances</b>	<b>18,407,176</b>	<b>7,528,367</b>	<b>7,827,007</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 22,739,220</b>	<b>\$ 7,528,367</b>	<b>\$ 8,706,485</b>

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

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<b>Total Governmental Funds</b>	
<hr/>	
\$	36,502,562
	1,878,787
	400,040
	7,394
	185,289
<hr/>	
\$	38,974,072
<hr/>	

\$	4,609,194
	400,040
	202,288
<hr/>	
	5,211,522
<hr/>	
	198,193
	13,441,951
	16,441
	9,168,843
	10,937,122
<hr/>	
	33,762,550
<hr/>	
\$	38,974,072
<hr/>	

# HANFORD ELEMENTARY SCHOOL DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2019

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<b>Total Fund Balance - Governmental Funds</b>	<b>\$ 33,762,550</b>
<b>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	
The cost of capital assets is	\$ 74,590,471
Accumulated depreciation is	<u>(29,471,407)</u>
Net Capital Assets	45,119,064
An internal service fund is used by the District's management to charge the costs of the dental insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	476,892
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year-end consist of:	
Pension contributions subsequent to measurement date	6,660,516
Net change in proportionate share of net pension liability	1,787,479
Difference between projected and actual earnings on pension plan investments	170,764
Differences between expected and actual experience in the measurement of the total pension liability	1,512,071
Changes of assumptions	<u>9,455,295</u>
Total Deferred Outflows of Resources Related to Pensions	19,586,125
Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year-end consist of:	
Net change in proportionate share of net pension liability	(498,697)
Difference between projected and actual earnings on pension plan investments	(1,828,391)
Differences between expected and actual experience in the measurement of the total pension liability	<u>(689,715)</u>
Total Deferred Inflows of Resources Related to Pensions	(3,016,803)

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



**HANFORD ELEMENTARY SCHOOL DISTRICT**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION, Continued  
 JUNE 30, 2019**


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Deferred outflows of resources related to OPEB represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to OPEB at year-end consist of OPEB contributions subsequent to the measurement date.

\$ 515,584

Deferred inflows of resources related to OPEB represent a acquisition of net position in a future period and is not reported in the District's funds. Deferred inflows of resources related to OPEB at year-end consist of changes of assumptions in the OPEB actuarial study.

(433,239)

Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.

(68,302,049)

Long-term obligations, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

General obligation bonds including unamortized premiums

\$ 19,463,339

Compensated absences

357,600

Net other postemployment benefits (OPEB) liability

11,251,391

Total Long-Term Obligations

(31,072,330)

**Total Net Position - Governmental Activities**

**\$ (3,364,206)**

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

## HANFORD ELEMENTARY SCHOOL DISTRICT

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>	<b>Building Fund</b>	<b>Non-Major Governmental Funds</b>
<b>REVENUES</b>			
Local Control Funding Formula	\$ 56,532,840	\$ -	\$ 4,747,693
Federal sources	3,293,723	-	3,428,920
Other State sources	8,962,261	-	620,014
Other local sources	2,541,908	70,235	1,850,779
<b>Total Revenues</b>	<b>71,330,732</b>	<b>70,235</b>	<b>10,647,406</b>
<b>EXPENDITURES</b>			
Current			
Instruction	37,212,589	-	2,544,475
Instruction-related activities:			
Supervision of instruction	2,923,558	-	51,747
Instructional library, media and technology	1,137,378	-	110,939
School site administration	5,121,889	-	457,681
Pupil services:			
Home-to-school transportation	1,544,443	-	79,672
Food services	63,080	-	3,423,741
All other pupil services	5,555,589	-	256,863
Administration:			
Data processing	889,347	-	-
All other administration	3,047,666	-	373,277
Plant services	6,383,033	-	803,985
Ancillary services	1,672,748	-	6,675
Other outgo	1,201,540	-	-
Facility acquisition and construction	302,035	2,626,444	1,964,519
Debt service			
Principal	-	-	1,375,000
Interest and other	-	228,089	466,821
<b>Total Expenditures</b>	<b>67,054,895</b>	<b>2,854,533</b>	<b>11,915,395</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>4,275,837</b>	<b>(2,784,298)</b>	<b>(1,267,989)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	200,828	-	1,734,168
Proceeds from bond issuances	-	7,665,052	561,217
Transfers out	(1)	(144,667)	(1,790,328)
<b>Net Financing Sources (Uses)</b>	<b>200,827</b>	<b>7,520,385</b>	<b>505,057</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>4,476,664</b>	<b>4,736,087</b>	<b>(762,932)</b>
<b>Fund Balance - Beginning</b>	<b>13,930,512</b>	<b>2,792,280</b>	<b>8,589,939</b>
<b>Fund Balance - Ending</b>	<b>\$ 18,407,176</b>	<b>\$ 7,528,367</b>	<b>\$ 7,827,007</b>

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

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<b>Total Governmental Funds</b>	
<hr/>	
\$	61,280,533
	6,722,643
	9,582,275
	4,462,922
	<hr/>
	82,048,373
	<hr/>
	39,757,064
	2,975,305
	1,248,317
	5,579,570
	1,624,115
	3,486,821
	5,812,452
	889,347
	3,420,943
	7,187,018
	1,679,423
	1,201,540
	4,892,998
	1,375,000
	694,910
	<hr/>
	81,824,823
	<hr/>
	223,550
	<hr/>
	1,934,996
	8,226,269
	(1,934,996)
	<hr/>
	8,226,269
	<hr/>
	8,449,819
	25,312,731
	<hr/>
\$	33,762,550
	<hr/>

# HANFORD ELEMENTARY SCHOOL DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

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**Total Net Change in Fund Balances - Governmental Funds** **\$ 8,449,819**  
**Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:**

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlays	\$ 5,537,112	
Depreciation expense	<u>(1,856,412)</u>	3,680,700

Loss on disposal of capital assets is reported in the government-wide Statement of Activities, but is not recorded in the governmental funds. (31,996)

In the Statement of Activities, compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). Vacation used was less than the amounts earned by \$41,527. (41,527)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. (3,428,806)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows and net OPEB liability during the year. (359,448)

Proceeds received from issuance of debt is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:

Sale of general obligation bonds		(7,600,000)
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Governmental funds report the effect of premiums when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these related items:

Premium on new bond issuance		(626,269)
Amortization on debt premium		30,082

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

**HANFORD ELEMENTARY SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES, Continued  
FOR THE YEAR ENDED JUNE 30, 2019**

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Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term obligations in the statement of Net Position and does not affect the statement of activities. Repayment of debt principal for the year consisted of:

\$ 1,375,000

An internal service fund is used by the District's management to charge the costs of the unemployment compensation insurance program to the individual funds. The net income of the internal service fund is reported with governmental activities.

(6,977)

**Change in Net Position of Governmental Activities**

\$ 1,440,578

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

**HANFORD ELEMENTARY SCHOOL DISTRICT**
**PROPRIETARY FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**


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	<b>Governmental Activities - Internal Service Fund</b>
<b>ASSETS</b>	
Current Assets	
Deposits and investments	\$ 546,510
Receivables	370
Total Current Assets	<u>546,880</u>
<b>LIABILITIES</b>	
Current Liabilities	
Claim liabilities	<u>69,988</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 476,892</u></u>

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

**HANFORD ELEMENTARY SCHOOL DISTRICT**

**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Governmental Activities - Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges to other funds and miscellaneous revenues	\$ 695,518
<b>OPERATING EXPENSES</b>	
Professional and contract services	711,382
Operating loss	(15,864)
<b>NONOPERATING REVENUES</b>	
Interest income	8,887
<b>Change in Net Position</b>	(6,977)
<b>Total Net Position - Beginning</b>	483,869
<b>Total Net Position - Ending</b>	<u>\$ 476,892</u>

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

**HANFORD ELEMENTARY SCHOOL DISTRICT**
**PROPRIETARY FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**


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	<b>Governmental Activities - Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts from premiums	\$ 695,148
Cash payments for insurance claims	(696,470)
Net Cash Used by Operating Activities	<u>(1,322)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>8,887</u>
 Net Increase in Cash and Cash Equivalents	7,565
Cash and Cash Equivalents - Beginning	538,945
Cash and Cash Equivalents - Ending	<u><u>\$ 546,510</u></u>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (15,864)
Receivables	(370)
Claim liabilities	14,912
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u><u>\$ (1,322)</u></u>

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



**HANFORD ELEMENTARY SCHOOL DISTRICT**
**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**


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	<b>Agency Funds</b>
<b>ASSETS</b>	
Deposits and investments	\$ 40,031
	<u>40,031</u>
<b>LIABILITIES</b>	
Due to student groups	\$ 40,031
	<u>40,031</u>

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

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

The Hanford Elementary School District (the District) was organized under the laws of the State of California. The District operates under a locally-elected five-member Board form of government and provides educational services to grades K - 8 as mandated by the State and/or Federal agencies. The District operates eight elementary schools, one K-8 charter school, two junior high schools, and one community day school.

A reporting entity is comprised of the primary government and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Hanford Elementary School District, this includes general operations, food service, and student related activities of the District.

#### Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into three broad fund categories: governmental, proprietary, and fiduciary.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

#### Major Governmental Funds

**General Fund** The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Two funds currently defined as special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 15, Pupil Transportation Equipment Fund, and Fund 20, Special Reserve Fund for Postemployment Benefits, are not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as an extension of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of \$5,761,523.

**Building Fund** The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### Non-Major Governmental Funds

**Special Revenue Funds** The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

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

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

**Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

**Capital Project Funds** The Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

**Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

**County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

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

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

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

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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

**Internal Service Fund** Internal service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a Self-Insurance Fund for dental coverage that is accounted for in an internal service fund.

**Fiduciary Funds** Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

### **Basis of Accounting - Measurement Focus**

**Government-Wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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**Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

**Proprietary Funds** Proprietary funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

**Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

**Revenues – Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However to achieve comparability of reporting among California LEAs and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for LEAs as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Unearned Revenue** Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 60 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

**Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

**Investments**

Investments held at June 30, 2019, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county pools are determined by the program sponsor.

**Prepaid Expenditures (Expenses)**

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

**Stores Inventories**

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

**Capital Assets and Depreciation**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

**Interfund Balances**

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

**Compensated Absences**

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position as long-term obligations.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

**Accounts Payable and Long-Term Obligations**

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

**Premiums**

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

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

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for pension related items and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items.

### Pensions

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

### Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, where applicable, and OPEB expense, information about the fiduciary net position of the CalSTRS Medicare Premium payment (MPP) Program and additions to/deductions from the MPP's fiduciary net position have been determined on the same basis as they are reported by the MPP. For this purpose, the District Plan and MPP recognizes benefit payments when due and payable in accordance with the benefit terms. The MPP fiduciary net position reports investments at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

### Fund Balances - Governmental Funds

As of June 30, 2019, fund balances of the governmental funds are classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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



## HANFORD ELEMENTARY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2019**

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**Committed** - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Superintendent or Assistant Superintendent, Fiscal Services may assign amounts for specific purposes.

**Unassigned** - all other spendable amounts.

#### **Spending Order Policy**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

#### **Minimum Fund Balance Policy**

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

#### **Net Position**

Net position represents the difference between assets and liabilities. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$5,955,022 of restricted net position.

#### **Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are dental premiums. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities column of the Statement of Activities.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Property Tax**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Kings bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**New Accounting Pronouncements**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020. Early implementation is encouraged.

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

Deposits and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 37,049,072
Fiduciary funds	40,031
Total Deposits and Investments	<u>\$ 37,089,103</u>

Deposits and investments as of June 30, 2019, consist of the following:

Cash on hand and in banks	\$ 52,531
Cash in revolving	5,510
Investments	37,031,062
Total Deposits and Investments	<u>\$ 37,089,103</u>

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### Policies and Practices

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

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

### General Authorizations

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

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

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### Interest Rate Risk

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

### Segmented Time Distribution

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

Investment Type	Fair Value	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
County Pool	\$ 37,151,327	\$ -	\$ 37,151,327	\$ -	\$ -

### NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

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

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

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

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019****NOTE 4 - RECEIVABLES**

Receivables at June 30, 2019, consist of intergovernmental grants, entitlements, and local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal Government			
Categorical aid	\$ 434,753	\$ 720,854	\$ 1,155,607
State Government			
Grants and entitlements	528,151	74,830	602,981
Local Sources	84,745	35,454	120,199
Total	<u>\$ 1,047,649</u>	<u>\$ 831,138</u>	<u>\$ 1,878,787</u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 3,016,579	\$ -	\$ -	\$ 3,016,579
Construction in progress	4,165,385	1,584,947	4,096,739	1,653,593
Total Capital Assets Not Being Depreciated	<u>7,181,964</u>	<u>1,584,947</u>	<u>4,096,739</u>	<u>4,670,172</u>
Capital Assets Being Depreciated				
Land improvements	6,312,675	906,119	-	7,218,794
Buildings and improvements	49,113,642	6,509,736	29,165	55,594,213
Furniture and equipment	6,727,072	633,049	252,829	7,107,292
Total Capital Assets Being Depreciated	<u>62,153,389</u>	<u>8,048,904</u>	<u>281,994</u>	<u>69,920,299</u>
Less Accumulated Depreciation				
Land improvements	5,081,730	165,502	-	5,247,232
Buildings and improvements	18,693,955	1,209,405	3,734	19,899,626
Furniture and equipment	4,089,307	481,505	246,264	4,324,548
Total Accumulated Depreciation	<u>27,864,992</u>	<u>1,856,412</u>	<u>249,998</u>	<u>29,471,406</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,470,361</u>	<u>\$ 7,777,439</u>	<u>\$ 4,128,735</u>	<u>\$ 45,119,065</u>



**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

Depreciation expense was charged to the following functions as follows:

Governmental Activities	
Instruction	\$ 890,021
Supervision of instruction	65,714
School site administration	136,702
Home-to-school transportation	93,903
Food services	118,702
All other pupil services	53,475
Ancillary services	26,876
All other general administration	184,168
Plant services	286,851
Total Depreciation Expenses Governmental Activities	<u>\$ 1,856,412</u>

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

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2019, between major governmental funds are as follows:

	Interfund Receivables	Interfund Payables
Major Governmental Fund		
General	<u>\$ 40</u>	<u>\$ -</u>
Non-Major Governmental Funds		
Charter	-	400,040
Special Reserve Capital Outlay	<u>400,000</u>	<u>-</u>
Total Non-Major Governmental Funds	<u>400,000</u>	<u>400,040</u>
Total All Governmental Funds	<u>\$ 400,040</u>	<u>\$ 400,040</u>
The Charter School Non-Major Governmental Fund owes the General Fund tax in lieu funds.		\$ 40
The Charter School Non-Major Governmental Fund owes the Special Reserve Capital		
Outlay Non-Major Governmental Fund for facilities planning.		<u>400,000</u>
Total		<u>\$ 400,040</u>

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019****Operating Transfers**

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2019, consist of the following:

The Charter School Non-Major Governmental Fund transferred to the Non-Major Governmental Special Reserve Capital Outlay Fund for future building projects.	\$ 400,000
The Charter School Non-Major Governmental Fund transferred to the General Fund for post employment benefits.	200,828
The Building Fund transferred to the County School Facilities Non-Major Governmental Fund for a potential state funded classroom wing.	144,667
The Special Reserve Capital Outlay Non-Major Governmental Fund transferred to the County School Facilities Non-Major Governmental Fund for potential state funded projects.	1,189,500
The General Fund transferred to the Cafeteria Non-Major Governmental Fund to correct a posting error.	1
Total	<u><u>\$ 1,934,996</u></u>

**NOTE 7 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2019, consist of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Vendor payables	\$ 2,010,512	\$ 451,965	\$ 2,462,477
Salaries and benefits	833	-	833
Deferred payroll	1,833,198	-	1,833,198
State apportionment	285,213	27,473	312,686
Total	<u><u>\$ 4,129,756</u></u>	<u><u>\$ 479,438</u></u>	<u><u>\$ 4,609,194</u></u>

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019****NOTE 8 - UNEARNED REVENUE**

Unearned revenue at June 30, 2019, consists of the following:

	General Fund
Federal financial assistance	\$ 202,288

**NOTE 9 - LONG-TERM OBLIGATIONS****Summary**

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

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due in One Year
General obligation bonds-					
2003 issuance	\$ 330,000	\$ -	\$ 330,000	\$ -	\$ -
2010 issuance	2,985,000	-	445,000	2,540,000	460,000
2016A issuance	8,800,000	-	600,000	8,200,000	115,000
2016B issuance	-	7,600,000	-	7,600,000	-
Bond premiums	527,152	626,269	30,082	1,123,339	-
Compensated absences - net	316,073	41,527	-	357,600	-
Net other postemployment benefit (OPEB) liability	11,333,642	-	82,251	11,251,391	-
Total	<u>\$ 24,291,867</u>	<u>\$ 8,267,796</u>	<u>\$ 1,487,333</u>	<u>\$ 31,072,330</u>	<u>\$ 575,000</u>

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

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

### Bonded Debt

The outstanding general obligation bonded debt is as follows:

Year Issued	Year of Maturities	Interest Rate %	Original Issue	Bonds Outstanding July 1, 2018	Issued	Redeemed	Bonds Outstanding June 30, 2019
2003	2005-2019	2.0-3.5	\$ 4,775,000	\$ 330,000	\$ -	\$ 330,000	\$ -
2010	2012-2024	2.0-5.0	5,740,000	2,985,000	-	445,000	2,540,000
2017	2019-2047	2.0-5.0	8,800,000	8,800,000	-	600,000	8,200,000
2019	2019-2049	2.4-3.1	7,600,000	-	7,600,000	-	7,600,000
Total				<u>\$ 12,115,000</u>	<u>\$ 7,600,000</u>	<u>\$ 1,375,000</u>	<u>\$ 18,340,000</u>

### Debt Service Requirements to Maturity

#### 2003 General Obligation Bonds

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

The bonds were sold at a premium of \$16,991 which was amortized over the life of the bonds at \$1,132 per year. The premium has been fully amortized as of June 30, 2019.

