

HANFORD ELEMENTARY SCHOOL DISTRICT

COUNTY OF KINGS
HANFORD, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2000

TOGETHER WITH AUDITOR'S REPORT

HANFORD ELEMENTARY SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Trustees
Hanford Elementary School District
Hanford, California:

We have audited the accompanying general purpose financial statements of the HANFORD ELEMENTARY SCHOOL DISTRICT as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Hanford Elementary School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 of notes to financial statements, the District has not maintained a complete record of its general fixed assets, and accordingly, the general purpose financial statements do not include the general fixed assets account group, which should be included to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Assets Account Group is not known.

Lack of certain internal control procedures and supporting records limited our scope to expressing an opinion on the recorded transactions of the Student Body Funds (see Note 11).

The Hanford Elementary School District maintained a self-insured health insurance program. Our examination was limited in that we did not examine the claims paid by the program administrator. Therefore, we do not express an opinion on the accompanying financial statements pertaining to the Self-Insurance Fund.

In our opinion, except for the effects on the general purpose financial statements of the omission of the General Fixed Assets Account Group, and except for the effect of such adjustments, if any, as might have been determined to be necessary had we been able to audit the activity of the Student Body Fund, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Hanford Elementary School District as of June

30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 4, 2000 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 grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Hanford Elementary School District, taken as a whole. The accompanying financial and statistical information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, which is required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Hanford Elementary School District. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Diane M. Augusto
December 4, 2000.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINED BALANCE SHEET -ALL FUND TYPES AND ACCOUNT GROUPS
 AS OF JUNE 30, 2000

	GOVERNMENTAL	
ASSETS	GENERAL	SPECIAL REVENUE
Cash in County Treasury (Note 2)	\$ 5,037,828	\$ 270,766
Cash on Hand and in Banks (Note 2)	-	6,585
Cash in Revolving Fund (Note 2)	3,050	875
Cash with Fiscal Agent (Note 2)	2,877,744	-
Accounts Receivable-		
Federal Government (Note 4)	93,086	245,118
State Government (Note 4)	620,524	146,928
Interest	163,233	44
Other (Note 4)	94,308	9,785
Due from Other Funds (Note 5)	1,519	-
Prepaid Expenditures	39,351	695
Stores Inventory (Note 1)	-	83,718
Amount Available in Debt Service	-	-
Amount to be Provided for Payment of General Long-Term Debt	-	-
	-	-
TOTAL ASSETS	\$ 8,930,643	\$ 764,514
<u>LIABILITIES AND FUND EQUITY</u>		
LIABILITIES:		
Accounts Payable and Accrued Payroll	\$ 3,195,920	\$ 42,070
Deferred Revenue	444,632	-
Due to Other Funds (Note 5)	-	1,366
Due to Student Groups	-	-
Medical and Dental Claims Payable	-	-
Compensated Absences	149,972	-
Notes Payable - TRANS (Note 6)	2,865,000	-
Certificates of Participation (Note 8)	-	-
Capital Leases (Note 9)	-	-
General Obligation Bonds Payable (Note 7)	-	-
	-	-
Total Liabilities	6,655,524	43,436
FUND EQUITY (Note 1):		
Reserved for Revolving Fund	3,050	875
Reserved for Stores Inventory	-	83,718
Reserved for Prepaid Expenditures	39,351	695
Reserved for Debt Service	-	-
Unreserved -		
Designated for Economic Uncertainties	1,305,000	-
Designated for Equipment Replacement	-	157,000
Undesignated	927,718	478,790
Retained Earnings	-	-
Total Fund Equity	2,275,119	721,078
TOTAL LIABILITIES AND FUND EQUITY	\$ 8,930,643	\$ 764,514

The notes to the financial statements

FUND TYPES		PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)	
DEBT SERVICE	CAPITAL PROJECTS	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL LONG-TERM DEBT		
\$ 385,487	\$ 7,259,356	\$ 169,287	\$ -	\$ -	\$	13,122,724
-	-	-	26,098	-		32,683
-	-	-	-	-		3,925
-	-	7,000	-	-		2,884,744
-	-	-	-	-		338,204
-	-	-	-	-		767,452
-	32,741	-	-	-		196,018
-	32,349	-	-	-		136,442
-	-	-	-	-		1,519
-	1,659	-	-	-		41,705
-	-	-	-	-		83,718
-	-	-	-	385,487		385,487
-	-	-	-	14,253,531		14,253,531
<u>\$ 385,487</u>	<u>\$ 7,326,105</u>	<u>\$ 176,287</u>	<u>\$ 26,098</u>	<u>\$ 14,639,018</u>	<u>\$</u>	<u>32,248,152</u>
\$ -	\$ 66,980	\$ 2,560	\$ -	\$ -	\$	3,307,530
-	-	-	-	-		444,632
-	153	-	-	-		1,519
-	-	-	26,098	-		26,098
-	-	70,271	-	-		70,271
-	-	-	-	-		149,972
-	-	-	-	-		2,865,000
-	-	-	-	55,000		55,000
-	-	-	-	434,018		434,018
-	-	-	-	14,150,000		14,150,000
-	67,133	72,831	26,098	14,639,018		21,504,040
-	-	-	-	-		3,925
-	-	-	-	-		83,718
-	1,659	-	-	-		41,705
385,487	-	-	-	-		385,487
-	-	-	-	-		1,305,000
-	-	-	-	-		157,000
-	7,257,313	-	-	-		8,663,821
-	-	103,456	-	-		103,456
<u>385,487</u>	<u>7,258,972</u>	<u>103,456</u>	<u>-</u>	<u>-</u>		<u>10,744,112</u>
<u>\$ 385,487</u>	<u>\$ 7,326,105</u>	<u>\$ 176,287</u>	<u>\$ 26,098</u>	<u>\$ 14,639,018</u>	<u>\$</u>	<u>32,248,152</u>

are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>GENERAL</u>
REVENUE:	
Revenue Limit Sources-	
State Apportionments	\$ 14,924,424
Local Sources	<u>3,810,678</u>
Total Revenue Limit Sources	18,735,102
Federal Revenue	2,569,287
Other State Revenue	7,015,410
Other Local Revenue	<u>612,846</u>
Total Revenue	<u>28,932,645</u>
EXPENDITURES:	
Certificated Salaries	13,702,528
Classified Salaries	4,828,934
Employee Benefits	4,629,351
Books and Supplies	1,824,812
Services and Other Operating Expenditures	2,584,700
Capital Outlay	728,976
Other Outgo	513,912
Debt Service -	
Principal Retirement	-
Interest	<u>38,966</u>
Total Expenditures	<u>28,852,179</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>80,466</u>
OTHER FINANCING SOURCES (USES):	
Operating Transfers In (Note 5)	1,453
Operating Transfers Out (Note 5)	<u>(390,000)</u>
Total Other Financing Sources (Uses)	<u>(388,547)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(308,081)
FUND BALANCES - JULY 1, 1999	<u>2,583,200</u>
FUND BALANCES - JUNE 30, 2000	<u>\$ 2,275,119</u>

The notes to the financial statements

<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ -	\$ -	\$ -	\$ 14,924,424
-	-	-	<u>3,810,678</u>
-	-	-	18,735,102
1,060,224	-	-	3,629,511
401,048	35,393	3,565,523	11,017,374
<u>293,308</u>	<u>919,794</u>	<u>658,917</u>	<u>2,484,865</u>
<u>1,754,580</u>	<u>955,187</u>	<u>4,224,440</u>	<u>35,866,852</u>
4,206	-	-	13,706,734
635,867	-	-	5,464,801
107,932	-	-	4,737,283
602,074	-	506	2,427,392
299,231	-	542,705	3,426,636
62,315	-	6,860,204	7,651,495
83,989	-	-	597,901
-	190,000	261,578	451,578
-	<u>817,877</u>	-	<u>856,843</u>
<u>1,795,614</u>	<u>1,007,877</u>	<u>7,664,993</u>	<u>39,320,663</u>
<u>(41,034)</u>	<u>(52,690)</u>	<u>(3,440,553)</u>	<u>(3,453,811)</u>
130,000	-	3,476,658	3,608,111
-	-	<u>(3,218,111)</u>	<u>(3,608,111)</u>
<u>130,000</u>	-	<u>258,547</u>	-
88,966	(52,690)	(3,182,006)	(3,453,811)
<u>632,112</u>	<u>438,177</u>	<u>10,440,978</u>	<u>14,094,467</u>
<u>\$ 721,078</u>	<u>\$ 385,487</u>	<u>\$ 7,258,972</u>	<u>\$ 10,640,656</u>

are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	FINAL BUDGET
REVENUE:	
Revenue Limit Sources-	
State Apportionments	\$ 14,955,854
Local Sources	<u>3,788,152</u>
Total Revenue Limit Sources	18,744,006
Federal Revenue	2,806,281
Other State Revenue	6,507,492
Other Local Revenue	<u>374,933</u>
Total Revenue	<u>28,432,712</u>
EXPENDITURES:	
Certificated Salaries	13,728,945
Classified Salaries	4,915,323
Employee Benefits	3,966,223
Books and Supplies	1,968,858
Services and Other Operating Expenditures	2,888,368
Capital Outlay	861,902
Other Outgo	607,241
Debt Service -	
Principal Retirement	-
Interest	<u>38,966</u>
Total Expenditures	<u>28,975,826</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(543,114)</u>
OTHER FINANCING SOURCES (USES):	
Operating Transfers In	-
Operating Transfers Out	<u>(398,870)</u>
Total Other Financing Sources (Uses)	<u>(398,870)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(941,984)
FUND BALANCES - JULY 1, 1999	<u>2,583,200</u>
FUND BALANCES - JUNE 30, 2000	<u>\$ 1,641,216</u>

