

Hanford Elementary School District

REGULAR BOARD MEETING AGENDA

Wednesday, February 10, 2021

HESD District Office Board Room

714 N. White Street, Hanford, CA

In accordance with Governor Newsom's Executive Order N-29-20 Paragraph 3, the HESD Board Meeting will have teleconferencing and video conferencing available.

For members of the public interested in remotely viewing the HESD Board Meeting please visit the following link to access the live video stream:

<https://www.hanfordesd.org/hesdtv>

Individuals who wish to address the Board may do so by

- Submitting an email to public-comment@hanfordesd.org
- Leaving a voice message by calling 559-585-3604 (voice message will be transcribed).

Please include your name, agenda item number or subject matter being addressed, along with a 250-word description of the subject matter being addressed.

Voice message public comments must be received no later than 3:30 p.m. on the day of the meeting in order to be part of the record for the Board's information and/or discussion.

Public comments submitted by e-mail or voice message will be included in the minutes.

Please note that consistent with Board Bylaw 9323, any statements submitted for public comment that are inappropriate in nature, including, but not limited to statements that are obscene, threatening or substantially disruptive to school operations, will either be redacted, or will not be posted.

OPEN SESSION

5:30 p.m.

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

CLOSED SESSION

- **Personnel** (*Pursuant to Government Code 54956.9, Trustees will adjourn to Closed Session to discuss the items listed below. The items to be discussed shall be announced in accordance with Government Code Section 54954.5 and/or under Education Code Provisions*)
 - **Public Employee Discipline/Dismissal/Release** (GC 54957)

OPEN SESSION

5:50 p.m.

Take action on closed session items

1. PRESENTATIONS, REPORTS AND COMMUNICATIONS

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

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

2. CONSENT ITEMS

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

- a) Accept warrant listings dated January 20, 2021; January 22, 2021 and January 29, 2021.
- b) Approve minutes of the Regular Board Meeting held on January 27, 2021.
- c) Approve interdistrict transfers as recommended.

3. INFORMATION ITEMS

- a) Receive for information the monthly financial reports for the period of 07/01/2020-01/31/2021 (Endo)
- b) Receive for information the Williams Uniform Complaint Quarterly Report (Gabler)

4. BOARD POLICIES AND ADMINISTRATION

- a) Consider for approval to ratify change orders for the new parking lot at Monroe Elementary (Potter)
- b) Consider for approval to ratify change orders for the modernization project at Washington Elementary (Potter)
- c) Consider for approval to ratify change orders for the modernization project at Lincoln Elementary (Potter)
- d) Consider approval of proposal with SchoolWork's Inc. to provide facilities planning assessment services (Potter)
- e) Consider adoption of Resolution No. 22-21: Placement of Classified Employee on Reemployment List following exhaustion of all available leaves of absence (Martinez)
- f) Consider for approval the following revised Board Policy: (Carlton)
 - BP 0410 – Nondiscrimination in District Programs and Activities

5. PERSONNEL (Martinez)

- a) Employment
Classified

- Sheila Dizon, Licensed Vocational Nurse – 6.0 hrs., Jefferson Academy, effective 1/29/21
- Charlotte A. Lyles, Administrative Secretary II – Confidential – 8.0 hrs., Facilities/Fiscal Services, effective 2/16/21

Temporary Employees/Substitutes

- Anthony Diaz, Substitute Custodian II, effective 1/11/21
- Tania Garcia, Short-term Bus Driver – 4.5 hrs., Transportation/DSF, effective 2/1/21 to 3/26/21
- Diana Karle, Substitute Yard Supervisor, effective 2/1/21
- Emily Lerma, Substitute Custodian I, effective 1/27/21