The 2003 General Obligation Bonds have been paid in full as of June 30, 2019.

#### 2010 General Obligation Bonds

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

The bonds mature through 2024 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2020	\$ 460,000	\$ 109,500	\$ 569,500
2021	485,000	89,450	574,450
2022	505,000	67,125	572,125
2023	535,000	41,125	576,125
2024	555,000	13,875	568,875
Total	<u>\$ 2,540,000</u>	<u>\$ 321,075</u>	<u>\$ 2,861,075</u>

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2019**

The bonds were sold at a premium of \$210,148 which is being amortized over the life of the bonds at \$15,011 per year. The unamortized premium as of June 30, 2019, amounted to \$75,050.

### 2016A General Obligation Bonds

On May 24, 2017, the District issued \$8,800,000 Election of 2016, Series A General Obligation Bonds. The bonds were authorized at an election of the registered voters of the District held on November 8, 2016, which authorized the issuance of \$24,000,000 principal amount of general obligation bonds to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities, and to pay the costs of issuing the bonds. The bonds were issued as current interest bonds. Interest on the bonds is payable semiannually on February 1 and August 1 of each year commencing February 1, 2018.

Fiscal Year	Principal	Interest to Maturity	Total
2020	\$ 115,000	\$ 322,625	\$ 437,625
2021	-	320,900	320,900
2022	-	320,900	320,900
2023	-	320,900	320,900
2024	-	320,900	320,900
2025-2029	535,000	1,553,175	2,088,175
2030-2034	1,075,000	1,376,263	2,451,263
2035-2039	1,720,000	1,145,336	2,865,336
2040-2044	2,615,000	776,809	3,391,809
2045-2047	2,140,000	166,750	2,306,750
Total	<u>\$ 8,200,000</u>	<u>\$ 6,624,558</u>	<u>\$ 14,824,558</u>

The bonds were sold at a premium of \$452,164 which is being amortized over the life of the bonds at \$15,072 per year. The unamortized premium as of June 30, 2019, amounted to \$422,020.

### 2016B General Obligation Bonds

On March 27, 2019, the District issued \$7,600,000 Election of 2016, Series B General Obligation Bonds. The bonds were authorized at an election of the registered voters of the District held on November 8, 2016, which authorized the issuance of \$24,000,000 principal amount of general obligation bonds to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities, and to pay the costs of issuing the bonds. The bonds were issued as current interest bonds. Interest on the bonds is payable semiannually on February 1 and August 1 of each year commencing February 1, 2018.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2020	\$ -	\$ 264,517	\$ 264,517
2021	660,000	307,056	967,056
2022	550,000	295,712	845,712
2023	-	290,556	290,556
2024	-	290,556	290,556
2025-2029	-	1,452,780	1,452,780
2030-2034	375,000	1,419,405	1,794,405
2035-2039	860,000	1,298,995	2,158,995
2040-2044	1,340,000	1,121,924	2,461,924
2045-2049	3,815,000	659,801	4,474,801
Total	<u>\$ 7,600,000</u>	<u>\$ 7,401,302</u>	<u>\$ 15,001,302</u>

The bonds were sold at a premium of \$626,269 which is being amortized over the life of the bonds at \$20,876 per year. The unamortized premium as of June 30, 2019, amounted to \$626,269.

**Compensated Absences**

Compensated absences (unpaid employee vacation) for the District at June 30, 2019, amounted to \$357,600.

**Net Other Postemployment Benefit (OPEB) Liability**

For the fiscal year ended June 30, 2019, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

<u>OPEB Plan</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
District Plan	\$ 10,896,443	\$ 515,584	\$ 433,239	\$ 389,210
Medicare Premium Payment (MPP) Program	354,948	-	-	(29,762)
Total	<u>\$ 11,251,391</u>	<u>\$ 515,584</u>	<u>\$ 433,239</u>	<u>\$ 359,448</u>

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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The details of each plan are as follows:

### District Plan

#### **Plan Administration**

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

#### *Plan Membership*

At June 30, 2017, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	45
Active employees	435
Total	<u>480</u>

#### *Benefits Provided*

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

#### *Contributions*

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Hanford Elementary Teachers Association (HETA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, HETA, CSEA, and the unrepresented groups. For fiscal year 2018-2019, the District paid \$514,043 in benefits.

#### **Total OPEB Liability of the District**

The District's total OPEB liability of \$10,896,443 was measured as of June 30, 2018.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### *Actuarial Assumptions*

The total OPEB liability in the July 1, 2017, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	3.13 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.0 percent for 2018 and later years

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males and Females, as appropriate, without projection.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actual experience study for the period July 1, 2015 to June 30, 2017.

### **Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance, June 30, 2018	\$ 10,948,932
Service cost	634,895
Interest	334,563
Changes of assumptions or other inputs	(497,902)
Benefit payments	(524,045)
Net change in total OPEB liability	(52,489)
Balance, June 30, 2019	<u>\$ 10,896,443</u>

Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions - The discount rate decreased from 3.62 percent to 3.13 percent since the previous valuation.



# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### *Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

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

Discount Rate	Total OPEB Liability
1% decrease (2.62%)	\$ 11,940,916
Current discount rate (3.62%)	10,896,443
1% increase (4.62%)	9,959,766

### *Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (4.0%)	\$ 9,741,547
Current healthcare cost trend rate (5.0%)	10,896,443
1% increase (6.0%)	12,266,718

### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB**

For the year ended June 30, 2019, the District recognized OPEB expense of \$389,210. At June 30, 2019, the District reported deferred outflows of resources for OPEB contributions subsequent to measurement date of \$515,584 and deferred inflows of resources of \$433,239 for changes in assumptions.

The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent fiscal year.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

The deferred inflows of resources related to changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Inflows of Resources
2020	\$ (64,663)
2021	(64,663)
2022	(64,663)
2023	(64,663)
2024	(64,663)
Thereafter	(109,924)
Total	<u>\$ (433,239)</u>

### **Medicare Premium Payment (MPP) Program**

#### **Plan Description**

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### **Benefits Provided**

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, benefit payments that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### Net OPEB Liability and OPEB Expense

At June 30, 2019, the District reported a liability of \$354,948 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively, was 0.0927 percent and 0.0914 percent.

For the year ended June 30, 2019, the District recognized OPEB expense of \$(29,762).

### Actuarial Methods and Assumptions

The June 30, 2018 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total OPEB liability to June 30, 2018, using the assumptions listed in the following table:

Measurement Date	June 30, 2018	June 30, 2017
Valuation Date	June 30, 2017	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.87%	3.58%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2017, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 459 or an average of 0.27 percent of the potentially eligible population (171,593).

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2018, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

### Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2018, is 3.87 percent. The MPP Program is funded on a pay-as-you-go basis as described in Note 1, and under the pay-as-you-go method, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.87 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2018, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 0.29 percent from 3.58 percent as of June 30, 2017.

### *Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*

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

Discount Rate	Net OPEB Liability
1% decrease (2.87%)	\$ 392,590
Current discount rate (3.87%)	354,948
1% increase (4.87%)	320,960

### *Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates*

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	\$ 323,677
Current medicare costs trend rate (3.7% Part A and 4.1% Part B)	354,948
1% increase (4.7% Part A and 5.1% Part B)	388,580

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

### NOTE 10 - FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	\$ 5,100	\$ -	\$ 410	\$ 5,510
Stores inventories	144,261	-	41,028	185,289
Prepaid expenditures	7,394	-	-	7,394
Total Nonspendable	156,755	-	41,438	198,193
Restricted				
Legally restricted programs	1,551,776	-	1,679,764	3,231,540
Capital projects	-	7,528,367	1,032,947	8,561,314
Debt service	-	-	1,649,096	1,649,096
Total Restricted	1,551,776	7,528,367	4,361,807	13,441,950
Committed				
Deferred maintenance program	-	-	16,441	16,441
Assigned				
Transportation Equipment	253,505	-	-	253,505
Charter school activities	-	-	131,689	131,689
Postemployment benefits	5,508,018	-	-	5,508,018
Future capital projects	-	-	3,275,631	3,275,631
Total Assigned	5,761,523	-	3,407,320	9,168,843
Unassigned				
Reserve for economic uncertainties	6,642,000	-	-	6,642,000
Remaining unassigned	4,295,122	-	-	4,295,122
Total Unassigned	10,937,122	-	-	10,937,122
Total	\$ 18,407,176	\$ 7,528,367	\$ 7,827,006	\$ 33,762,549

### NOTE 11 - RISK MANAGEMENT

#### Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2019, the District contracted with Northern California Regional Excess Liability Fund for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### Workers' Compensation

For fiscal year 2019, the District participated in the Kings County Self-Insured Schools (KCSIC), an insurance purchasing pool. The intent of KCSIC is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in KCSIC. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in KCSIC. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of KCSIC. Participation in KCSIC is limited to districts that can meet KCSIC's selection criteria.