<u>GENERAL FUND</u>		<u>SPECIAL REVENUE</u>		
<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
\$ 14,924,424	\$ (31,430)	\$ -	\$ -	\$ -
<u>3,810,678</u>	<u>22,526</u>	<u>-</u>	<u>-</u>	<u>-</u>
18,735,102	(8,904)	-	-	-
2,569,287	(236,994)	1,121,449	1,060,224	(61,225)
7,015,410	507,918	405,509	401,048	(4,461)
<u>612,846</u>	<u>237,913</u>	<u>313,101</u>	<u>293,308</u>	<u>(19,793)</u>
<u>28,932,645</u>	<u>499,933</u>	<u>1,840,059</u>	<u>1,754,580</u>	<u>(85,479)</u>
13,702,528	26,417	4,207	4,206	1
4,828,934	86,389	635,919	635,867	52
4,629,351	(663,128)	107,996	107,932	64
1,824,812	144,046	687,050	602,074	84,976
2,584,700	303,668	299,821	299,231	590
728,976	132,926	62,372	62,315	57
513,912	93,329	84,301	83,989	312
-	-	-	-	-
<u>38,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>28,852,179</u>	<u>123,647</u>	<u>1,881,666</u>	<u>1,795,614</u>	<u>86,052</u>
<u>80,466</u>	<u>623,580</u>	<u>(41,607)</u>	<u>(41,034)</u>	<u>573</u>
1,453	1,453	130,000	130,000	-
<u>(390,000)</u>	<u>8,870</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(388,547)</u>	<u>10,323</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
(308,081)	633,903	88,393	88,966	573
<u>2,583,200</u>	<u>-</u>	<u>632,112</u>	<u>632,112</u>	<u>-</u>
<u>\$ 2,275,119</u>	<u>\$ 633,903</u>	<u>\$ 720,505</u>	<u>\$ 721,078</u>	<u>\$ 573</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	DEBT SERVICE FUNDS		
	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUE:			
Revenue Limit Sources-			
State Apportionments	\$ -	\$ -	\$ -
Local Sources	-	-	-
Total Revenue Limit Sources	-	-	-
Federal Revenue	-	-	-
Other State Revenue	-	35,393	35,393
Other Local Revenue	-	919,794	919,794
Total Revenue	-	955,187	955,187
EXPENDITURES:			
Certificated Salaries	-	-	-
Classified Salaries	-	-	-
Employee Benefits	-	-	-
Books and Supplies	-	-	-
Services and Other Operating Expenditures	-	-	-
Capital Outlay	-	-	-
Other Outgo	-	-	-
Debt Service -			
Principal Retirement	-	190,000	(190,000)
Interest	-	817,877	(817,877)
Total Expenditures	-	1,007,877	(1,007,877)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	(52,690)	(52,690)
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(52,690)	(52,690)
FUND BALANCES - JULY 1, 1999	438,177	438,177	-
FUND BALANCES - JUNE 30, 2000	\$ 438,177	\$ 385,487	\$ (52,690)

The notes to the financial statements

CAPITAL PROJECTS FUNDS			TOTALS (MEMORANDUM ONLY)		
FINAL BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	FINAL BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 14,955,854	\$ 14,924,424	\$ (31,430)
-	-	-	<u>3,788,152</u>	<u>3,810,678</u>	<u>22,526</u>
-	-	-	18,744,006	18,735,102	(8,904)
-	-	-	3,927,730	3,629,511	(298,219)
3,552,857	3,565,523	12,666	10,465,858	11,017,374	551,516
<u>657,130</u>	<u>658,917</u>	<u>1,787</u>	<u>1,345,164</u>	<u>2,484,865</u>	<u>1,139,701</u>
<u>4,209,987</u>	<u>4,224,440</u>	<u>14,453</u>	<u>34,482,758</u>	<u>35,866,852</u>	<u>1,384,094</u>
-	-	-	13,733,152	13,706,734	26,418
-	-	-	5,551,242	5,464,801	86,441
-	-	-	4,074,219	4,737,283	(663,064)
507	506	1	2,656,415	2,427,392	229,023
542,718	542,705	13	3,730,907	3,426,636	304,271
6,860,209	6,860,204	5	7,784,483	7,651,495	132,988
-	-	-	691,542	597,901	93,641
261,578	261,578	-	261,578	451,578	(190,000)
<u>59,520</u>	<u>-</u>	<u>59,520</u>	<u>98,486</u>	<u>856,843</u>	<u>(758,357)</u>
<u>7,724,532</u>	<u>7,664,993</u>	<u>59,539</u>	<u>38,582,024</u>	<u>39,320,663</u>	<u>(738,639)</u>
<u>(3,514,545)</u>	<u>(3,440,553)</u>	<u>73,992</u>	<u>(4,099,266)</u>	<u>(3,453,811)</u>	<u>645,455</u>
3,476,658	3,476,658	-	3,606,658	3,608,111	1,453
<u>(3,158,594)</u>	<u>(3,218,111)</u>	<u>(59,517)</u>	<u>(3,557,464)</u>	<u>(3,608,111)</u>	<u>(50,647)</u>
<u>318,064</u>	<u>258,547</u>	<u>(59,517)</u>	<u>49,194</u>	<u>-</u>	<u>(49,194)</u>
(3,196,481)	(3,182,006)	14,475	(4,050,072)	(3,453,811)	596,261
<u>10,440,978</u>	<u>10,440,978</u>	<u>-</u>	<u>14,094,467</u>	<u>14,094,467</u>	<u>-</u>
<u>\$ 7,244,497</u>	<u>\$ 7,258,972</u>	<u>\$ 14,475</u>	<u>\$ 10,044,395</u>	<u>\$ 10,640,656</u>	<u>\$ 596,261</u>

are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS -
 PROPRIETARY FUND TYPE - SELF-INSURANCE EMPLOYEE BENEFITS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>SELF- INSURANCE EMPLOYEE BENEFITS FUND</u>
OPERATING REVENUE:	
Self-Insurance Premiums	\$ <u>239,178</u>
OPERATING EXPENSES:	
Administration Fees	14,381
Payment for Dental Insurance Claims	<u>251,121</u>
Total Operating Expenses	<u>265,502</u>
OPERATING LOSS	(26,324)
NON-OPERATING REVENUE-	
Interest Income	<u>8,088</u>
NET LOSS	(18,236)
RETAINED EARNINGS - JULY 1, 1999	<u>121,692</u>
RETAINED EARNINGS - JUNE 30, 2000	<u>\$ 103,456</u>

The notes to the financial statements are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - SELF-INSURANCE EMPLOYEE BENEFITS FUND
INCREASE (DECREASE) IN CASH
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>SELF-INSURANCE EMPLOYEE BENEFITS FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Premiums	\$ 239,266
Cash Paid for Claims and Other Operating Expenses	<u>(262,719)</u>
NET CASH USED BY OPERATING ACTIVITIES	(23,453)
CASH FLOWS FROM INVESTING ACTIVITIES - Interest Income	<u>10,083</u>
DECREASE IN CASH	(13,370)
CASH - JULY 1, 1999	<u>189,657</u>
CASH - JUNE 30, 2000	<u>\$ 176,287</u>
RECONCILIATION OF OPERATING INCOME TO <u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	
OPERATING LOSS	\$ (26,324)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Decrease in Accounts Receivable	88
Increase in Accounts Payable	<u>2,783</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (23,453)</u>

The notes to the financial statements are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-

- a. Reporting Entity - The Hanford Elementary School District (the District) does not have any financial or operational relationship with other related activities, organizations or functions of government which should be included in the financial reporting of the District as required by GASB Statement No. 14, The Financial Reporting Entity.
- b. Accounting Policies - The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The accompanying statements include all funds and account groups of the District. The District has not maintained a complete record of its fixed assets; therefore, a statement of general fixed assets is not included in the accompanying financial statements.
- c. Fund Accounting - The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into three broad categories which in aggregate include six fund types and one account group as follows:

Governmental Fund Types-

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains the following special revenue funds:

1. Child Development Fund is used to account for resources committed to child development programs maintained by the District.
2. Deferred Maintenance Fund is used for the purpose of major repair or replacement of District property.
3. Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's cafeteria.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The District maintains two debt service funds: the 1993 General Obligation Bond Fund and the 1998 General Obligation Bond Fund which are used to account for the accumulation of resources for, and the repayment of, district bonds, interest, and related costs.

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains the following capital projects funds:

1. Lease Purchase - Roof Replacement is used for roof replacement construction costs.
2. Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.
3. Construction Fund is used to account for state apportionments provided for construction of new school facilities (Education Code Sections 17700-17080). The District maintains one construction fund for a new school site.
4. Special Reserve Fund - Instructional Materials Project is used to account for costs of the District's instructional materials project.
5. Special Reserve Fund - Buses is used for transportation capital outlay.
6. School Facilities Fund is used to account for state apportionments provided for construction of new school facilities (Education Code Sections 17070-17080).
7. State School Building - Modernization Funds are used to account for expenditures relating to remodeling of Roosevelt, Monroe, Richmond and Jefferson.
8. Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).
9. Prison Impact Aid Fund is used to account for revenue received as funding for mitigation of impacts on school facilities associated with prison expansions.

Proprietary Funds-

Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the District. The District maintains one internal service fund, the Self-Insurance Fund, which is used to provide dental benefits to its employees.

Fiduciary Fund Type-

Agency Funds are used to account for assets of others for which the District acts as an agent. The District maintains agency funds for each school's student body.

Account Group-

The accounting and reporting treatment applied to the long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheet. Their reported fund balance is considered a measure of "available spendable resources." Thus, the long-term liabilities associated with governmental funds are accounted for in the following account group of the District:

General Long-Term Debt Account Group accounts for long-term liabilities expected to be financed from governmental funds.

- d. Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered) except for unmatured interest on general long-term debt which is recognized when due.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The District applies all applicable Financial Accounting Standards Board (FASB) pronouncements in accounting and reporting for its proprietary operations.

Agency fund assets and liabilities are also accounted for on the modified accrual basis.

- e. Budgets and Budgetary Accounting - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's Governing Board and District Superintendent during the year to give consideration to unanticipated income and expenditures. It is this final revised budget that is presented in the financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

- f. Encumbrances - Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

- g. Assets, Liabilities, and Equity-

Deposits and Investments - Cash balances held in banks and in revolving funds are insured to \$100,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the Kings County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Kings County Treasury was not available.

Stores Inventories and Prepaid Expenditures - Stores Inventory is recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventory of the Cafeteria Fund is valued at average cost and consists of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

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 expenditure during the benefiting period.

Deferred Revenue - Cash received for Federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Deferred revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures.