- Ray Mueller, Substitute Personnel Specialist, effective 1/19/21
- b) Resignations
 - Larry Dias, Substitute Bus Driver, effective 6/5/20
 - Cristal Gutierrez, Teacher, Richmond, effective 6/4/21
- c) Retirement
 - Alice Garcia, Administrative Assistant – 8.0 hrs., Human Resources, effective 4/30/21
 - Linda Hickey, Teacher, Hamilton School, effective 06/04/2021
 - Garrett Lutes, Teacher, Woodrow Wilson Junior High School, effective 06/04/2021
 - Gracie Pittman, Teacher, Monroe, effective 6/4/21
 - Becky Wells, Teacher, Lincoln, effective 6/4/21
 - Jessie Williams, Teacher, Roosevelt, effective 6/4/21

6. FINANCIAL (Endo)

- a) Consider acceptance of the audit report
- b) Consider acceptance of the Building Fund (Measure U) financial and performance audit report

ADJOURN MEETING

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/01/2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 02/10/2021

ITEM:

Consider approval of warrants.

PURPOSE:

The administration is requesting the approval of the warrants as listed on the registers dated: 01/20/21, 01/22/21 and 01/29/21.

FISCAL IMPACT:

See attached.

RECOMMENDATIONS:

Approve the warrants.

**Warrant Register For Warrants
Dated 01/20/2021**

Warrant Number	Vendor Number	Vendor Name	Amount
12652913	632	CITY OF HANFORD Water/Sewer	\$16,354.14
Total Amount of All Warrants:			\$16,354.14

Warrant Register For Warrants

Dated 01/22/2021

Warrant Number	Vendor Number	Vendor Name	Amount
12652964	7659	ACCUTRAIN Conference	\$149.00
12652965	6431	AMAZON.COM Allowance/Warehouse/Office Supplies/Books/Instl Matls	\$11,022.59
12652966	59	ARAMARK UNIFORM & CAREER Mop/Mat Services	\$3,863.87
12652967	59	ARAMARK UNIFORM & CAREER Kitchen Mop/Mat Services	\$169.62
12652968	6253	AT&T Telephone	\$2,680.63
12652969	7598	JOSE CASTELLANOS Mileage	\$10.08
12652970	405	DASSEL'S PETROLEUM INC. Fuel (Kitchen)	\$73.49
12652971	7503	FOLEY CARRIER SERVICES LLC Other Services	\$2,100.00
12652972	6862	CRYSTAL FOSTER Allowance	\$200.00
12652973	1769	FRESNO PRODUCE Food	\$1,884.05
12652974	2687	JONI R. GARNER Allowance	\$200.00
12652975	1393	GAS COMPANY Gas	\$10,726.32
12652976	591	GOLD STAR FOODS Food	\$4,993.95
12652977	7592	HANFORD SENTINEL Other Services	\$600.00
12652978	2188	THE HOME DEPOT PRO Transportation/Custodial Supplies	\$525.31
12652979	4597	IVS COMPUTER TECHNOLOGY Equipment/Tech Matls	\$41,395.07
12652980	6573	IXL LEARNING Software License	\$299.00
12652981	5648	STACIE JOHNSON Software License	\$96.00
12652982	7608	JT2 INC DBA TODD COMPANIES Land Improvements	\$581,406.65
12652983	5290	KEENAN & ASSOCIATES Insurance	\$229.46
12652984	1783	KELLER MOTORS Transportation Matls	\$304.03
12652985	7457	KG COMMUNICATIONS INC. Transportation Services	\$1,174.45
12652986	5828	KINGS COUNTY DEPT OF PUBLIC WORKS Fuel	\$55.36
12652987	808	KINGS WASTE & RECYCLING Garbage	\$1,011.20
12652988	876	SHARON LOPEZ Allowance	\$196.36
12652989	5430	ANDREW MARTINEZ Allowance	\$196.26
12652990	977	ORAL E. MICHAM INC. Buildings & Improvements	\$12,506.93
12652991	4726	DIANE MOLINA Mileage	\$19.26
12652992	7203	PARADIGM HEALTHCARE SERVICES LLC. Other Services	\$874.55
12652993	1138	GRACIE PITTMAN Allowance	\$200.00
12652994	1168	PRODUCERS DAIRY PRODUCTS Food	\$5,766.04
12652995	7657	REHAB SEMINARS Conference	\$978.00
12652996	3743	SHRED-IT USA – FRESNO Shred Services	\$209.11
12652997	7644	SIERRA SANITATION INC Rentals	\$607.11
12652998	6061	DANA SILVA Allowance	\$200.00
12652999	1801	SMART & FINAL STORES (HFD KIT) Food	\$152.87
12653000	6324	AMANDA SMITH Mileage	\$16.97
12653001	1392	SOUTHERN CALIFORNIA EDISON CO. Electricity	\$22,771.14
12653002	2031	SOUTHWEST SCH & OFFICE SUPPLY Warehouse	\$786.05
12653003	1403	STANISLAUS FOUNDATION – DENTAL Other Services	\$25,107.54
12653004	2277	BRIAN STONE Allowance	\$200.00
12653005	7092	SUNCREST BANK Buildings & Improvements	\$658.27
12653006	1444	SYSCO FOODSERVICES OF MODESTO Food	\$8,892.31
12653007	4064	TULARE COUNTY OFFICE OF ED Conference	\$105.00
12653008	1510	U.S. POSTMASTER-BULK MAIL Other Services	\$240.00
12653009	1647	VERITIV OPERATING COMPANY Warehouse	\$2,024.90
12653010	1619	WILBUR-ELLIS COMPANY LLC Grounds Matls	\$2,248.54
12653011	3863	WILLIAM WILKINSON Software License	\$20.00