### Employee Medical and Vision Benefits

The District has contracted with the Self-Insured Schools of California (SISC III) to provide employee medical benefits. SISC III is a shared risk pool comprised of agencies in California. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating Districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool. The District has a contract with Keenan-Medical Eye Services for employee vision benefits. The plan is fully insured.

### Employee Dental Benefits Claims Liabilities

The District records an estimated liability for dental claims paid out of the Self-Insurance Fund of the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience. The following represent the changes in approximate aggregate liabilities for the District from June 30, 2017 to June 30, 2019 (in thousands):

	Dental Care
Liability Balance, June 30, 2017	\$ 170,507
Claims and changes in estimates	(115,431)
Liability Balance, June 30, 2018	55,076
Claims and changes in estimates	14,913
Liability Balance, June 30, 2019	\$ 69,989
Assets available to pay claims at June 30, 2019	\$ 546,880

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

### NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2019, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Proportionate share- Collective Net Pension Liability	Proportionate share- Collective Deferred Outflows of Resources	Proportionate share- Collective Deferred Inflows of Resources	Proportionate share- Collective Pension Expense
CalSTRS	\$ 47,482,880	\$ 13,899,528	\$ 2,824,126	\$ 5,967,733
CalPERS	20,819,169	5,686,597	192,677	4,121,589
Total	<u>\$ 68,302,049</u>	<u>\$ 19,586,125</u>	<u>\$ 3,016,803</u>	<u>\$ 10,089,322</u>

The details of each plan are as follows:

#### California State Teachers' Retirement System (CalSTRS)

##### Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:  
<http://www.calstrs.com/member-publications>.

##### Benefits Provided

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

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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

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

The STRP provisions and benefits in effect at June 30, 2019, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.28%	16.28%
Required state contribution rate	9.828%	9.828%

### Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the District's total contributions were \$4,683,088.



**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 47,482,880
State's proportionate share of the net pension liability associated with the District	27,186,169
Total	<u>\$ 74,669,049</u>

The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement periods June 30, 2018 and June 30, 2017, respectively was 0.0517 percent and 0.0505 percent, resulting in a net increase in the proportionate share of 0.0012 percent.

For the year ended June 30, 2019, the District recognized pension expense of \$5,967,733. In addition, the District recognized pension expense and revenue of \$3,193,762 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,683,088	\$ -
Net change in proportionate share of net pension liability	1,692,604	306,020
Difference between projected and actual earnings on pension plan investments	-	1,828,391
Differences between expected and actual experience in the measurement of the total pension liability	147,243	689,715
Changes of assumptions	7,376,593	-
Total	<u>\$ 13,899,528</u>	<u>\$ 2,824,126</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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

Year Ended June 30,	Deferred Inflows of Resources
2020	\$ 396,995
2021	(288,071)
2022	(1,533,948)
2023	(403,367)
Total	<u>\$ (1,828,391)</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ 1,680,180
2021	1,680,180
2022	1,680,180
2023	1,489,662
2024	1,567,030
Thereafter	123,473
Total	<u>\$ 8,220,705</u>

### Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2018, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

### Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 69,556,862
Current discount rate (7.10%)	47,482,880
1% increase (8.10%)	29,181,406

### **California Public Employees Retirement System (CalPERS)**

#### **Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:  
<https://www.calpers.ca.gov/page/forms-publications>.

#### **Benefits Provided**

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

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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The CalPERS provisions and benefits in effect at June 30, 2019, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	18.062%	18.062%

### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the total District contributions were \$1,977,428.

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$20,819,169. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively was 0.0781 percent and 0.0790 percent, resulting in a net decrease in the proportionate share of 0.0009 percent.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

For the year ended June 30, 2019, the District recognized pension expense of \$4,121,589. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,977,428	\$ -
Net change in proportionate share of net pension liability	94,875	192,677
Difference between projected and actual earnings on pension plan investments	170,764	-
Differences between expected and actual experience in the measurement of the total pension liability	1,364,828	-
Changes of assumptions	2,078,702	-
Total	<u>\$ 5,686,597</u>	<u>\$ 192,677</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ended June 30,	Deferred Outflows of Resources
2020	\$ 621,106
2021	148,531
2022	(475,990)
2023	(122,883)
Total	<u>\$ 170,764</u>

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.0 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ 1,552,195
2021	1,385,225
2022	408,308
Total	<u>\$ 3,345,728</u>

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 30,311,715
Current discount rate (7.15%)	20,819,169
1% increase (8.15%)	12,943,744

### Social Security

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

### On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,509,111 (9.828 percent of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2018-2019 contribution on behalf of school employers of \$2.246 billion for CalSTRS and \$904 million for CalPERS. A proportionate share of these contributions has been recorded in these financial statements. On behalf payments related to these additional contributions have been excluded from the calculation of available reserves and have not been included in the budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule*.



# HANFORD ELEMENTARY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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### NOTE 13 - COMMITMENTS AND CONTINGENCIES

#### Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2019.

#### Litigation

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

#### Construction Commitments

As of June 30, 2019, the District had the following commitments with respect to the unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Lincoln Elementary School add solar in parking lot	\$ 587,333	January 2020
Lincoln Elementary School kindergarten wing	2,000,000	December 2019
Remove and replace brick walkways at the District	14,097	July 2019
Martin Luther King School chiller replacement	146,293	August 2019
Wilson Elementary School replacement of roof	30,233	August 2019
Community Day School shade structure	50,000	August 2019
Total remaining construction commitments	<u>\$ 2,827,956</u>	

### NOTE 14 - PARTICIPATION IN JOINT POWERS AUTHORITIES

The District is a member of the Northern California Regional Excess Liability Fund (NorCal ReLiEF), the Self-Insured Schools of California (SISC III), the Kings County Self-Insured Schools (KCSIS), and the Kings Schools Transportation Authority (KSTA) joint powers authorities (JPAs). The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District, the pools, and the JPAs are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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The District has an appointed representative to the governing board of NorCal ReLiEF.

During the year ended June 30, 2019, the District made payment of \$335,914 to NorCal ReLiEF for property and liability insurance.

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

During the year ended June 30, 2019, the District made payment of \$6,751,425 to SISC III for health insurance.

The District has an appointed representative to the governing board of KCSIS.

During the year ended June 30, 2019, the District made payment of \$781,959 to KCSIS for workers' compensation insurance.

The District has an appointed representative to the governing board of KSTA.

During the year ended June 30, 2019, the District made payment of \$363,328 to KSTA for student transportation services.

**NOTE 15 - SUBSEQUENT EVENTS**

The District has allowed the Jefferson Charter Academy (Charter School Number 1637) to lapse. The site will operate as a magnet school starting in the 2019-2020 school year.

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***REQUIRED SUPPLEMENTARY INFORMATION***

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## HANFORD ELEMENTARY SCHOOL DISTRICT

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual <sup>1</sup></b>	<b>Variances - Favorable (Unfavorable) Final to Actual</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Local Control Funding Formula	\$ 56,229,781	\$ 56,532,840	\$ 56,532,840	\$ -
Federal sources	3,922,471	3,293,723	3,293,723	-
Other State sources	6,601,913	6,431,249	8,962,261	2,531,012
Other local sources	2,626,482	2,541,908	2,541,908	-
<b>Total Revenues</b>	<b>69,380,647</b>	<b>68,799,720</b>	<b>71,330,732</b>	<b>2,531,012</b>
<b>EXPENDITURES</b>				
Current				
Certificated salaries	27,860,947	27,461,691	27,461,691	-
Classified salaries	10,822,263	11,240,311	11,240,311	-
Employee benefits	17,189,939	17,213,815	19,744,827	(2,531,012)
Books and supplies	3,991,830	3,631,325	3,631,325	-
Services and operating expenditures	3,889,409	3,323,275	3,323,275	-
Other outgo	1,273,171	866,540	866,540	-
Capital outlay	1,399,512	786,926	786,926	-
<b>Total Expenditures</b>	<b>66,427,071</b>	<b>64,523,883</b>	<b>67,054,895</b>	<b>(2,531,012)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,953,576</b>	<b>4,275,837</b>	<b>4,275,837</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	200,828	200,828	-
Transfers out	-	(1)	(1)	-
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>200,827</b>	<b>200,827</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,953,576</b>	<b>4,476,664</b>	<b>4,476,664</b>	<b>-</b>
<b>Fund Balance - Beginning</b>	<b>13,930,512</b>	<b>13,930,512</b>	<b>13,930,512</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 16,884,088</b>	<b>\$ 18,407,176</b>	<b>\$ 18,407,176</b>	<b>\$ -</b>

<sup>1</sup> On behalf payments of \$2,531,012 relating to Senate Bill 90 (Chapter 33, Statutes of 2019) are included in the actual revenues and expenditures but have not been included in the budgeted amounts. Additionally, revenue and expenditure amounts include Fund 15, Pupil Transportation Fund and Fund 20, Special Reserve Fund for Postemployment Benefits but budget amounts do not.