Compensated Absences - Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities are recognized in the general fund at year-end. The noncurrent portion of the liabilities are recognized in the general long-term debt account group.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Long-Term Obligations - The District reports long-term debt of governmental funds at face value in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Fund Balance Reserves and Designations - Reservations of the ending fund balance indicate the portions of fund balance not appropriable for expenditure or amounts legally segregated for a specific future use. The Reserve for Revolving Fund and Reserve for Stores Inventory reflect the portions of fund balance represented by revolving fund cash and stores inventory, respectively. These amounts are not available for appropriation and expenditure at the balance sheet date.

Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

Property Tax - Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Kings bills and collects the taxes for the District. Tax revenues are recognized by the District when received.

- h. Total Columns on Combined Statements - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH AND INVESTMENTS -

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Kings County Treasury as part of the common investment pool (\$13,122,724 as of June 30, 2000). The fair market value of this pool as of that date, as provided by the pool sponsor, was \$13,024,002. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

Cash on Hand, in Banks, in Revolving Fund and Cash with Fiscal Agent

Cash balances on hand and in banks (\$32,550 as of June 30, 2000) and in the revolving fund (\$2,983) are insured up to \$100,000 by Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized. Cash with fiscal agent was \$2,884,744 at year end.

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS-

Excesses of expenditures over appropriations in individual funds are as follows:

<u>APPROPRIATIONS CATEGORY</u>	<u>EXCESS EXPENDITURES</u>
General Fund:	
Employee Benefits	\$ 663,128
Debt Service Fund:	
1993 General Obligation Bonds-	
Principal Retirement	190,000
Interest	283,030
1998 General Obligation Bonds-	
Interest	534,847

General Fund - The District did not budget for PERS and STRS on-behalf payments made by the State of California.

Debt Service Fund - The District did not establish a budget for the Debt Service Fund.

4. ACCOUNTS RECEIVABLES-

Accounts receivables at June 30, 2000 consist of the following:

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
Federal Government:				
National School Lunch	\$ -	\$ 189,959	\$ -	\$ 189,959
School Breakfast Program	-	55,159	-	55,159
Migrant Education	18,804	-	-	18,804
IASA - Title VII	67,866	-	-	67,866
Title VI Class Size Reduction	<u>6,416</u>	<u>-</u>	<u>-</u>	<u>6,416</u>
Total Federal Government	<u>\$ 93,086</u>	<u>\$ 245,118</u>	<u>\$ -</u>	<u>\$ 338,204</u>
State Government:				
Child Nutrition Program	\$ -	\$ 16,928	\$ -	\$ 16,928
Lottery	293,975	-	-	293,975
Deferred Maintenance	-	130,000	-	130,000
Staff Development	166,321	-	-	166,321
Class Size Reduction	101,702	-	-	101,702
Star Program	21,757	-	-	21,757
Math Teacher Inst. Grant	12,447	-	-	12,447
Miller- Unruh	<u>24,322</u>	<u>-</u>	<u>-</u>	<u>24,322</u>
Total State Government	<u>\$ 620,524</u>	<u>\$ 146,928</u>	<u>\$ -</u>	<u>\$ 767,452</u>
Other:				
Facilities Use	\$ 24,390	\$ -	\$ -	\$ 24,390
SELPA	30,002	-	-	30,002
Developer Fees	-	-	22,057	22,057
Miscellaneous	<u>39,916</u>	<u>9,785</u>	<u>10,292</u>	<u>59,993</u>
Total Other	<u>\$ 94,308</u>	<u>\$ 9,785</u>	<u>\$ 32,349</u>	<u>\$ 136,442</u>

5. INTERFUND TRANSACTIONS-

Due From/ Due to Other Funds: - Individual fund interfund receivable and payable balances as of June 30, 2000 are as follows:

<u>FUND</u>	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 1,519	\$ -
Cafeteria Fund	-	1,366
State School Building Modernization - Richmond	-	48
State School Building Modernization - Jefferson	<u>-</u>	<u>105</u>
Totals	<u>\$ 1,519</u>	<u>\$ 1,519</u>

Interfund Transfers - Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 1999-2000 fiscal year were as follows:

<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>	<u>AMOUNT</u>
Special Reserve-		
Instructional Materials Project	General Fund	\$ 180,000
Special Reserve - Buses	General Fund	80,000
School Facilities Fund	Building Fund	3,216,658
Deferred Maintenance Fund	General Fund	130,000
General Fund	Lease/Purchase- Roof Replacement	<u>1,453</u>
 Total		 <u>\$ 3,608,111</u>

6. NOTES PAYABLE - TRANS-

On July 2, 1999, the District issued \$2,865,000 of 1999-2000 Tax and Revenue Anticipation Notes at a premium of \$22,204. The Notes were sold by the District to supplement its cash flow. The Notes bear interest at 5.65 percent and were repaid by the District on July 3, 2000.

7. GENERAL OBLIGATION BONDS PAYABLE -

1993 General Obligation Bonds:

On July 1, 1993, the District issued \$7,500,000 of general obligation bonds in the aggregate. The proceeds from the sale of these bonds were used to finance the acquisition and construction of a new junior high school and for the making of safety improvements to existing school facilities. The bond interest rates range from 5.15% to 5.80%.

The annual requirements to amortize the general obligation bonds payable outstanding at June 30, 2000 are as follows:

<u>YEAR ENDED</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>PAYMENTS</u>
2001	\$ 193,940	\$ 302,836	\$ 496,776
2002	230,809	305,581	536,390
2003	252,669	305,401	558,070
2004	279,603	309,107	588,710
2005	315,731	312,179	627,910
Thereafter	<u>5,527,248</u>	<u>4,322,802</u>	<u>9,850,050</u>
Totals	<u>\$ 6,800,000</u>	<u>\$ 5,857,906</u>	<u>\$ 12,657,906</u>

The Current Interest Bonds amount to \$5,240,000 and are subject to optional redemption prior to their stated maturity beginning July 1, 2004. The Capital Appreciation Bonds in the amount of \$1,750,000 are not subject to redemption prior to their respective maturity dates.

1998 General Obligation Bonds:

On September 1, 1998, the District issued \$7,350,000 of general obligation bonds in the aggregate. The proceeds from the sale of these bonds are to be used for the acquisition and construction of a new elementary school, the upgrade of classrooms for computer technology to insure internet access,

and for safety improvements to existing school facilities. The bond interest rates range from 4.40% to 5.00%.

The annual requirements to amortize the general bonds payable outstanding at June 30, 1999 are as follows:

<u>YEAR ENDED</u> <u>JUNE 30.</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>PAYMENTS</u>
2001	\$ 50,000	\$ 355,315	\$ 405,315
2002	60,000	352,565	412,565
2003	75,000	349,190	424,190
2004	100,000	344,815	444,815
2005	125,000	339,190	464,190
Thereafter	<u>6,940,000</u>	<u>3,861,777</u>	<u>10,801,777</u>
Totals	<u>\$ 7,350,000</u>	<u>\$ 5,602,852</u>	<u>\$ 12,952,852</u>

The 1998 General Obligation Bonds mature through 2023.

The bonds are general obligations of the District, and the Board of Supervisors of the County of Kings has the power and is obligated to levy and collect ad valorem taxes for payment of both principal and interest upon all property located within the Hanford Elementary School District subject to taxation by the District.

<u>DESCRIPTION</u>	<u>INTEREST</u> <u>RATE</u>	<u>AMOUNT OF</u> <u>ORIGINAL</u> <u>ISSUE</u>	<u>BALANCE</u> <u>OUTSTANDING</u> <u>JULY 1, 1999</u>	<u>REDEEMED</u> <u>CURRENT</u> <u>YEAR</u>	<u>BALANCE</u> <u>OUTSTANDING</u> <u>JUNE 30, 2000</u>
1993 G.O. Bonds	5.15% to 5.8%	\$ 7,500,000	\$ 6,990,000	\$ 190,000	\$ 6,800,000
1998 G.O. Bonds	4.40% to 5.0%	7,350,000	<u>7,350,000</u>	<u>-</u>	<u>7,350,000</u>
Total Bonds Payable			<u>\$ 14,340,000</u>	<u>\$ 190,000</u>	<u>\$ 14,150,000</u>

8. CERTIFICATES OF PARTICIPATION-

In May, 1993, the District issued certificates of participation in the amount of \$358,000 with interest rates ranging from 4.85 to 5.65 percent.

The certificates mature through 2001 as follows:

<u>YEAR ENDING</u> <u>JUNE 30.</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>PAYMENTS</u>
2001	<u>\$ 55,000</u>	<u>\$ 1,554</u>	<u>\$ 56,554</u>

9. LEASES-

Capital Leases-

The District leases portable classrooms and other equipment valued at \$1,150,000 under agreements which provide for title to pass upon expiration of the lease period. Future minimum lease payments are as follows:

<u>YEAR ENDING</u> <u>JUNE 30</u>	<u>LEASE PAYMENT</u>
2001	\$ 246,024
2002	114,541
2003	<u>114,542</u>
Total	475,107
Less - Amount Representing Interest	<u>(41,089)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 434,018</u>

The District will receive no sublease rental revenues nor pay any contingent rentals for the portable classrooms and other equipment.

Operating Leases-

The District has three operating leases for portable classrooms with lease terms in excess of one year. These agreements do not contain purchase options and contain a termination clause providing for cancellation after a specified number of days written notice to lessors but it is unlikely the District will cancel the agreements prior to the expiration dates.

<u>YEAR ENDING</u> <u>JUNE 30</u>	<u>LEASE PAYMENT</u>
2001	\$ 182,797
2002	182,797
2003	<u>18,000</u>
Total	<u>\$ 383,594</u>

The District will receive no sublease rental revenues nor pay any contingent rentals for these portables.

10. GENERAL LONG-TERM DEBT-

A schedule of changes in long-term debt for the year ended June 30, 2000 is as follows:

	<u>BALANCE</u> <u>JULY 1, 1999</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2000</u>
Certificates of Participation	\$ 105,000	\$ -	\$ (50,000)	\$ 55,000
Capital Leases	645,596	-	(211,578)	434,018
Bonds Payable	<u>14,340,000</u>	<u>-</u>	<u>(190,000)</u>	<u>14,150,000</u>
Totals	<u>\$ 15,090,596</u>	<u>\$ -</u>	<u>\$ (451,578)</u>	<u>\$ 14,639,018</u>

11. STUDENT BODY FUNDS-

The Student Body Fund often engages in activities which involve cash transactions. These transactions are not subject to adequate internal accounting control prior to deposits being recorded in the bank accounts. It has been determined on a cost benefit basis that providing increased internal control in this area does not justify the additional costs that would be necessary to control receipts prior to the point of deposit.