Total Amount of All Warrants:

\$750,147.34 8

**Credit Card Register For Payments
Dated 01/22/2021**

Document Number	Vendor Number	Vendor Name	Amount
14030086	5184	DRISKELL'S APPLIANCE Equipment	\$1,530.43
14030087	509	EWING IRRIGATION PRODUCTS Grounds Matls	\$1,768.46
14030088	529	FOLLETT SCHOOL SOLUTIONS Books/eBooks	\$27,915.42
14030089	5007	JORGENSEN COMPANY Kitchen Services	\$3,354.46
14030090	1002	MORGAN & SLATES INC. Maint/Grounds Matls	\$152.18
14030091	2524	ROCHESTER 100 INC. Instl Matls	\$1,080.00
14030092	1466	TERMINIX INTERNATIONAL Pest Control	\$386.00
14030093	1466	TERMINIX INTERNATIONAL Pest Control	\$80.00
14030094	2233	TERMINIX PROCESSING CENTER Pest Control	\$364.00
Total Amount of All Credit Card Payments:			\$36,630.95

Warrant Register For Warrants

Dated 01/29/2021

Warrant Number	Vendor Number	Vendor Name	Amount
12653624	2352	AMS.NET Other Services	\$12,632.94
12653625	6253	AT&T Telephone	\$159.61
12653626	3947	ATKINSON ANDELSON LOYA RUUD & ROMO Legal	\$2,174.81
12653627	91	AUTOMATED OFFICE SYSTEMS Leases	\$1,921.70
12653628	7505	AVANAN INC. Software License	\$5,760.00
12653629	1690	BATTERY SYSTEMS Maint/Custodial Supplies	\$830.38
12653630	7660	BERNADETTE BRACY Summer Health & Welfare	\$37.64
12653631	7283	CA DEPT OF TAX & FEE ADMINISTRATION Fuel	\$12.00
12653632	236	STATE OF CALIFORNIA Other Services	\$245.00
12653633	355	CDT INC. Other Services	\$264.00
12653634	1667	CDW GOVERNMENT INC. Tech Matls	\$78,916.64
12653635	4713	STACEY CLAYCAMP Allowance	\$200.00
12653636	405	DASSEL'S PETROLEUM INC. Fuel	\$2,971.89
12653637	7456	EIDE BAILLY LLP Audit Expense/Other Services	\$1,750.00
12653638	497	EMPLOYMENT DEVELOPMENT DEPT. Unemployment Insurance	\$5,841.12
12653639	3682	FASTENAL Maint Supplies	\$118.31
12653640	1393	GAS COMPANY Gas	\$3,866.03
12653641	7662	STEVEN GERKING Refund Reissue	\$97.17
12653642	3656	HANFORD AUTO & TRUCK PARTS Grounds/Custodial/Transp Matls	\$150.50
12653643	4793	RUTH M HERNANDEZ Summer Health & Welfare	\$174.28
12653644	764	RICHARD JOHNSTON Social Dist Matls	\$57.51
12653645	796	KINGS COUNTY OFFICE OF ED Other Services	\$701.59
12653646	808	KINGS WASTE & RECYCLING Garbage	\$420.94
12653647	986	LAWNMOWER MAN Grounds Matls	\$213.43
12653648	7260	LOWE'S PRO SERVICES Maint/Grounds Matls	\$1,444.47
12653649	1863	FRANCIS K. MWANGI Reissue Allowance	\$198.29