See accompanying note to required supplementary information.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018
<b>Total OPEB Liability</b>		
Service cost	\$ 634,895	\$ 616,403
Interest	334,563	321,583
Changes of assumptions	(497,902)	-
Benefit payments	(524,045)	(522,503)
<b>Net change in total OPEB liability</b>	(52,489)	415,483
<b>Total OPEB liability - beginning</b>	10,948,932	10,533,449
<b>Total OPEB liability - ending</b>	<u>\$ 10,896,443</u>	<u>\$ 10,948,932</u>
 <b>Covered payroll</b>	 <u>N/A <sup>1</sup></u>	 <u>N/A <sup>1</sup></u>
 <b>District's total OPEB liability as a percentage of covered payroll</b>	 <u>N/A <sup>1</sup></u>	 <u>N/A <sup>1</sup></u>

<sup>1</sup> The District's OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

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

See accompanying note to required supplementary information.

**HANFORD ELEMENTARY SCHOOL DISTRICT**
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET  
 OPEB LIABILITY - MPP PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2019**


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Year ended June 30,	2018	2017
District's proportion of the net OPEB liability	0.0927%	0.0914%
District's proportionate share of the net OPEB liability	\$ 354,948	\$ 384,710
District's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	-0.40%	0.01%

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<sup>1</sup> As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

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

See accompanying note to required supplementary information.

**HANFORD ELEMENTARY SCHOOL DISTRICT**
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>
<b>CalSTRS</b>		
District's proportion of the net pension liability	<u>0.0517%</u>	<u>0.0505%</u>
District's proportionate share of the net pension liability	\$ 47,482,880	\$ 46,711,085
State's proportionate share of the net pension liability associated with the District	<u>27,186,169</u>	<u>27,633,883</u>
Total	<u>\$ 74,669,049</u>	<u>\$ 74,344,968</u>
District's covered payroll	<u>\$ 27,570,305</u>	<u>\$ 26,685,429</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>172.22%</u>	<u>175.04%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>71%</u>	<u>69%</u>
<b>CalPERS</b>		
District's proportion of the net pension liability	<u>0.0781%</u>	<u>0.0790%</u>
District's proportionate share of the net pension liability	<u>\$ 20,819,169</u>	<u>\$ 18,847,723</u>
District's covered payroll	<u>\$ 10,303,580</u>	<u>\$ 10,066,302</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>202.06%</u>	<u>187.24%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>71%</u>	<u>72%</u>

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

See accompanying note to required supplementary information.

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<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>0.0511%</u>	<u>0.0510%</u>	<u>0.0482%</u>
\$ 41,305,968	\$ 34,307,537	\$ 28,163,133
<u>23,514,751</u>	<u>18,144,905</u>	<u>17,006,116</u>
<u>\$ 64,820,719</u>	<u>\$ 52,452,442</u>	<u>\$ 45,169,249</u>
<u>\$ 25,643,541</u>	<u>\$ 23,320,878</u>	<u>\$ 21,702,145</u>
<u>161.08%</u>	<u>147.11%</u>	<u>129.77%</u>
<u>70%</u>	<u>74%</u>	<u>77%</u>
<u>0.0798%</u>	<u>0.0771%</u>	<u>0.0740%</u>
<u>\$ 15,760,087</u>	<u>\$ 11,366,384</u>	<u>\$ 8,395,535</u>
<u>\$ 9,581,751</u>	<u>\$ 8,524,832</u>	<u>\$ 7,842,555</u>
<u>164.48%</u>	<u>133.33%</u>	<u>107.05%</u>
<u>74%</u>	<u>79%</u>	<u>83%</u>



**HANFORD ELEMENTARY SCHOOL DISTRICT****SCHEDULE OF DISTRICT CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>
<b>CalSTRS</b>		
Contractually required contribution	\$ 4,683,088	\$ 3,978,395
Contributions in relation to the contractually required contribution	<u>4,683,088</u>	<u>3,978,395</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 28,765,897</u>	<u>\$ 27,570,305</u>
Contributions as a percentage of covered payroll	<u>16.28%</u>	<u>14.43%</u>
 <b>CalPERS</b>		
Contractually required contribution	\$ 1,977,428	\$ 1,600,249
Contributions in relation to the contractually required contribution	<u>1,977,428</u>	<u>1,600,249</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 10,948,001</u>	<u>\$ 10,303,580</u>
Contributions as a percentage of covered payroll	<u>18.062%</u>	<u>15.531%</u>

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

See accompanying note to required supplementary information.

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<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,357,027	\$ 2,751,552	\$ 2,070,894
<u>3,357,027</u>	<u>2,751,552</u>	<u>2,070,894</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 26,685,429	\$ 25,643,541	\$ 23,320,878
<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
\$ 1,398,008	\$ 1,135,150	\$ 1,003,458
<u>1,398,008</u>	<u>1,135,150</u>	<u>1,003,458</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,066,302	\$ 9,581,751	\$ 8,524,832
<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

## HANFORD ELEMENTARY SCHOOL DISTRICT

### NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2019

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#### NOTE 1 - PURPOSE OF SCHEDULES

##### **Budgetary Comparison Schedule**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

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

At June 30, 2019, the District's General Fund exceeded the budgeted amount by \$2,531,012 entirely due to the recording of additional on behalf contributions related to Senate Bill 90 (Chapter 33, Statutes of 2019).

##### **Schedule of Changes in the District's Total OPEB Liability and Related Ratios**

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

***Changes in Benefit Terms*** - There were no changes in the benefit terms since the previous valuation.

***Changes of Assumptions*** - The discount rate decreased from 3.62 percent to 3.13 percent since the previous valuation.

##### **Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program**

This schedule presents information on the District's proportionate share of the net OPEB Liability - MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

***Changes in Benefit Terms*** - There were no changes in the benefit terms since the previous valuation.

***Changes of Assumptions*** - The plan rate of investment return assumption was changed from 3.58 percent to 3.87 percent since the previous valuation.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

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

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

***Changes in Benefit Terms*** - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

***Changes of Assumptions*** - There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

**Schedule of District Contributions**

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

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***SUPPLEMENTARY INFORMATION***

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**HANFORD ELEMENTARY SCHOOL DISTRICT****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through California Department of Education (CDE):			
Title I - Part A, Basic Grants	84.010	14329	\$ 2,376,586
ESSA School Improvement Funding for LEAs	84.010	15438	10,943
Title II - Part A, Supporting Effective Instruction	84.367	14341	113,693
Title III - English Language Acquisition - LEP	84.365	14346	153,250
Title IV - Part A, Sub Pt 1 Student Support and Academic Enrichment	84.424	15396	166,764
Special Education Cluster (IDEA)			
Special Education, Basic Local Assistance	84.027	13379	228,878
Special Education, Basic Local Assistance Private School	84.027	10115	140
Special Education, Mental Health Services	84.027A	15197	67,248
Total Special Education Cluster (IDEA)			<u>296,266</u>
Total U.S. Department of Education			<u>3,117,502</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through California Department of Health Care Services:			
Medicaid Cluster			
Medi-Cal Administrative Assistance	93.778	10060	145,091
Medi-Cal Billing Option	93.778	10013	31,130
Total - Medicaid Cluster			<u>176,221</u>
Total U.S. Department of Health and Human Services			<u>176,221</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through CDE:			
Child Nutrition Cluster			
National School Lunch	10.555	13391	2,412,722
Especially Needy Breakfast	10.553	13526	660,605
Meals Supplements - Snack	10.555	13391	100,629
Summer Food Program	10.559	13004	4,526
Food Distribution - Commodities	10.555	13391	250,438
Subtotal Child Nutrition Cluster			<u>3,428,920</u>
Total U.S. Department of Agriculture			<u>3,428,920</u>
Total Expenditures of Federal Awards			<u>\$ 6,722,643</u>

See accompanying note to supplementary information.

## HANFORD ELEMENTARY SCHOOL DISTRICT

### LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2019

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#### ORGANIZATION

The Hanford Elementary School District was established in August 1891 and consists of an area comprising approximately 12.92 square miles. The District operates eight elementary schools, one K-8 charter school, two junior high schools, and one community day school. There were no boundary changes during the year.

#### GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Jeff Garner	President	2022
Timothy Revious	Vice President	2020
Lupe Hernandez	Clerk	2022
Robert "Bobby" Garcia	Trustee	2022
Greg Strickland	Trustee	2020

#### ADMINISTRATION

Joy C. Gabler	Superintendent
David Endo	Chief Business Official
Jaime Martinez	Assistant Superintendent Human Resources
Jill Rubalcava	Assistant Superintendent Curriculum, Instruction and Professional Development
Karen McConnell	Assistant Superintendent, Special Services

See accompanying note to supplementary information.