12. JOINT VENTURES (JOINT POWERS AGREEMENTS)-

The District participates in the following joint ventures under joint powers agreements (JPA):

- a. Self-Insured Schools of California - whose members have pooled funds to be self-insured for liability and property coverage and
- b. Kings County Self-Insured Schools - whose members have pooled funds to be self-insured for workers' compensation.

The relationships between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs are each individually governed by a Board of Directors which controls their operations, including selection of management and approval of operating budgets, independent of any influence by the member districts. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

13. COMMITMENTS AND CONTINGENCIES-

State and Federal Allowances, Awards and Grants - The District has received state and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

Litigation - There is a legal action currently pending against the District. The District is appealing the verdict against it which awarded the plaintiff \$9,000,000. The District's liability insurance carrier is handling the action.

14. SUBSEQUENT EVENT-

The District issued \$2,475,000 of 2000-2001 Tax and Revenue Anticipation Notes, the (Notes) on July 3, 2000 at a premium of \$20,765. The Notes mature on July 3, 2001 with an estimated yield of 7.315 percent. The Notes were sold by the District to supplement its cash flow.

15. EMPLOYEE RETIREMENT SYSTEMS-

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

Plan Description and Provisions

State Teachers' Retirement System (STRS)

The Hanford Elementary School District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teacher's Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the Hanford Elementary School District is required to contribute an actuarially determined rate. The actuarial method and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for the fiscal year 1999-2000 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The Hanford Elementary School District's contributions to STRS for the fiscal year ending June 30, 2000, 1999 and 1998 were \$1,082,422, \$1,026,325 and \$966,068 respectively, and equal 100% of the required contributions for each year.

Public Employees Retirement System (PERS)

Plan Description

The Hanford Elementary School District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7.0% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security), and the Hanford Elementary School District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 1999-2000 was 0.00% of the annual payroll. The contribution requirements of the plan members are established by state statute. The Hanford Elementary School District's contributions to CalPERS for the fiscal year ending June 30, 2000, 1999 and 1998 were \$0, \$0, and \$240,833, respectively, and equal 100% of the required contributions for each year.

16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS-

In addition to the pension benefits described in Note 15, the District provides postretirement health care benefits to the following: (1) certificated employees who retire from the District on or after attaining age 55, have served in the District during the last 5 years and have served a

total of at least 13 years in the District; (2) management/confidential employees who retire from the District on or after attaining age 55, have served in the District during the last 5 years prior to retirement and have served a total of 10 years of full time service in the District. For classified employees who retire from the District on or after attaining age 55, have completed 15 consecutive years of service, and participating in the District group medical insurance program at the time immediately prior to retiring, or prior participation in the group medical insurance program but no longer eligible due to involuntary reduction in hours or 30 years of service. On June 30, 2000, 22 retirees met these eligibility requirements.

The District pays: (1) the total premium for the health and dental benefit plans for certificated retirees and their dependents until such time as the retiree reaches age 65; (2) 50% of the maximum contribution for active classified employees toward the premium for the current District plan for major medical coverage only for the classified retiree and spouse for a period of 3 years or until reaching age 65, whichever comes first; and (3) an amount equal to that granted active management/confidential employees toward the cost of medical and dental benefits for management/confidential retirees and their eligible dependents, until such time as the retiree reaches age 65. Expenditures for postemployment health care benefits are recognized as retirees report claims. During the fiscal year ended June 30, 2000, expenditures of \$99,842 were recognized for postretirement health care.

The District also provided for one retiree a "split-dollar" life insurance policy whereby the District pays the annual premium of \$5,252, and the District is named as one beneficiary under the policy. Upon the retiree's death, the District shall recover the greater amount of either the cash value of the policy or the total premium paid. The retiree's other named beneficiary shall receive the balance of the proceeds of the policy (the face amount less the amount repaid to the District).

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
 AS OF JUNE 30, 2000

	CHILD DEVELOPMENT FUND	DEFERRED MAINTENANCE FUND	CAFETERIA FUND	TOTAL
<u>ASSETS</u>				
Cash in County Treasury	\$ 10,316	\$ 118,475	\$ 141,975	\$ 270,766
Cash in Banks	-	-	6,585	6,585
Cash in Revolving Fund	-	-	875	875
Accounts Receivable-				
Federal Government	-	-	245,118	245,118
State Government	-	130,000	16,928	146,928
Interest	-	-	44	44
Other	-	-	9,785	9,785
Stores Inventory	-	-	83,718	83,718
Prepaid Expenditures	695	-	-	695
TOTAL ASSETS	\$ 11,011	\$ 248,475	\$ 505,028	\$ 764,514
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts Payable	\$ 11,010	\$ -	\$ 31,060	\$ 42,070
Due to Other Funds	-	-	1,366	1,366
Total Liabilities	11,010	-	32,426	43,436
FUND BALANCES:				
Reserved for Revolving Fund	-	-	875	875
Reserved for Stores Inventory	-	-	83,718	83,718
Reserved for Prepaid Expenditures	695	-	-	695
Unreserved - Designated for Equipment Replacement	-	-	157,000	157,000
Unreserved - Undesignated	(694)	248,475	231,009	478,790
Total Fund Balances	1	248,475	472,602	721,078
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,011	\$ 248,475	\$ 505,028	\$ 764,514

The notes to the financial statements are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	CHILD DEVELOPMENT FUND	DEFERRED MAINTENANCE FUND	CAFETERIA FUND	TOTAL
REVENUE:				
Federal Revenue-				
National School Lunch	\$ -	\$ -	\$ 830,265	\$ 830,265
School Breakfast Program	-	-	229,959	229,959
Total Federal Revenue	-	-	1,060,224	1,060,224
Other State Revenue-				
Child Nutrition	-	-	72,857	72,857
Other	197,984	130,207	-	328,191
Total Other State Revenue	197,984	130,207	72,857	401,048
Other Local Revenue-				
Food Service Sales	-	-	270,867	270,867
Interest	2,549	4,458	12,239	19,246
Other	-	-	3,195	3,195
Total Other Local Revenue	2,549	4,458	286,301	293,308
Total Revenue	200,533	134,665	1,419,382	1,754,580
EXPENDITURES:				
Certificated Salaries	4,206	-	-	4,206
Classified Salaries	137,155	-	498,712	635,867
Employee Benefits	19,033	-	88,899	107,932
Books and Supplies	6,594	11,832	583,648	602,074
Services and Other				
Operating Expenditures	17,993	135,076	146,162	299,231
Capital Outlay	233	-	62,082	62,315
Other Outgo	15,318	-	68,671	83,989
Total Expenditures	200,532	146,908	1,448,174	1,795,614
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	1	(12,243)	(28,792)	(41,034)
OTHER FINANCING SOURCES:				
Operating Transfers In	-	130,000	-	130,000
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	1	117,757	(28,792)	88,966
FUND BALANCES - JULY 1, 1999	-	130,718	501,394	632,112
FUND BALANCES - JUNE 30, 2000	\$ 1	\$ 248,475	\$ 472,602	\$ 721,078

The notes to the financial statements are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>CHILD DEVELOPMENT FUND</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Federal Revenue-			
National School Lunch	\$ -	\$ -	\$ -
School Breakfast Program	-	-	-
Total Federal Revenue	-	-	-
Other State Revenue-			
Child Nutrition	-	-	-
Other	<u>200,615</u>	<u>197,984</u>	<u>(2,631)</u>
Total Other State Revenue	<u>200,615</u>	<u>197,984</u>	<u>(2,631)</u>
Other Local Revenue-			
Food Service Sales	-	-	-
Interest	-	2,549	2,549
Other	-	-	-
Total Other Local Revenue	-	<u>2,549</u>	<u>2,549</u>
Total Revenue	<u>200,615</u>	<u>200,533</u>	<u>(82)</u>
EXPENDITURES:			
Certificated Salaries	4,207	4,206	1
Classified Salaries	137,156	137,155	1
Employee Benefits	19,034	19,033	1
Books and Supplies	6,595	6,594	1
Services and Other Operating Expenditures	17,993	17,993	-
Capital Outlay	233	233	-
Other Outgo	<u>15,397</u>	<u>15,318</u>	<u>79</u>
Total Expenditures	<u>200,615</u>	<u>200,532</u>	<u>83</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	1	1
OTHER FINANCING SOURCES:			
Operating Transfers In	-	-	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	-	1	1
FUND BALANCES - JULY 1, 1999	-	-	-
FUND BALANCES - JUNE 30, 2000	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>DEFERRED MAINTENANCE FUND</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Federal Revenue-			
National School Lunch	\$ -	\$ -	\$ -
School Breakfast Program	-	-	-
Total Federal Revenue	-	-	-
Other State Revenue-			
Child Nutrition	-	-	-
Other	130,207	130,207	-
Total Other State Revenue	130,207	130,207	-
Other Local Revenue-			
Food Service Sales	-	-	-
Interest	4,500	4,458	(42)
Other	-	-	-
Total Other Local Revenue	4,500	4,458	(42)
Total Revenue	134,707	134,665	(42)
EXPENDITURES:			
Certificated Salaries	-	-	-
Classified Salaries	-	-	-
Employee Benefits	-	-	-
Books and Supplies	11,832	11,832	-
Services and Other Operating Expenditures	135,077	135,076	1
Capital Outlay	-	-	-
Other Outgo	-	-	-
Total Expenditures	146,909	146,908	1
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(12,202)	(12,243)	(41)
OTHER FINANCING SOURCES:			
Operating Transfers In	130,000	130,000	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	117,798	117,757	(41)
FUND BALANCES - JULY 1, 1999	130,718	130,718	-
FUND BALANCES - JUNE 30, 2000	<u>\$ 248,516</u>	<u>\$ 248,475</u>	<u>\$ (41)</u>