12653650	5498	NATHAN NAGATANI Social Dist Matls	\$38.42
12653651	6191	TERESA NIBLETT Allowance	\$108.15
12653652	7203	PARADIGM HEALTHCARE SERVICES LLC. Other Services	\$1,800.00
12653653	1115	SANDRA PEREZ Payroll Liability Holding	\$47.50
12653654	6946	MARIA PORRAS Allowance	\$200.00
12653655	4263	JEREMY PRINCETTA Allowance	\$200.00
12653656	3851	PATRICIA RODRIGUEZ Allowance	\$323.90
12653657	3131	SHERWIN-WILLIAMS CO Maint Matls	\$1,041.84
12653658	3484	DIANA M. SILVA Allowance	\$46.25
12653659	2031	SOUTHWEST SCH & OFFICE SUPPLY Warehouse	\$294.21
12653660	1403	STANISLAUS FOUNDATION – DENTAL Other Services	\$12,700.70
12653661	6823	TCG GROUP HOLDINGS Other Services	\$260.00
12653662	6944	TETER LLP Buildings & Improvements	\$12,079.38
12653663	4064	TULARE COUNTY OFFICE OF ED Conference	\$40.00
12653664	6032	TUMBLEWEED PRESS INC Software License	\$719.10
12653665	6644	TYLER TECHNOLOGIES Other Services	\$4,139.85
12653666	3749	ULINE INC Custodial Matls	\$304.22
12653667	3154	UPS Postage	\$206.02
12653668	2653	VALLEY OXYGEN Maint Matls	\$42.60
12653669	7106	VERBENA NURSERY Grounds Matls	\$1,896.40
12653670	1558	VERIZON WIRELESS Telephone	\$1,018.17
12653671	1575	WALMART COMMUNITY RFCSLLC Homeless Needs	\$570.55

**Warrant Register For Warrants
Dated 01/29/2021**

Warrant Number	Vendor Number	Vendor Name	Amount
12653672	1619	WILBUR-ELLIS COMPANY LLC Grounds Matls	\$1,241.27
Total Amount of All Warrants:			\$160,478.78

**Credit Card Register For Payments
Dated 01/29/2021**

Document Number	Vendor Number	Vendor Name	Amount
14030125	366	CORWIN PRESS Conference	\$449.00
14030126	5184	DRISKELL'S APPLIANCE Repairs/Appliance	\$822.59
14030127	529	FOLLETT SCHOOL SOLUTIONS Books/eBooks	\$1,868.12
14030128	6114	MCGRAW-HILL EDUCATION Textbooks	\$2,483.57
14030129	1802	MEDALLION SUPPLY Maint/Transp Supplies	\$818.72
14030130	1121	PERMA-BOUND Books	\$7,008.12
14030131	3849	SCHOLASTIC BOOK CLUBS Books	\$4,294.29
14030132	1313	SCHOLASTIC TEACHERS STORE Books	\$676.10
14030133	1350	SIGN WORKS Site Matls	\$933.83
Total Amount of All Credit Card Payments:			\$19,354.34

Hanford Elementary School District
Minutes of the Regular Board Meeting
January 27, 2021

Minutes of the Regular Board Meeting of the Hanford Elementary School District Board of Trustees on January 27, 2021 at the District Office Board Room, 714 N. White Street, Hanford, CA.