**HANFORD ELEMENTARY SCHOOL DISTRICT****SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2019**

	Second Period Report	Annual Report
<b>HANFORD ELEMENTARY SCHOOL DISTRICT</b>		
Regular ADA		
Transitional kindergarten through third	2,401.85	2,400.78
Fourth through sixth	1,757.89	1,754.72
Seventh and eighth	1,178.31	1,172.43
Total Regular ADA	5,338.05	5,327.93
Extended Year Special Education		
Transitional kindergarten through third	-	0.86
Fourth through sixth	-	0.15
Total Extended Year Special Education	-	1.01
Special Education, Nonpublic, Nonsectarian Schools		
Seventh and eighth	1.00	1.04
Total Special Education, Nonpublic, Nonsectarian Schools	1.00	1.04
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	-	0.25
Total Special Education, Nonpublic, Nonsectarian Schools	-	0.25
Community Day School		
Transitional kindergarten through third	3.48	3.88
Fourth through sixth	3.79	4.33
Seventh and eighth	5.65	7.50
Total Community Day School	12.92	15.71
Total ADA	5,351.97	5,345.94
<b>JEFFERSON CHARTER ACADEMY</b>		
Regular ADA - classroom based		
Transitional kindergarten through third	187.65	187.58
Fourth through sixth	190.85	190.71
Seventh and eighth	120.04	120.65
Total classroom based	498.54	498.94
Regular ADA - non-classroom based		
Transitional kindergarten through third	0.36	0.32
Fourth through sixth	0.60	0.55
Seventh and eighth	0.36	0.29
Total non-classroom based	1.32	1.16
Total Charter ADA	499.86	500.10

See accompanying note to supplementary information.



**HANFORD ELEMENTARY SCHOOL DISTRICT****SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2019****HANFORD ELEMENTARY SCHOOL DISTRICT**

Grade Level	1986-1987 Minutes Requirement	2018-2019 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	52,513	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		52,103	180	N/A	Complied
Grade 2		52,103	180	N/A	Complied
Grade 3		52,103	180	N/A	Complied
Grades 4 - 6	54,000				
Grade 4		55,293	180	N/A	Complied
Grade 5		55,293	180	N/A	Complied
Grade 6		55,293	180	N/A	Complied
Grades 7 - 8	54,000				
Grade 7		57,138	180	N/A	Complied
Grade 8		57,318	180	N/A	Complied

**JEFFERSON CHARTER ACADEMY**

Grade Level	1986-1987 Minutes Requirement	2018-2019 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	51,693	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		52,103	180	N/A	Complied
Grade 2		52,103	180	N/A	Complied
Grade 3		52,103	180	N/A	Complied
Grades 4 - 6	54,000				
Grade 4		55,293	180	N/A	Complied
Grade 5		55,293	180	N/A	Complied
Grade 6		55,293	180	N/A	Complied
Grades 7 - 8	54,000				
Grade 7		57,138	180	N/A	Complied
Grade 8		57,138	180	N/A	Complied

See accompanying note to supplementary information.

**HANFORD ELEMENTARY SCHOOL DISTRICT****RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2019.

See accompanying note to supplementary information.

# HANFORD ELEMENTARY SCHOOL DISTRICT

## SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

	(Budget) 2020 <sup>1</sup>	2019	2018	2017
GENERAL FUND				
Revenues <sup>4</sup>	\$ 75,172,938	\$ 71,253,413	\$ 64,728,808	\$ 62,214,309
Other sources and transfers in	-	100,000	-	-
Total Revenues and Other Sources <sup>4</sup>	75,172,938	71,353,413	64,728,808	62,214,309
Expenditures	74,819,212	67,054,895	61,717,017	58,903,348
Other uses and transfers out	274,067	1,988,428	2,694,216	1,889,795
Total Expenditures and Other Uses <sup>4</sup>	75,093,279	69,043,323	64,411,233	60,793,143
INCREASE (DECREASE) IN FUND BALANCE	\$ 79,659	\$ 2,310,090	\$ 317,575	\$ 1,421,166
ENDING FUND BALANCE	\$ 12,725,311	\$ 12,645,652	\$ 10,335,562	\$ 10,017,987
AVAILABLE RESERVES <sup>2,6</sup>	\$ 11,482,901	\$ 10,937,122	\$ 9,419,340	\$ 8,688,436
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	15.29%	16.44%	14.62%	14.29%
LONG-TERM OBLIGATIONS <sup>5</sup>	Not Available	\$ 31,072,330	\$ 24,291,867	\$ 24,718,013
AVERAGE DAILY ATTENDANCE AT P-2 <sup>3</sup>	5,852	5,352	5,349	5,352

The General Fund balance has increased by \$2,627,665 over the past two years. The fiscal year 2019-2020 budget projects a further increase of \$79,659 (0.63 percent). For a district this size, the State recommends available reserves of at least 3.0 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating surplus during the 2019-2020 fiscal year. Total long-term obligations have increased by \$6,354,317 over the past two years due primarily to the issuance of general obligation bonds and the implementation of GASB Statement No. 75.

Average daily attendance has remained steady over the past two years. Growth of 500 ADA is anticipated during fiscal year 2019-2020 due to Jefferson Charter Academy School being allowed to lapse, moving that ADA to the District.

<sup>1</sup> Budget 2020 is included for analytical purposes only and has not been subjected to audit.

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

<sup>3</sup> Excludes Charter School average daily attendance.

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

<sup>5</sup> The balance of long-term obligations for the year ended June 30, 2017, has been restated due to the implementation of GASB Statement No. 75.

<sup>6</sup> On behalf payments of \$2,531,012 relating to Senate Bill 90 (Chapter 33, Statutes of 2019) have been excluded from the calculation of available reserves for the fiscal year ending June 30, 2019.

See accompanying note to supplementary information.

**HANFORD ELEMENTARY SCHOOL DISTRICT****SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2019**

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Name of Charter School	Included in Audit Report
Jefferson Charter Academy (Charter School Number 1637)	Yes

See accompanying note to supplementary information.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**NON-MAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2019**

	<b>Charter School Fund</b>	<b>Cafeteria Fund</b>	<b>Deferred Maintenance Fund</b>
<b>ASSETS</b>			
Deposits and investments	\$ 658,267	\$ 908,622	\$ 144,553
Receivables	22,839	782,554	-
Due from other funds	-	-	-
Stores inventories	-	41,028	-
<b>Total Assets</b>	<b>\$ 681,106</b>	<b>\$ 1,732,204</b>	<b>\$ 144,553</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 80,190	\$ 80,188	\$ 128,112
Due to other funds	400,040	-	-
<b>Total Liabilities</b>	<b>480,230</b>	<b>80,188</b>	<b>128,112</b>
<b>Fund Balances:</b>			
Nonspendable	-	41,438	-
Restricted	69,187	1,610,578	-
Committed	-	-	16,441
Assigned	131,689	-	-
<b>Total Fund Balances</b>	<b>200,876</b>	<b>1,652,016</b>	<b>16,441</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 681,106</b>	<b>\$ 1,732,204</b>	<b>\$ 144,553</b>

See accompanying note to supplementary information.

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<b>Capital Facilities Fund</b>	<b>County School Facilities Fund</b>	<b>Special Reserve Capital Outlay Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 589,127	\$ 607,423	\$ 2,877,231	\$ 1,649,096	\$ 7,434,319
25,745	-	-	-	831,138
-	-	400,000	-	400,000
-	-	-	-	41,028
<u>\$ 614,872</u>	<u>\$ 607,423</u>	<u>\$ 3,277,231</u>	<u>\$ 1,649,096</u>	<u>\$ 8,706,485</u>
\$ -	\$ 189,348	\$ 1,600	\$ -	\$ 479,438
-	-	-	-	400,040
<u>-</u>	<u>189,348</u>	<u>1,600</u>	<u>-</u>	<u>879,478</u>
-	-	-	-	41,438
614,872	418,075	-	1,649,096	4,361,808
-	-	-	-	16,441
-	-	3,275,631	-	3,407,320
<u>614,872</u>	<u>418,075</u>	<u>3,275,631</u>	<u>1,649,096</u>	<u>7,827,007</u>
<u>\$ 614,872</u>	<u>\$ 607,423</u>	<u>\$ 3,277,231</u>	<u>\$ 1,649,096</u>	<u>\$ 8,706,485</u>

## HANFORD ELEMENTARY SCHOOL DISTRICT

**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Charter School Fund</b>	<b>Cafeteria Fund</b>
<b>REVENUES</b>		
Local Control Funding Formula	\$ 4,317,693	\$ -
Federal sources	-	3,428,920
Other State sources	367,718	237,456
Other local sources	38,725	121,180
<b>Total Revenues</b>	<b>4,724,136</b>	<b>3,787,556</b>
<b>EXPENDITURES</b>		
Current		
Instruction	2,544,475	-
Instruction-related activities:		
Supervision of instruction	51,747	-
Instructional library, media, and technology	110,939	-
School site administration	457,681	-
Pupil services:		
Home-to-school transportation	79,672	-
Food services	-	3,423,741
All other pupil services	256,863	-
Administration:		
All other administration	202,277	150,000
Plant services	645,264	8,270
Ancillary services	6,675	-
Facility acquisition and construction	-	-
Debt service		
Principal	-	-
Interest and other	-	-
<b>Total Expenditures</b>	<b>4,355,593</b>	<b>3,582,011</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>368,543</b>	<b>205,545</b>
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	1
Proceeds from bond issuances	-	-
Transfers out	(600,828)	-
<b>Net Financing Sources (Uses)</b>	<b>(600,828)</b>	<b>1</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(232,285)</b>	<b>205,546</b>
<b>Fund Balance - Beginning</b>	<b>433,161</b>	<b>1,446,470</b>
<b>Fund Balance - Ending</b>	<b>\$ 200,876</b>	<b>\$ 1,652,016</b>

See accompanying note to supplementary information.