The notes to the financial statements

CAFETERIA FUND			TOTALS		
FINAL BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	FINAL BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
\$ 1,121,449	\$ 830,265	\$ (291,184)	\$ 1,121,449	\$ 830,265	\$ (291,184)
-	229,959	229,959	-	229,959	229,959
<u>1,121,449</u>	<u>1,060,224</u>	<u>(61,225)</u>	<u>1,121,449</u>	<u>1,060,224</u>	<u>(61,225)</u>
74,687	72,857	(1,830)	74,687	72,857	(1,830)
-	-	-	330,822	328,191	(2,631)
<u>74,687</u>	<u>72,857</u>	<u>(1,830)</u>	<u>405,509</u>	<u>401,048</u>	<u>(4,461)</u>
289,028	270,867	(18,161)	289,028	270,867	(18,161)
8,263	12,239	3,976	12,763	19,246	6,483
<u>11,310</u>	<u>3,195</u>	<u>(8,115)</u>	<u>11,310</u>	<u>3,195</u>	<u>(8,115)</u>
<u>308,601</u>	<u>286,301</u>	<u>(22,300)</u>	<u>313,101</u>	<u>293,308</u>	<u>(19,793)</u>
<u>1,504,737</u>	<u>1,419,382</u>	<u>(85,355)</u>	<u>1,840,059</u>	<u>1,754,580</u>	<u>(85,479)</u>
-	-	-	4,207	4,206	1
498,763	498,712	51	635,919	635,867	52
88,962	88,899	63	107,996	107,932	64
668,623	583,648	84,975	687,050	602,074	84,976
146,751	146,162	589	299,821	299,231	590
62,139	62,082	57	62,372	62,315	57
<u>68,904</u>	<u>68,671</u>	<u>233</u>	<u>84,301</u>	<u>83,989</u>	<u>312</u>
<u>1,534,142</u>	<u>1,448,174</u>	<u>85,968</u>	<u>1,881,666</u>	<u>1,795,614</u>	<u>86,052</u>
(29,405)	(28,792)	613	(41,607)	(41,034)	573
-	-	-	130,000	130,000	-
(29,405)	(28,792)	613	88,393	88,966	573
<u>501,394</u>	<u>501,394</u>	<u>-</u>	<u>632,112</u>	<u>632,112</u>	<u>-</u>
<u>\$ 471,989</u>	<u>\$ 472,602</u>	<u>\$ 613</u>	<u>\$ 720,505</u>	<u>\$ 721,078</u>	<u>\$ 573</u>

are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING BALANCE SHEET - ALL DEBT SERVICE FUNDS
 AS OF JUNE 30, 2000

	<u>1993 GENERAL OBLIGATION BONDS</u>	<u>1998 GENERAL OBLIGATION BONDS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash in County Treasury	\$ 78,517	\$ 306,970	\$ 385,487
<u>FUND BALANCES</u>			
Fund Balances:			
Reserved for Debt Service	\$ 78,517	\$ 306,970	\$ 385,487

The notes to the financial statements are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL DEBT SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED OF JUNE 30, 2000

	<u>1993 GENERAL OBLIGATION BONDS</u>	<u>1998 GENERAL OBLIGATION BONDS</u>	<u>TOTAL</u>
REVENUE:			
Other State Revenue	\$ 18,751	\$ 16,642	\$ 35,393
Other Local Revenue-			
Interest	8,541	20,080	28,621
Other	<u>481,522</u>	<u>409,651</u>	<u>891,173</u>
Total Other Local Revenue	<u>490,063</u>	<u>429,731</u>	<u>919,794</u>
Total Revenue	<u>508,814</u>	<u>446,373</u>	<u>955,187</u>
EXPENDITURES:			
Debt Service-			
Principal Retirement	190,000	-	190,000
Interest	<u>283,030</u>	<u>534,847</u>	<u>817,877</u>
Total Expenditures	<u>473,030</u>	<u>534,847</u>	<u>1,007,877</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	35,784	(88,474)	(52,690)
FUND BALANCES - JULY 1, 1999	<u>42,733</u>	<u>395,444</u>	<u>438,177</u>
FUND BALANCES - JUNE 30, 2000	<u>\$ 78,517</u>	<u>\$ 306,970</u>	<u>\$ 385,487</u>

The notes to the financial statements are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-
 BUDGET AND ACTUAL - ALL DEBT SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

1993 GENERAL OBLIGATION BONDS

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Other State Revenue	\$ -	\$ 18,751	\$ 18,751
Other Local Revenue-			
Interest	-	8,541	8,541
Other	-	481,522	481,522
Total Other Local Revenue	-	490,063	490,063
Total Revenue	-	508,814	508,814
EXPENDITURES:			
Debt Service-			
Principal Retirement	-	190,000	(190,000)
Interest	-	283,030	(283,030)
Total Expenditures	-	473,030	(473,030)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	35,784	35,784
FUND BALANCES - JULY 1, 1999	42,733	42,733	-
FUND BALANCES - JUNE 30, 2000	<u>\$ 42,733</u>	<u>\$ 78,517</u>	<u>\$ 35,784</u>

The notes to the financial statements

1998 GENERAL OBLIGATION BONDS

TOTALS

<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>
\$ -	\$ 16,642	\$ 16,642	\$ -	\$ 35,393	\$ 35,393
-	20,080	20,080	-	28,621	28,621
-	409,651	409,651	-	891,173	891,173
-	429,731	429,731	-	919,794	919,794
-	446,373	446,373	-	955,187	955,187
-	-	-	-	190,000	(190,000)
-	534,847	(534,847)	-	817,877	(817,877)
-	534,847	(534,847)	-	1,007,877	(1,007,877)
-	(88,474)	(88,474)	-	(52,690)	(52,690)
395,444	395,444	-	438,177	438,177	-
<u>\$ 395,444</u>	<u>\$ 306,970</u>	<u>\$ (88,474)</u>	<u>\$ 438,177</u>	<u>\$ 385,487</u>	<u>\$ (52,690)</u>

are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS
 AS OF JUNE 30, 2000

<u>ASSETS</u>	<u>LEASE/ PURCHASE ROOF REPLACEMENT</u>	<u>BUILDING FUND</u>	<u>JOHN F. KENNEDY CONSTRUCTION</u>
Cash in County Treasury	\$ -	\$ 2,439,559	\$ 2,654,756
Accounts Receivable- State Government	-	-	-
Interest	-	32,741	-
Other	-	-	-
Prepaid Expenditures	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 2,472,300</u>	<u>\$ 2,654,756</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:			
Reserved for Prepaid Expenditures	-	-	-
Unreserved- Undesignated	-	2,472,300	2,654,756
Total Fund Balances	<u>-</u>	<u>2,472,300</u>	<u>2,654,756</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 2,472,300</u>	<u>\$ 2,654,756</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS
 AS OF JUNE 30, 2000

	<u>SPECIAL RESERVE- INSTRUCTIONAL MATERIALS PROJECT</u>	<u>SPECIAL RESERVE- BUSES</u>	<u>SCHOOL FACILITIES</u>
<u>ASSETS</u>			
Cash in County Treasury	\$ 181,982	\$ 80,881	\$ 1,816,706
Accounts Receivable-			
State Government	-	-	-
Interest	-	-	-
Other	-	-	559
Prepaid Expenditures	-	-	1,659
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 181,982</u>	<u>\$ 80,881</u>	<u>\$ 1,818,924</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts Payable	\$ -	\$ -	\$ 57,247
Due to Other Funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	57,247
FUND BALANCES:			
Reserved for Prepaid Expenditures	-	-	1,659
Unreserved - Undesignated	181,982	80,881	1,760,018
	<hr/>	<hr/>	<hr/>
Total Fund Balances	181,982	80,881	1,761,677
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 181,982</u>	<u>\$ 80,881</u>	<u>\$ 1,818,924</u>

The notes to the financial statements

STATE SCHOOL BUILDING MODERNIZATION

<u>ROOSEVELT</u>	<u>MONROE</u>	<u>RICHMOND</u>	<u>JEFFERSON</u>	<u>CAPITAL FACILITIES</u>	<u>PRISON IMPACT AID</u>	<u>TOTAL</u>
\$ -	\$ -	\$ 48	\$ 105	\$ 55,285	\$ 30,034	\$ 7,259,356
-	-	-	-	-	-	-
-	-	-	-	-	-	32,741
-	-	-	-	31,790	-	32,349
-	-	-	-	-	-	1,659
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 105</u>	<u>\$ 87,075</u>	<u>\$ 30,034</u>	<u>\$ 7,326,105</u>
\$ -	\$ -	\$ -	\$ -	\$ 9,733	\$ -	\$ 66,980
-	-	48	105	-	-	153
-	-	48	105	9,733	-	67,133
-	-	-	-	-	-	1,659
-	-	-	-	77,342	30,034	7,257,313
-	-	-	-	77,342	30,034	7,258,972
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 105</u>	<u>\$ 87,075</u>	<u>\$ 30,034</u>	<u>\$ 7,326,105</u>

are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>LEASE/PURCHASE ROOF REPLACEMENT</u>	<u>BUILDING FUND</u>	<u>JOHN F. KENNEDY CONSTRUCTION</u>
REVENUE:			
Other State Revenue-			
State School Facilities Apportionments	\$ 1,453	\$ -	\$ (165,255)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Other State Revenue	<u>1,453</u>	<u>-</u>	<u>(165,255)</u>
Other Local Revenue-			
Interest	-	241,631	114,193
Developer Fees	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Local Revenue	<u>-</u>	<u>241,631</u>	<u>114,193</u>
Total Revenue	<u>1,453</u>	<u>241,631</u>	<u>(51,062)</u>
EXPENDITURES:			
Books and Supplies	-	-	-
Services and Other			
Operating Expenditures	-	29,355	-
Capital Outlay	-	140,601	-
Debt Service -			
Principal Retirement	-	261,578	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>431,534</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES	<u>1,453</u>	<u>(189,903)</u>	<u>(51,062)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(1,453)</u>	<u>(3,216,658)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,453)</u>	<u>(3,216,658)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(3,406,561)	(51,062)
FUND BALANCES - JULY 1, 1999	<u>-</u>	<u>5,878,861</u>	<u>2,705,818</u>
FUND BALANCES - JUNE 30, 2000	<u>\$ -</u>	<u>\$ 2,472,300</u>	<u>\$ 2,654,756</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	SPECIAL RESERVE- INSTRUCTIONAL MATERIALS PROJECT	SPECIAL RESERVE- BUSES	SCHOOL FACILITIES
REVENUE:			
Other State Revenue-			
State School Facilities Apportionments	\$ -	\$ -	\$ 3,716,658
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Other State Revenue	<u>-</u>	<u>-</u>	<u>3,716,658</u>
Other Local Revenue-			
Interest	1,982	881	135,000
Developer Fees	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Local Revenue	<u>1,982</u>	<u>881</u>	<u>135,000</u>
Total Revenue	<u>1,982</u>	<u>881</u>	<u>3,851,658</u>
EXPENDITURES:			
Books and Supplies	-	-	506
Services and Other Operating			
Expenditures	-	-	325,632
Capital Outlay	-	-	6,708,651
Debt Service-			
Principal Retirement	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>7,034,789</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>1,982</u>	<u>881</u>	<u>(3,183,131)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	180,000	80,000	3,216,658
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>180,000</u>	<u>80,000</u>	<u>3,216,658</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	181,982	80,881	33,527
FUND BALANCES - JULY 1, 1999	<u>-</u>	<u>-</u>	<u>1,728,150</u>
FUND BALANCES - JUNE 30, 2000	<u>\$ 181,982</u>	<u>\$ 80,881</u>	<u>\$ 1,761,677</u>