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

HESD Managers Present Joy C. Gabler, Superintendent, and the following administrators were present: Doug Carlton, David Endo, Lucy Gomez, Jaime Martinez, Karen McConnell, Gerry Mulligan, Jill Rubalcava and Jay Strickland.

Public Hearing: SitelogIQ At 5:30 p.m. President Garcia opened the Public Hearing: Adopt Resolution Making Certain Findings for Government Code Section 4217, Approval of Facility Solutions Agreement Between the Hanford Elementary School District "DISTRICT" AND SitelogIQ for the Purpose of Construction, Installation of Energy Efficiency Measures on Selected Elected District Sites.

David Endo, Chief Business Official, stated this was brought the Board in November 2020 for the solar projects at MLK, Monroe & Simas. This new resolution will allow for air filtration systems to be added to all HVAC units across the district. Trustee Garcia asked if the District would be eligible to reimburse the expense from COVID funds. Mr. Endo shared the funds have already been received and are being utilized, but yes, this would qualify.

President Garcia called for questions from the public, and there being none the Public Hearing was closed at 5:33 p.m.

Public Comments None

Board and Staff Comments Superintendent Joy Gabler celebrated Woodrow Wilson Band student Brandon Vasquez for being selected for the California Junior High School All-State Honor Band. He is among 16 alto saxophone students throughout the state selected. Congratulations was extended to Brandon and Band Director Bill Wilkinson and Ryan Ledak.

Superintendent Gabler also shared a COVID-19 update and the present impact COVID-19 was having on the organization. Joy added that new guidance from the State was issued on January 14, 2021 regarding reopening of schools and reporting of COVID-19 positive cases to new online database. Superintendent Gabler let the Board know that HESD's COVID-19 Prevention Program (CPP) document and the COVID-19 School Guidance checklist were posted on the HESD website as required by the new guidance.

Trustee Strickland asked if we have heard anything regarding the COVID-19 vaccine. Joy answered we have no information yet, but the District did survey employees on who would like to receive the vaccine and that information sent to the Public Health Department. Trustee Garner inquired about February 1st return of students considering the COVID-19 information shared. It was determined all HESD students that had been attending in-person classes in December would be returning to in-person classes on Monday, February 1st.

Requests to Address the Board

None

Dates to Remember

President Strickland reviewed dates to remember: No School – February 8th, Regular Board Meeting – February 10th, Holiday-President's Day – February 15th; Regular Board Meeting – February 24th.

CONSENT ITEMS

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

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

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

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

The items approved are as follows:

- a) Warrant listings dated December 11, 2020; December 18, 2020; December 23, 2020; December 28, 2020; January 4, 2021; January 6, 2021 and January 8, 2021.
- b) Minutes of the Annual Reorganizational Meeting held on December 16, 2020.
- c) Interdistrict transfers as recommended.
- d) Donation of \$98.38 from Shoparoo.
- e) Donation of \$31.50 from Box Top Education.
- f) Donation of \$250.00 from The Wonderful Company Foundation.
- g) Donation of \$1240.02 from Roosevelt Parent Teacher Club.
- h) Donation of \$164.00 from Spirit & Pride.
- i) Donation of holiday items valued at \$75.00 from Rose Carrasco.

President Garcia thanked donors for their generous donations.