<b>Deferred Maintenance Fund</b>	<b>Capital Facilities Fund</b>	<b>County School Facilities Fund</b>	<b>Special Reserve Capital Outlay Fund</b>	<b>Bond Interest and Redemption Fund</b>
\$ 430,000	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	14,840
3,087	586,522	8,925	66,118	1,026,222
433,087	586,522	8,925	66,118	1,041,062
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	21,000	-	-	-
-	149,317	-	1,134	-
-	-	-	-	-
419,942	-	1,535,900	8,677	-
-	-	-	-	1,375,000
-	-	-	-	466,821
419,942	170,317	1,535,900	9,811	1,841,821
13,145	416,205	(1,526,975)	56,307	(800,759)
-	-	1,334,167	400,000	-
-	-	-	-	561,217
-	-	-	(1,189,500)	-
-	-	1,334,167	(789,500)	561,217
13,145	416,205	(192,808)	(733,193)	(239,542)
3,296	198,667	610,883	4,008,824	1,888,638
\$ 16,441	\$ 614,872	\$ 418,075	\$ 3,275,631	\$ 1,649,096



## HANFORD ELEMENTARY SCHOOL DISTRICT

**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES, Continued**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Total Non-Major Governmental Funds</b>
<b>REVENUES</b>	
Local Control Funding Formula	\$ 4,747,693
Federal sources	3,428,920
Other State sources	620,014
Other local sources	1,850,779
<b>Total Revenues</b>	<b>10,647,406</b>
<b>EXPENDITURES</b>	
Current	
Instruction	2,544,475
Instruction-related activities:	
Supervision of instruction	51,747
Instructional library, media, and technology	110,939
School site administration	457,681
Pupil services:	
Home-to-school transportation	79,672
Food services	3,423,741
All other pupil services	256,863
Administration:	
All other administration	373,277
Plant services	803,985
Ancillary services	6,675
Facility acquisition and construction	1,964,519
Debt service	
Principal	1,375,000
Interest and other	466,821
<b>Total Expenditures</b>	<b>11,915,395</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,267,989)</b>
<b>Other Financing Sources (Uses)</b>	
Transfers in	1,734,168
Proceeds from bond issuances	561,217
Transfers out	(1,790,328)
<b>Net Financing Sources (Uses)</b>	<b>505,057</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(762,932)</b>
<b>Fund Balance - Beginning</b>	<b>8,589,939</b>
<b>Fund Balance - Ending</b>	<b>\$ 7,827,007</b>

See accompanying note to supplementary information.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

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**NOTE 1 - PURPOSE OF SCHEDULES****Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

**Local Education Agency Organization Structure**

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

**Schedule of Average Daily Attendance (ADA)**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

Districts must maintain their instructional minutes at the 1986-1987 requirements as required by *Education Code* Section 46201.

**Reconciliation of Annual Financial and Budget Report With Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

**Schedule of Financial Trends and Analysis**

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

**HANFORD ELEMENTARY SCHOOL DISTRICT****NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

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**Schedule of Charter Schools**

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

**Non-Major Governmental Funds - Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

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***INDEPENDENT AUDITOR'S REPORTS***

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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  
Hanford Elementary School District  
Hanford, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hanford Elementary School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Hanford Elementary School District's basic financial statements, and have issued our report thereon dated December 9, 2019.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity'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 Entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Fresno, California  
December 9, 2019



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

Governing Board  
Hanford Elementary School District  
Hanford, California

**Report on Compliance for Each Major Federal Program**

We have audited Hanford Elementary School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hanford Elementary School District's major Federal programs for the year ended June 30, 2019. Hanford Elementary School District's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Hanford Elementary School District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Hanford Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Hanford Elementary School District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Hanford Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of Hanford Elementary School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hanford Elementary School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hanford Elementary School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Fresno, California  
December 9, 2019





## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board  
Hanford Elementary School District  
Hanford, California

### Report on State Compliance

We have audited Hanford Elementary School District's (the District) compliance with the types of compliance requirements as identified in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Hanford Elementary School District's State government programs as noted below for the year ended June 30, 2019.

### Management's Responsibility

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

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Hanford Elementary School District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Hanford Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of Hanford Elementary School District's compliance with those requirements.

### Unmodified Opinion

In our opinion, Hanford Elementary School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2019.

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

	Procedures Performed
<b>LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (see below)
Continuation Education	No (see below)
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (see below)
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No (see below)
Middle or Early College High Schools	No (see below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No (see below)
Comprehensive School Safety Plan	Yes
District of Choice	No (see below)
<b>SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS</b>	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No (see below)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No (see below)
<b>CHARTER SCHOOLS</b>	
Attendance	Yes
Mode of Instruction	Yes
Non Classroom-Based Instruction/Independent Study for Charter Schools	No (see below)
Determination of Funding for Non Classroom-Based Instruction	No (see below)
Annual Instruction Minutes Classroom-Based	Yes
Charter School Facility Grant Program	No (see below)

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

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

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

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

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

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform District of Choice procedures because the program is not offered by the District.

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

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

We did not perform procedures for the Non Classroom-Based Instruction/Independent Study because the ADA was below the level for testing.

We did not perform procedures for Determination of Funding for Non Classroom-Based Instruction because the non-classroom-based ADA was below the level that would require a determination of funding.

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

Handwritten signature of Erik Bailey LLP in cursive script.

Fresno, California  
December 9, 2019

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

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**HANFORD ELEMENTARY SCHOOL DISTRICT****SUMMARY OF AUDITOR'S RESULTS  
FOR THE YEAR ENDED JUNE 30, 2019**

---

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

Internal control over major Federal programs:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	
Identification of major Federal programs:	<u>No</u>

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I Programs</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Type of auditor's report issued on compliance for programs:	<u>Unmodified</u>
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**HANFORD ELEMENTARY SCHOOL DISTRICT****FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

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None reported.

**HANFORD ELEMENTARY SCHOOL DISTRICT****FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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None reported.

**HANFORD ELEMENTARY SCHOOL DISTRICT****STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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None reported.



**HANFORD ELEMENTARY SCHOOL DISTRICT****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

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There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/13/2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/22/2020

**ITEM:**

Consider approval of actuarial contract for services in accordance with Government Accounting Standards Board (GASB) Statement 75.

**PURPOSE:**

The District is required to quantify its postemployment employee benefit liability in accordance with Government Accounting Standards Board (GASB) Statement 75. Demsey, Filliger & Associates has provided the attached proposal to complete the study.

**FISCAL IMPACT:**

The proposed cost is \$6,000.

**RECOMMENDATIONS:**

Approve the contract for services.

January 11, 2020

### **Scope of Work**

DFA, LLC (DFA) will provide Hanford Elementary School District with an actuarial report as of July 1, 2019, setting forth all District liabilities of the postretirement health benefit program, including a projection of District expenditures under the plan. Our report will contain the following information:

- Determination of postretirement benefit obligations and components of expense in accordance with the Statement No. 75 of the Governmental Accounting Standards Board for fiscal year beginning July 1, 2019;
- Alternative amounts for prefunding the obligations as a percent of covered employee payroll;
- Reconciliation of Total OPEB Liability with the prior actuarial report;
- Roll-forward of Net OPEB Liability to GASB 75 measurement date;
- Summary of plan provisions, actuarial assumptions, and certification.

The Scope of Work also includes assistance in the preparation (or review) of the GASB 75 footnote disclosures at the time the District prepares its financial statements for fiscal years ending June 30, 2020 and June 30, 2021.

### **Fees**

Our flat fee, for services listed above (including telephone support to explain and discuss the report) will be as follows:

Actuarial Report as of July 1, 2019	\$4,500
GASB 75 footnote information for fiscal year ending June 30, 2020	\$750
GASB 75 footnote information for fiscal year ending June 30, 2021	\$750
<b>Total Fee</b>	<b>\$6,000</b>

The fee is all-inclusive based on the scope of the project outlined above. The fee does not include the cost (including any direct expenses) of an on-site presentation. An on-site presentation is not anticipated at this time.

**Hanford Elementary School District**  
**GASB 75 DISCLOSURE DATA REQUEST**

January 11, 2020

Dear David:

We are requesting the information required for the July 1, 2019, GASB 75 disclosure valuation of the retiree health insurance program.

We have included a workbook of Excel sheets that contains the information we need to value the GASB 75 liabilities and prepare the required disclosure.