The notes to the financial statements are

STATE SCHOOL BUILDING MODERNIZATION

<u>ROOSEVELT</u>	<u>MONROE</u>	<u>RICHMOND</u>	<u>JEFFERSON</u>	<u>CAPITAL FACILITIES</u>	<u>PRISON IMPACT AID</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,552,856
-	-	-	-	-	12,667	12,667
-	-	-	-	-	12,667	3,565,523
(604)	(506)	(268)	(319)	2,054	994	495,038
-	-	-	-	163,879	-	163,879
(604)	(506)	(268)	(319)	165,933	994	658,917
(604)	(506)	(268)	(319)	165,933	13,661	4,224,440
-	-	-	-	-	-	506
10,190	5,110	2,260	3,462	166,696	-	542,705
-	-	3,423	7,529	-	-	6,860,204
-	-	-	-	-	-	261,578
-	-	-	-	-	-	-
10,190	5,110	5,683	10,991	166,696	-	7,664,993
(10,794)	(5,616)	(5,951)	(11,310)	(763)	13,661	(3,440,553)
-	-	-	-	-	-	3,476,658
-	-	-	-	-	-	(3,218,111)
-	-	-	-	-	-	258,547
(10,794)	(5,616)	(5,951)	(11,310)	(763)	13,661	(3,182,006)
10,794	5,616	5,951	11,310	78,105	16,373	10,440,978
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,342</u>	<u>\$ 30,034</u>	<u>\$ 7,258,972</u>

an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>LEASE PURCHASE - ROOF REPLACEMENT</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Other State Revenue-			
State School Facilities Apportionments	\$ 1,454	\$ 1,453	\$ (1)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Other State Revenue	<u>1,454</u>	<u>1,453</u>	<u>(1)</u>
Other Local Revenue-			
Interest	-	-	-
Developer Fees	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Local Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>1,454</u>	<u>1,453</u>	<u>(1)</u>
EXPENDITURES:			
Books and Supplies	-	-	-
Services and Other Operation Expenditures	-	-	-
Capital Outlay	-	-	-
Debt Service -			
Principal Retirement	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE (OVER) UNDER EXPENDITURES	<u>1,454</u>	<u>1,453</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(1,454)</u>	<u>(1,453)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>(1,454)</u>	<u>(1,453)</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JULY 1, 1999	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30, 2000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HANFOD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL- ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>BUILDING FUND</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Other State Revenue-			
State School Facilities Apportionments	\$ -	\$ -	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Other State Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Other Local Revenue-			
Interest	241,631	241,631	-
Developer Fees	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Local Revenue	<u>241,631</u>	<u>241,631</u>	<u>-</u>
Total Revenue	<u>241,631</u>	<u>241,631</u>	<u>-</u>
EXPENDITURES:			
Books and Supplies	-	-	-
Services and Other Operating Expenditures	29,356	29,355	1
Capital Outlay	140,602	140,601	1
Debt Service-			
Principal Retirement	261,578	261,578	-
Interest	<u>59,520</u>	<u>-</u>	<u>59,520</u>
Total Expenditures	<u>491,056</u>	<u>431,534</u>	<u>59,522</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(249,425)</u>	<u>(189,903)</u>	<u>59,522</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(3,157,140)</u>	<u>(3,216,658)</u>	<u>(59,518)</u>
Total Other Financing Sources (Uses)	<u>(3,157,140)</u>	<u>(3,216,658)</u>	<u>(59,518)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,406,565)	(3,406,561)	4
FUND BALANCES - JULY 1, 1999	<u>5,878,861</u>	<u>5,878,861</u>	<u>-</u>
FUND BALANCES - JUNE 30, 2000	<u>\$ 2,472,296</u>	<u>\$ 2,472,300</u>	<u>\$ 4</u>

JOHN F. KENNEDY CONSTRUCTION

SPECIAL RESERVE -
INSTRUCTIONAL MATERIALS PROJECT

<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>
\$ (165,255)	\$ (165,255)	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(165,255)</u>	<u>(165,255)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
114,193	114,193	-	-	1,982	1,982
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>114,193</u>	<u>114,193</u>	<u>-</u>	<u>-</u>	<u>1,982</u>	<u>1,982</u>
<u>(51,062)</u>	<u>(51,062)</u>	<u>-</u>	<u>-</u>	<u>1,982</u>	<u>1,982</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(51,062)</u>	<u>(51,062)</u>	<u>-</u>	<u>-</u>	<u>1,982</u>	<u>1,982</u>
-	-	-	180,000	180,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
(51,062)	(51,062)	-	180,000	181,982	1,982
<u>2,705,818</u>	<u>2,705,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,654,756</u>	<u>\$ 2,654,756</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ 181,982</u>	<u>\$ 1,982</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>SPECIAL RESERVE -BUSES</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Other State Revenue-			
State School Facilities Apportionments	\$ -	\$ -	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Other State Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Other Local Revenue-			
Interest	-	881	881
Developer Fees	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Local Revenue	<u>-</u>	<u>881</u>	<u>881</u>
Total Revenue	<u>-</u>	<u>881</u>	<u>881</u>
EXPENDITURES:			
Books and Supplies	-	-	-
Services and Other Operating Expenditures	-	-	-
Capital Outlay	-	-	-
Debt Service-			
Principal Retirement	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>881</u>	<u>881</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	80,000	80,000	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>80,000</u>	<u>80,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	80,000	80,881	881
FUND BALANCES - JULY 1, 1999	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30, 2000	<u>\$ 80,000</u>	<u>\$ 80,881</u>	<u>\$ 881</u>

SCHOOL FACILITIES FUND

STATE SCHOOL BUILDING - MODERNIZATION

<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>
\$ 3,716,658	\$ 3,716,658	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>3,716,658</u>	<u>3,716,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
135,000	135,000	-	(1,694)	(1,697)	(3)
-	-	-	-	-	-
<u>135,000</u>	<u>135,000</u>	<u>-</u>	<u>(1,694)</u>	<u>(1,697)</u>	<u>(3)</u>
<u>3,851,658</u>	<u>3,851,658</u>	<u>-</u>	<u>(1,694)</u>	<u>(1,697)</u>	<u>(3)</u>
507	506	1	-	-	-
325,634	325,632	2	21,026	21,022	4
6,708,655	6,708,651	4	10,952	10,952	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,034,796</u>	<u>7,034,789</u>	<u>7</u>	<u>31,978</u>	<u>31,974</u>	<u>4</u>
<u>(3,183,138)</u>	<u>(3,183,131)</u>	<u>7</u>	<u>(33,672)</u>	<u>(33,671)</u>	<u>1</u>
3,216,658	3,216,658	-	180,000	-	-
-	-	-	-	-	-
<u>3,216,658</u>	<u>3,216,658</u>	<u>-</u>	<u>180,000</u>	<u>-</u>	<u>-</u>
33,520	33,527	7	(33,672)	(33,671)	1
<u>1,728,150</u>	<u>1,728,150</u>	<u>-</u>	<u>33,671</u>	<u>33,671</u>	<u>-</u>
<u>\$ 1,761,670</u>	<u>\$ 1,761,677</u>	<u>\$ 7</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 1</u>

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	CAPITAL FACILITIES FUND		
	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUE:			
Other State Revenue-	\$ -	\$ -	\$ -
State School Facilities Apportionments	-	-	-
Other	-	-	-
Total Other State Revenue	-	-	-
Other Local Revenue-			
Interest	3,000	2,054	(946)
Developer Fees	164,000	163,879	(121)
Total Other Local Revenue	167,000	165,933	(1,067)
Total Revenue	167,000	165,933	(1,067)
EXPENDITURES:			
Books and Supplies	-	-	-
Services and Other Operating Expenditures	166,702	166,696	6
Capital Outlay	-	-	-
Debt Service -			
Principal Retirement	-	-	-
Interest	-	-	-
Total Expenditures	166,702	166,696	6
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	298	(763)	(1,061)
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	298	(763)	(1,061)
FUND BALANCES - JULY 1, 1999	78,105	78,105	-
FUND BALANCES - JUNE 30, 2000	\$ 78,403	\$ 77,342	\$ (1,061)

The notes to the financial statements

<u>PRISON IMPACT AID FUND</u>			<u>TOTALS</u>		
<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>
\$ -	\$ -	\$ -	\$ 3,552,857	\$ 3,552,856	\$ (1)
-	<u>12,667</u>	<u>12,667</u>	-	<u>12,667</u>	<u>12,667</u>
-	<u>12,667</u>	<u>12,667</u>	<u>3,552,857</u>	<u>3,565,523</u>	<u>12,666</u>
1,000	994	(6)	493,130	495,038	1,908
-	-	-	<u>164,000</u>	<u>163,879</u>	<u>(121)</u>
<u>1,000</u>	<u>994</u>	<u>(6)</u>	<u>657,130</u>	<u>658,917</u>	<u>1,787</u>
<u>1,000</u>	<u>13,661</u>	<u>12,661</u>	<u>4,209,987</u>	<u>4,224,440</u>	<u>14,453</u>
-	-	-	507	506	1
-	-	-	542,718	542,705	13
-	-	-	6,860,209	6,860,204	5
-	-	-	261,578	261,578	-
-	-	-	<u>59,520</u>	-	<u>59,520</u>
-	-	-	<u>7,724,532</u>	<u>7,664,993</u>	<u>59,539</u>
<u>1,000</u>	<u>13,661</u>	<u>12,661</u>	<u>(3,514,545)</u>	<u>(3,440,553)</u>	<u>73,992</u>
-	-	-	3,476,658	3,476,658	-
-	-	-	<u>(3,158,594)</u>	<u>(3,218,111)</u>	<u>(59,517)</u>
-	-	-	<u>318,064</u>	<u>258,547</u>	<u>(59,517)</u>
1,000	13,661	12,661	(3,196,481)	(3,182,006)	14,475
<u>16,373</u>	<u>16,373</u>	-	<u>10,440,978</u>	<u>10,440,978</u>	-
<u>\$ 17,373</u>	<u>\$ 30,034</u>	<u>\$ 12,661</u>	<u>\$ 7,244,497</u>	<u>\$ 7,258,972</u>	<u>\$ 14,475</u>

are an integral part of this statement.