INFORMATION ITEMS

- Monthly Financial Report 7/1/20 – 12/31/20** a) David Endo, Chief Business Official, presented for information the monthly financial reports for the period of 07/01/2020 – 12/31/2020.
- PAC Meeting** b) Doug Carlton, Director of Program Development, Assessment & Accountability, presented for information the report from the Parent Advisory Committee for the meeting held on December 8, 2020 meeting. The PAC received for information: Local Control Accountability Plan (LCAP), LCAP purpose, CA School Dashboard Purpose, relationship between LCAP and Dashboard, District goals, expected outcomes, LCAP services overview, the CA School Dashboard and overview, HESD's performance on the Academic Indicators for ELA, math and EL progress. The PAC made the following recommendations: implement additional supports for our African American students in ELA in the area of language skills and language arts, provide individualized instruction/interventions to African American students, provide after school support for our African American students, provide support training for teachers in culturally responsive/responsible teaching, continue providing language support for our EL students, ensure that material barriers do not prevent students from participating in school activities, support parents in understanding the concepts in the state standards so that they can help their students, provide a structure where parents can see their students working/learning and can learn to better support them.
- DELAC Meeting** c) Doug Carlton, Director of Program Development, Assessment & Accountability, presented for information the District English Learner Advisory Committee for the meeting held on December 10, 2020 meeting. The DELAC received information on the following topics: HESD Parent Involvement Policy (BP/AR 6020), HESD School Family Compact, CA School Dashboard Academic Indicators in ELA, mathematics, and English learner progress, programs and services the district provides to students who are English learners, and consolidated application for funding. The DELAC made the following recommendations: continue to provide services to EL students including designated & integrated ELD, parent engagement and education, and additional help to struggling students, provide training for parents in the use of the ParentVue system, expand parent training opportunities for parents of older students and continue to provide notifications using various methods for parent training activities. Doug also reviewed the additional recommendation from the public comments: DELAC understands and supports the return to distance learning for all students in light of the COVID-19 pandemic, and at the same time, acknowledges that in-person learning is the most effective instructional model.
- Notice of Completion – Monroe Parking Lot** d) William Potter, Director of Facilities & Operations, presented for information the Notice of Completion for the Monroe Parking Lot Project to be filed with the Kings County Recorder's Office.

BP 0410

- e) Doug Carlton, Director of Program Development, Assessment & Accountability, presented for information the revised Board Policy 0410 – Nondiscrimination in District Programs and Activities.

BOARD POLICIES AND ADMINISTRATION**CA School Accountability Report Cards**

- a) Trustee Strickland made a motion to approve the California School Accountability Report Cards. Trustee Revious seconded; motion carried 5-0:
 Garcia – Yes
 Garner – Yes
 Hernandez – Yes
 Revious – Yes
 Strickland – Yes

Bids for Richmond Modernization Project

- b) Trustee Garner made a motion to approve the solicitation of bids for the Lee Richmond Elementary Modernization Project. Trustee Hernandez seconded; motion carried 5-0:
 Garcia – Yes
 Garner – Yes
 Hernandez – Yes
 Revious – Yes
 Strickland – Yes

Forensic Analytical Consulting Services, Inc.

- c) Trustee Revious made a motion to approve the proposal with Forensic Analytical Consulting Services, Inc. to provide project specifications and oversight at Lee Richmond for asbestos and lead paints/coating removal. Trustee Hernandez seconded; motion carried 5-0:
 Garcia – Yes
 Garner – Yes
 Hernandez – Yes
 Revious – Yes
 Strickland – Yes

BP/AR 1213.3

- d) Trustee Revious made a motion to approve the deleted Board Policy 1213.3, deleted Administrative Regulation 1213.3, new Board Policy 1213.3 – Uniform Complaint Procedures and new UCP Annual Notice. Trustee Hernandez seconded; motion carried 5-0:
 Garcia – Yes
 Garner – Yes
 Hernandez – Yes
 Revious – Yes
 Strickland – Yes

PERSONNEL

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

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

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

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

***Item "a" –
Employment***

The following items were approved:

Classified

- Jenova Ortiz, Account Technician II – 8.0 hrs., Fiscal Services, effective 12/14/20
- Maria Villa Fernandez, Custodian II – 8.0 hrs., Kennedy, effective 12/21/20
- Jose Castellanos Lemus, Custodian II – 8.0 hrs., Monroe/King, effective 12/22/20