The workbook includes the following tabs:

- Legend  
Please use as a guide to complete the workbook. Modify as necessary to correspond with the data included in the census.
- Employee and Retiree participant membership data tabs  
Please update the lists with the requested information, using the format provided. The exhibit attached to this letter summarizes the format and data requested in the workbook.
- Premium structure  
Schedule of premiums for both retirees and active employees, for each applicable coverage (e.g., medical, pharmacy, dental, or vision) for the current and most recent prior plan years.
- Additional information on benefit
  - Relevant sections of collective bargaining agreements (Retirees' Health Insurance) (via separate pdf attachments).
  - Documents governing health benefits of all non-represented groups (e.g., Management, Classified, Certificated, Confidential, Board) (via separate pdf attachments).
  - Current employee booklets, open enrollment materials for retirees, etc., memoranda of understanding (via separate pdf attachments).
  - GASB 45 disclosures from most recent audited financial statements.
  - Aggregate payroll delineated by participant group listed in the Legend of the census workbook.
  - Projected Total contribution for the fiscal year ending June 30, 2019.
  - Projected Amount of assets for the fiscal year ending June 30, 2019.
  - Summary of benefit changes since the most recent actuarial valuation.
  - Comments – any other information that client thinks relevant to valuation.

Please email the updated workbook and attachments to Carlos Diaz: [cdiaz@dfa-actuaries.com](mailto:cdiaz@dfa-actuaries.com).

After you have had a chance to review this information, please let us know if you have any questions.

Regards,

Carlos Diaz

Employees (Active Members)Division or Bargaining Unit<sup>1</sup>

Status Active

A – Active in Med Plan

N – Eligible but not Participating in Med Plan

T – No longer Active in Med Plan

R – Retired &amp; Covered in Med Plan

ID Number<sup>2</sup>

Last Name

First Name and Middle Initial

Sex

Date of Birth (MM/DD/YYYY)

Date of Hire (MM/DD/YYYY)

Full Time Equivalent

Medical Plan<sup>1</sup>Medical Coverage<sup>1</sup> (i.e. single, employee + spouse, employee + family)

Monthly Medical Premium - employee

Monthly Medical Premium - employer

Retirees (Inactive Members)Division or Bargaining Unit<sup>1</sup>

Status Retired

R – Retired &amp; Covered in Medical Plan

N – Retired but not Participating in Med Plan

T – No longer Active in Medical Plan

C – Status change (coverage)

ID Number<sup>2</sup>

Last Name

First Name and Middle Initial

Sex

Date of Birth (MM/DD/YYYY)

Date of Hire (MM/DD/YYYY)

Date of Retirement (MM/DD/YYYY)

Spouse Date of Birth if covered (MM/DD/YYYY)

Number of non-spousal Dependents

Medical Plan<sup>1</sup>Medical Coverage<sup>1</sup> (i.e. single, employee + spouse, employee + family)

Monthly Medical Premium – employee

Monthly Medical Premium – employer

<sup>1</sup> Please provide a legend to fully explain wording.<sup>2</sup> This should be a unique ID number that is not reassigned, or we can use the last 4 digits of the member's social security number.

## HANFORD ELEMENTARY SCHOOL DISTRICT

**AGENDA REQUEST FORM**

TO: Joy C. Gabler

FROM: David Endo

DATE: 01/13/2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/22/2020

**ITEM:**

Consider adoption of Resolution No. 18-20: 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. 18-20: 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. 18-20

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 December 17, 2019 the Kings County Board of Supervisors approved the Director of Finance's Statement of Investment Policy dated January 1, 2020 ("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 22<sup>th</sup> day of January, 2020, 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 22<sup>th</sup> day of January, 2020.

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



DATE: January 8, 2020  
TO: Kings County School Districts  
FROM: Tammy Phelps, Assistant Director of Finance -Treasury  
SUBJECT: 2020 Director of Finance's Investment Policy

I am sending a copy of the 2020 Investment Policy. The Policy was reviewed and approved by the County Treasury Oversight Committee on December 9, 2019 and the Board of Supervisors on December 17, 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 2020 Director of Finance's Statement of Investment Policy are as follows:

**There were no modifications to the policy for 2020.**

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

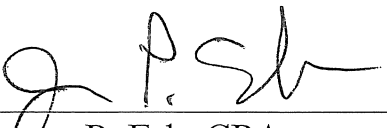
**COUNTY OF KINGS**

**DIRECTOR OF FINANCE'S**

**STATEMENT OF**

**INVESTMENT POLICY**

**JANUARY 1, 2020**

  
\_\_\_\_\_  
James P. Erb, CPA  
Director of Finance

Approved by CTOC    December 9, 2019  
Approved by BOS    December 17, 2019

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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 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.

**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 (1) (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.

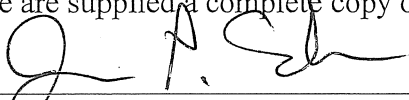
**B. AMENDMENTS** - This policy shall be reviewed at least on an annual basis. Any changes shall be submitted by the Director of Finance to the County Treasury Oversight Committee for consideration and comments, and the Board of Supervisors for review and approval.

**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, 2020



## 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 Outstanding) 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 Outstanding) 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(l) & (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: 01/13/2020

FOR: ☒ Board Meeting  
☐ Superintendent's Cabinet

FOR: ☐ Information  
☒ Action

Date you wish to have your item considered: 01/22/2020

**ITEM:**

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

**PURPOSE:**

In accordance with the requirements of Proposition 39, the District conducted an independent financial and 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 report has been included for review.

**FISCAL IMPACT:**

None.

**RECOMMENDATIONS:**

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



Financial and Performance Audits  
Building Fund (Measure U)  
June 30, 2019

## Hanford Elementary School District



Financial Audit  
Building Fund (Measure U)  
June 30, 2019

**Hanford Elementary School District**

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

**FINANCIAL AUDIT  
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JUNE 30, 2019**

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***FINANCIAL SECTION***

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## 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), as of and for the year ended June 30, 2019, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement 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: and Appendix A to the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Building Fund (Measure U) 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 Building Fund (Measure U) 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, 2019, and the respective 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 of the Building Fund specific to Measure U are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Hanford Elementary School District as of June 30, 2019, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, 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 solely 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 effectiveness of the District's Building Fund (Measure U) 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.



Fresno, California  
December 9, 2019

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

**BALANCE SHEET  
JUNE 30, 2019**

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**ASSETS**

Deposits and investments	\$ 7,528,367
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**FUND BALANCE**

Restricted for capital projects	\$ 7,528,367
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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, 2019**

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**REVENUES**

Interest income	\$ 70,235
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**EXPENDITURES**

Capital outlay	2,626,444
Debt issuance and other costs	228,089
<b>Total Expenditures</b>	<b>2,854,533</b>

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**DEFICIENCY OF REVENUES OVER EXPENDITURES**

(2,784,298)

**Other Financing Sources (Uses):**

Proceeds from bond issuance	7,665,052
Transfers out	(144,667)
<b>Total Financing Sources (Uses)</b>	<b>7,520,385</b>

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**NET CHANGE IN FUND BALANCE**

4,736,087

**FUND BALANCE - BEGINNING**

2,792,280

**FUND BALANCE - ENDING**

\$ 7,528,367
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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, 2019**

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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, 2019**

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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, 2019, 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, 2019**

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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 Treasury Investment Pool. The District maintains a Building Fund (Measure U) investment of \$7,528,367 with the Kings County Treasury Investment Pool, with an average maturity of 455 days.

### **Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2019.

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

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019**

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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 - COMMITMENTS AND CONTINGENCIES**

#### **Construction Commitments**

As of June 30, 2019, 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
Lincoln Elementary School kindergarten wing	<u>\$ 2,000,000</u>	December 2019

#### **Litigation**

The District is not currently a party to any legal proceedings related to the Building Fund (Measure U) as of June 30, 2019.

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***INDEPENDENT AUDITOR'S REPORT***

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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, 2019, and the related notes of the financial statements, and have issued our report thereon dated December 9, 2019.

**Emphasis of Matter**

As discussed in Note 1, the financial statements of the Building Fund specific to Measure U are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Hanford Elementary School District as of June 30, 2019, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**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 Building Fund (Measure U) 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 Building Fund (Measure U) 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 Building Fund (Measure U) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Fresno, California  
December 9, 2019

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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, 2019**

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None reported.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2019**

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There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.



Performance Audit  
Building Fund (Measure U)  
June 30, 2019

## Hanford Elementary School District

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

**PERFORMANCE AUDIT  
TABLE OF CONTENTS  
JUNE 30, 2019**

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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, 2019.

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.

*Eide Bailly LLP*

Fresno, California  
December 9, 2019



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

**JUNE 30, 2019**

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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. On March 17, 2019, the District issued \$7,600,000 in Election 2016, Series B, Measure U general obligation bonds. The Series B Bonds represent the second series of bonds to be issued under the 2016 Authorization. The total of the Series A and B issuances is \$16,400,000, leaving \$7,600,000 available to issue from Measure U.

## **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.

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

**JUNE 30, 2019**

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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.
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, 2018 to June 30, 2019. 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, 2019, 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, 2018 through June 30, 2019, 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, 2018 and ending June 30, 2019, 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 \$2,476,131 for the fiscal year ended June 30, 2019. This represents 82.56 percent of expenditures and transfers out which totaled \$2,999,200.

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

**JUNE 30, 2019**

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3. We verified that funds from the Building Fund (Measure U) were expended for authorized bond projects and, when applicable, issuance costs, and we verified that no funds were expended for salaries of District administrators or for other operating expenses of the District.

**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, 2019**

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None reported.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2019**

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There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.