COMBINING BALANCE SHEET - ALL AGENCY FUNDS
AS OF JUNE 30, 2000

	<u>ASSETS</u>	<u>LIABILITIES</u>
	<u>Cash in Banks</u>	<u>Due to Student Groups</u>
OUTDOOR EDUCATION FUNDS-		
Washington	\$ -	\$ -
Jefferson	-	-
Monroe	-	-
Lee Richmond	-	-
Martin Luther King	-	-
STUDENT BODY FUNDS-		
Lee Richmond	-	-
Washington	100	100
Jefferson	-	-
Roosevelt	-	-
Monroe	-	-
Lincoln	-	-
Woodrow Wilson	12,422	12,422
John F. Kennedy	13,576	13,576
Martin Luther King	-	-
Total All Agency Funds	\$ 26,098	\$ 26,098

The notes to the financial statements are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>BALANCE</u> <u>JULY 1, 1999</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2000</u>
<u>OUTDOOR EDUCATION - WASHINGTON</u>				
ASSETS - Cash in Banks	\$ 2,645	\$ 270	\$ 2,915	\$ -
LIABILITIES - Due to Student Groups	\$ 2,645	\$ 270	\$ 2,915	\$ -
<u>OUTDOOR EDUCATION - JEFFERSON</u>				
ASSETS - Cash in Banks	\$ 1,321	\$ 35	\$ 1,356	\$ -
LIABILITIES - Due to Student Groups	\$ 1,321	\$ 35	\$ 1,356	\$ -
<u>OUTDOOR EDUCATION - MONROE</u>				
ASSETS - Cash in Banks	\$ 3,588	\$ 1	\$ 3,589	\$ -
LIABILITIES - Due to Student Groups	\$ 3,588	\$ 1	\$ 3,589	\$ -
<u>OUTDOOR EDUCATION - LEE RICHMOND</u>				
ASSETS - Cash in Banks	\$ 1,290	\$ 64	\$ 1,354	\$ -
LIABILITIES - Due to Student Groups	\$ 1,290	\$ 64	\$ 1,354	\$ -
<u>OUTDOOR EDUCATION - MARTIN LUTHER KING</u>				
ASSETS - Cash in Banks	\$ 404	\$ -	\$ 404	\$ -
LIABILITIES - Due to Student Groups	\$ 404	\$ -	\$ 404	\$ -
<u>LEE RICHMOND STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ 1,438	\$ -	\$ 1,438	\$ -
LIABILITIES - Due to Student Groups	\$ 1,438	\$ -	\$ 1,438	\$ -
<u>WASHINGTON STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ 6,532	\$ 26	\$ 6,458	\$ 100
LIABILITIES - Due to Student Groups	\$ 6,532	\$ 26	\$ 6,458	\$ 100

The notes to the financial statements

	<u>BALANCE</u> <u>JULY 1, 1999</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2000</u>
<u>MARTIN LUTHER KING</u> <u>STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ <u>1,545</u>	\$ <u>410</u>	\$ <u>1,955</u>	\$ <u>-</u>
LIABILITIES - Due to Student Groups	\$ <u>1,545</u>	\$ <u>410</u>	\$ <u>1,955</u>	\$ <u>-</u>
<u>JEFFERSON STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ <u>111</u>	\$ <u>-</u>	\$ <u>111</u>	\$ <u>-</u>
LIABILITIES - Due to Student Groups	\$ <u>111</u>	\$ <u>-</u>	\$ <u>111</u>	\$ <u>-</u>
<u>ROOSEVELT STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ <u>1,187</u>	\$ <u>-</u>	\$ <u>1,187</u>	\$ <u>-</u>
LIABILITIES - Due to Student Groups	\$ <u>1,187</u>	\$ <u>-</u>	\$ <u>1,187</u>	\$ <u>-</u>
<u>MONROE STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ <u>2,733</u>	\$ <u>-</u>	\$ <u>2,733</u>	\$ <u>-</u>
LIABILITIES - Due to Student Groups	\$ <u>2,733</u>	\$ <u>-</u>	\$ <u>2,733</u>	\$ <u>-</u>
<u>LINCOLN STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ <u>937</u>	\$ <u>-</u>	\$ <u>937</u>	\$ <u>-</u>
LIABILITIES - Due to Student Groups	\$ <u>937</u>	\$ <u>-</u>	\$ <u>937</u>	\$ <u>-</u>
<u>WOODROW WILSON STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ <u>25,668</u>	\$ <u>28,976</u>	\$ <u>42,222</u>	\$ <u>12,422</u>
LIABILITIES - Due to Student Groups	\$ <u>25,668</u>	\$ <u>28,976</u>	\$ <u>42,222</u>	\$ <u>12,422</u>
<u>JOHN F. KENNEDY STUDENT BODY FUND</u>				
ASSETS - Cash in Banks	\$ <u>7,036</u>	\$ <u>35,303</u>	\$ <u>28,763</u>	\$ <u>13,576</u>
LIABILITIES - Due to Student Groups	\$ <u>7,036</u>	\$ <u>35,303</u>	\$ <u>28,763</u>	\$ <u>13,576</u>
<u>TOTALS ALL AGENCY FUNDS</u>				
ASSETS - Cash in Banks	\$ <u>56,435</u>	\$ <u>65,085</u>	\$ <u>95,422</u>	\$ <u>26,098</u>
LIABILITIES - Due to Student Groups	\$ <u>56,435</u>	\$ <u>65,085</u>	\$ <u>95,422</u>	\$ <u>26,098</u>

are an integral part of this statement.

SUPPLEMENTARY INFORMATION

SECTION

HANFORD ELEMENTARY SCHOOL DISTRICT
ORGANIZATION
JUNE 30, 2000

The Hanford Elementary School District comprises an area of approximately thirteen square miles located in Kings County and operates nine schools, providing instruction from kindergarten through eighth grade. There were no changes in the boundaries of the District during the current year.

The Board of Trustees for the year ended June 30, 2000 was composed of the following members:

<u>NAME</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Kathy Neighbors	President	November, 2002
Fred Wills	Vice-President	November, 2002
Dan Chin	Clerk	November, 2002
Kenneth Baird	Member	November, 2000
Carol Reynolds	Member	November, 2000

ADMINISTRATION

Rebecca Presley - District Superintendent

Nancy White - Business Manager

HANFORD ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>SECOND PERIOD REPORT</u>	<u>ANNUAL REPORT</u>
ELEMENTARY-		
Kindergarten	506	507
Grades One through Three	1,738	1,737
Grades Four through Six	1,438	1,436
Grades Seven and Eight	955	948
Special Education - Master Plan	80	81
Home and Hospital	6	7
Opportunity	<u>9</u>	<u>10</u>
 TOTALS	 <u><u>4,732</u></u>	 <u><u>4,726</u></u>

HOURS OF ATTENDANCE

SUMMER SCHOOL-

Elementary	<u><u>10,478</u></u>
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Average daily attendance 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.

HANFORD ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

<u>GRADE LEVEL</u>	<u>1982-83 ACTUAL MINUTES</u>	<u>1986-87 MINUTES REQUIREMENT</u>	<u>1999-2000 ACTUAL MINUTES</u>	<u>STATUS</u>
Kindergarten	31,680	36,000	37,620	Complied
Grades 1 Through 3	42,240	50,400	53,874	Complied
Grades 4 Through 8	48,224	54,000	57,294	Complied

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirement, whichever is greater, as required by Education Code Section 46201.

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 instruction time offered by the District and whether the District complied with the provisions of Education Code 46201 through 46206.

HANFORD ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	(Budget) 2001	2000	1999	1998
<u>General Fund</u>				
Revenue and Other Financial Sources	\$ 30,352,415	\$ 28,934,098	\$ 28,364,710	\$ 27,475,846
Expenditures	29,625,460	28,852,179	28,055,410	26,248,570
Other Uses and Transfers Out	<u>184,922</u>	<u>390,000</u>	<u>161,739</u>	<u>54,203</u>
Total Outgo	<u>29,810,382</u>	<u>29,242,179</u>	<u>28,217,149</u>	<u>26,302,773</u>
Change in Fund Balance	<u>\$ 542,033</u>	<u>\$ (308,081)</u>	<u>\$ 147,561</u>	<u>\$ 1,173,073</u>
Ending Fund Balance	<u>\$ 2,817,152</u>	<u>\$ 2,275,119</u>	<u>\$ 2,583,200</u>	<u>\$ 2,435,639</u>
Available Reserves	<u>\$ 2,774,751</u>	<u>\$ 2,232,718</u>	<u>\$ 2,543,392</u>	<u>\$ 2,407,899</u>
Designated for Economic Uncertainties	<u>\$ 1,372,500</u>	<u>\$ 1,305,000</u>	<u>\$ 1,050,000</u>	<u>\$ 1,080,000</u>
Undesignated Fund Balance	<u>\$ 1,235,585</u>	<u>\$ 927,718</u>	<u>\$ 1,493,392</u>	<u>\$ 1,327,899</u>
Available Reserves as a Percentage of Total Outgo	9.3%	7.6%	9.0%	9.2%
Total Long-Term Debt	\$ 14,117,422	\$ 14,639,018	\$ 15,090,596	\$ 8,176,649
Average Daily Attendance at P-2	4,732	4,732	4,770	4,956

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.

The general fund balance has decreased by \$160,520 over the past two years. The fiscal year 1999-2000 budget projects an increase of \$542,033. For a district this size, the state recommends available reserves of the greater of 3 percent of total general fund expenditures, transfers out, and other uses (total outgo) or \$50,000.

The long-term debt has increased by \$6,462,369 over the past two years. Most of this increase was due to the issuance of General Obligation Bonds during 1998/99 in the amount of \$7,350,000.

Average daily attendance has decreased by 224 ADA over the past two years. No change in ADA is anticipated during fiscal year 2000-2001.

HANFORD ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

<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>
FEDERAL PROGRAMS:			
U.S. Department of Education:			
Maintenance and Operation (P.L. 81-874)	84.041		\$ 2,814
Title IV Drug Free Schools (P.L. 99-570)	84.186		19,830
IASA - Title VII Bilingual Education	84.290U		313,788
Passed through California Department of Education (CDE):			
IASA - Title I	84.010	03064	1,411,256
Migrant Education	84.011	03239	183,112
IASA - Title VI	84.151	03340	30,840
Title II Dwight D. Eisenhower Program	84.168	03699	29,436
Goals 2000: Reading Professional Development Grant	84.276A	03266	15,970
Title VI Class Size Reduction (P.L. 105-277)	84.340A	03073	125,743
IASA - Title III Education Technology Literacy Challenge Grant	84.318X	03285	<u>436,498</u>
Total U.S. Department of Education			<u>2,569,287</u>
U.S. Department of Agriculture:			
Passed through CDE:			
National School Lunch	10.555	03755	830,575
School Breakfast Program	10.553	03157	<u>229,649</u>
Total U.S. Department of Agriculture			<u>1,060,224</u>
TOTAL EXPENDITURES OF FEDERAL PROGRAMS			<u>\$ 3,629,511</u>

Note 1. Basis of presentation-
The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of Hanford Elementary School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2. Subrecipients-
Of the federal expenditures presented in the schedule, Hanford Elementary School District provided no federal awards to subrecipients.

Note 3. Non-cash assistance in the form of donated commodities was received from California Department of Education as a pass-through grant from the U.S. Department of Agriculture. The total market value of the commodities received during 1999-2000 was \$98,054.

The notes to the financial statements are an integral part of this statement.

HANFORD ELEMENTARY SCHOOL DISTRICT
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
 REPORT (J-200) WITH AUDITED FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>GENERAL FUND</u>	<u>1998 GENERAL OBLIGATION BONDS</u>	<u>CAFETERIA FUND</u>
June 30, 2000 Annual Financial and Budget Report (Form J-200) Fund Balance	\$ 2,397,932	\$ 305,980	\$ 381,633
Adjustments Increasing (Decreasing) Fund Balances-			
Understatement of Cash in County Treasury	1	990	1
Understatement of Cash in Banks	-	-	6,330
Overstatement (Understatement) of Accounts Payable	27,157	-	(2,432)
Understatement of Deferred Revenue	1	-	-
Record Accrued Compensated Absences	(149,972)	-	-
Understatement of Stores Inventory	-	-	84,638
Understatement of Prepaid Expenditures	<u>-</u>	<u>-</u>	<u>2,432</u>
June 30, 2000 Audited Financial Statement Fund Balances	<u>\$ 2,275,119</u>	<u>\$ 306,970</u>	<u>\$ 472,602</u>

GENERAL LONG-TERM
DEBT ACCOUNT GROUP

June 30, 2000, Annual Financial and Budget Report (Form J-200) Total Liabilities	\$ 7,289,018
Adjustments Increasing Total Liabilities- Understatements of General Obligation Bonds Payable	<u>7,350,000</u>
June 30, 2000, Audited Financial Statements, General Long-Term Debt Total Liabilities	<u>\$ 14,639,018</u>

NOTE: There were no adjustments to the following funds:

- Deferred Maintenance Fund
- Capital Facilities Fund
- Self-Insurance Fund
- Child Development Fund
- John F. Kennedy Construction Funds
- Building Fund
- School Facilities Fund
- Prison Impact Aid Fund
- Lease/Purchase Roof Replacement Fund
- State School Building Modernization Funds
- 1993 General Obligation Bond Fund
- Special Reserve Fund - Instructional Materials Project
- Special Reserve Fund - Buses

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the Form J-200 to the audited financial statements.

OTHER INDEPENDENT AUDITOR'S REPORTS

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

Board of Trustees
Hanford Elementary School District
Hanford, California:

We have audited the general purpose financial statements of the Hanford Elementary School District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 4, 2000, which was qualified because of a scope limitation regarding Student Body Fund records, because of the omission of the general fixed assets account group and because we did not audit the dental claims paid on behalf of the Self-Insurance Fund by the administrator of the plan. Except as discussed in the proceeding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Hanford Elementary School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Hanford Elementary School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Diane M. Augusto
December 4, 2000.

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**AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Hanford Elementary School District
Hanford, California:

Compliance

We have audited the compliance of Hanford Elementary School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major Federal programs for the year ended June 30, 2000. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Hanford Elementary School District's management. Our responsibility is to express an opinion on the Hanford Elementary School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Hanford Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Hanford Elementary School District's compliance with those requirements.

In our opinion, the Hanford Elementary School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Hanford Elementary School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered Hanford Elementary School District's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Diane M. Augusto
December 4, 2000.

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AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Hanford Elementary School District
Hanford, California:

We have audited the general purpose financial statements of the Hanford Elementary School District, as of and for the year ended June 30, 2000, and have issued our report thereon dated December 4, 2000. In our report, our opinion was qualified due to a scope limitation regarding Student Body Fund records, because of the omission of the general fixed assets account group and because we did not audit the dental claims paid on behalf of the Self-Insurance Fund by the administrator of the plan. Except as discussed in the preceding sentence, our audit was made in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the State Controller's Standards and Procedures for Audits of California K-12 Local Educational Agencies. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The District's management is responsible for the District's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures in Controller's Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting:		
Attendance reporting	4	Yes
Staff Development days	3	Yes
Kindergarten Enrollment	4	Yes
Independent study	13	No (see below)
Continuation education	13	Not applicable
Adult education	8	Not applicable
Regional occupational center/programs	5	Not applicable
County Office of Education programs	9	Not applicable
Incentive for longer instructional day:		
School districts	3	Yes
County offices of education	3	Not applicable

GANN limit calculation	2	Yes
Early retirement incentive program	5	Yes
Community day schools	8	Not applicable
Class Size Reduction Program:		
Option one classes	12	Yes
Option two classes	11	Yes
Option one and two classes	17	Yes
Reduce class size in two courses in grade 9	8	Not applicable
State instructional materials fund	8	Yes
Schiff-Bustamante Standards Based		
Instructional Materials	4	Yes
Digital High School Education Technology	5	Not applicable
Office of Criminal Justice Planning	-	Not applicable

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

Based on our audit, we found that, for the items tested, the Hanford Elementary School District complied with the state laws and regulations referred to above, except as described in the Findings and Recommendations section of this report. Further, based on our examination, for items not tested, nothing came to our attention to indicate that the Hanford Elementary School District had not complied with the state laws and regulations, except as described in the Findings and Recommendations section of this report.

Diane M. Augusto

December 4, 2000.

FINDINGS AND
RECOMMENDATIONS SECTION

HANFORD ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2000

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Reporting condition(s) identified not considered to be material weaknesses? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Reporting condition(s) identified not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) Yes X No

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.290U</u>	<u>IASA - Title VII Bilingual Education</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch</u>
<u>84.318X</u>	<u>IASA - Title III Ed. Tech. Literacy Challenge</u>
<u>84.340A</u>	<u>Title VI Class Size Reduction</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk Yes X No

State Awards

Internal control over state programs:

Material Weakness(es) identified? Yes X No

Reporting condition(s) identified not considered to be material weaknesses? X Yes None reported

Type of auditor's report issued on compliance for state programs: Qualified

SECTION II - FINANCIAL STATEMENT FINDINGS

00-1. PROPERTY, PLANT AND EQUIPMENT- Inventory of Equipment Finding Type - Code 20000

Finding:

Although the District has established a fixed assets inventory listing, the listing has not been properly updated for current asset additions and retirements due to computer problems in the processing of the updating information. We understand that the District will be placing their fixed assets inventory listing on a new computer system.

Recommendation:

We recommend that the District manually update their computerized fixed asset inventory listings for additions and deletions until such time that they place the fixed asset listings on the new computer system.

District Response:

In process.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

00-2. Attendance Accounting- Attendance Finding Type - Code 10000

Finding:

As a result of our audit of attendance, we noted the cumulative enrollment line was overstated by thirty-seven on the Second Period attendance report (Form J18/19).

Recommendation:

We recommend the Second Period attendance report be revised reporting the correct cumulative enrollment.

District Response:

The District is in agreement with the above recommendation and will revise the Second Period attendance report.

HANFORD ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2000

1. PROPERTY, PLANT AND EQUIPMENT-
Inventory of Equipment Finding Type - Code 20000

Finding:

Although the District has established a fixed assets inventory listing, the listing has not been properly updated for current asset additions and retirements due to computer problems in the processing of the updating information. We understand that the District will be placing their fixed assets inventory listing on a new computer system.

Recommendation:

We recommend the District manually update their computerized fixed asset inventory listings for additions and deletions until such time that they place the fixed asset listings on the new computer system.

Current Status:

In process. See current year recommendation.

2. ATTENDANCE ACCOUNTING-
Attendance Finding Type - Code 10000

Finding:

As a result of our audit of the class size reduction form No. J-7CSR, we noted the average daily counts were not accurate for two of the six schools tested. Option 1 grades 1-3 were understated by twelve students and Option 2 Kindergarten was overstated by two.

Recommendation:

We recommend that the average daily counts be recalculated and the J-7CSR form be revised as necessary.

Current Status:

Implemented. The form was revised.