Temporary Employees/Substitutes

- Allen Christian Altamirano, Substitute READY Program Tutor, Special Education Aide, Special Circumstance Aide and Yard Supervisor, effective 1/11/21

Yard Supervisor

- Audussie Martinez, Yard Supervisor – 3.0 hrs., Roosevelt, effective 1/11/21
- Olga Ramirez, Yard Supervisor – 2.5 hrs., Washington, effective 1/11/21
- Maria Ibarra Gomez, Yard Supervisor – 2.5 hrs., Monroe, effective 1/11/21
- Guadalupe Lopez, Yard Supervisor – 1.0 hrs., Jefferson, effective 1/11/21
- Violeta Naranjo, Yard Supervisor – 3.5 hrs., Roosevelt, effective 1/11/21

***Item "b" –
Resignations***

- Veronica Leach, Yard Supervisor – 2.5 hrs., Hamilton, effective 12/25/20
- Adilene Lopez, Administrative Secretary II, Confidential – 8.0 hrs., Fiscal Services/Facilities-DO, effective 12/11/20
- Ariel Masterson, Licensed Vocational Nurse – 6.0 hrs., Jefferson, effective 1/18/21
- Darryl Parks, Substitute Custodian II, effective 3/3/20

***Item "c" –
Promotion***

- Shereese Rose, from Personnel Specialist – 8.0 hrs., to Classified Personnel Manager – 8.0 hrs., Human Resources, effective 1/19/21

***Item "d" –
Reclassification***

- Barbara Chasmar, from Food Service Utility Worker – 8.0 hrs., (Range 8), to Lead Food Service Worker – 8.0 hrs., (Range 9), Kennedy, effective 1/28/21,
- Gina Wibeto, from Food Service Utility Worker – 8.0 hrs., (Range 8), to Lead Food Service Worker – 8.0 hrs., (Range 9), Wilson, effective 1/28/21

Item "e" – Job Descriptions

- Account Clerk I (revised)
- Food Service Utility Worker (revised)
- Food Service Worker I (revised)
- Food Service Worker II (revised)
- Lead Food Service Worker (new)

Item "f" –

Project Impact

Consider approval of Co-Sponsor Partnership Agreement between the Tulare County Office of Education IMPACT Intern Program and the Hanford Elementary School District

- Authorize agreement to collaborate with Tulare County Office of Education by developing and delivering a quality teacher preparation program through PROJECT IMPACT; New teacher and leadership development IMPACT Intern Program. This is a two-year agreement effective August 1, 2020 through July 31, 2022.

FINANCIAL

Resolution #18-a) 21 Trustee Garner made a motion to adopt the #18-21: Allowing the District to apply for funding from the Public Benefits Grant – New Alternative Fuel Vehicle Purchase Program. Trustee Hernandez seconded; motion carried 5-0:

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

Resolution #19-b) 21 Trustee Revious made a motion to adopt the #19-21: Kings County Investment Policy. Trustee Strickland seconded; motion carried 5-0:

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

Resolution #21-c) 21 Trustee Strickland made a motion to adopt the #20-21: Facility Solutions Agreement with SitelogIQ for the purpose of construction, installation of energy efficiency measures on selected District sites. Trustee Garner seconded; motion carried 5-0:

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

Surplus Items d) Trustee Revious made a motion to declare items surplus. Trustee Hernandez seconded; motion carried 5-0:

Garcia – Yes
Garner – Yes

Hernandez – Yes
Revious – Yes
Strickland – Yes

CLOSED SESSION

Closed Session At 6:08 p.m. Trustees adjourned to closed session for the purpose of:

- Public Employee Performance Evaluation (GC 54957) – Superintendent

Open Session Trustees returned to open session at 6:37 p.m.

Performance Evaluation No action was taken by the Board.

Adjournment There being no further business, President Garcia adjourned the meeting at 6:37 p.m.

Respectfully submitted,

Joy C. Gabler,
Secretary to the Board of Trustees

Approved:

Robert Garcia, President

Lupe Hernandez, Clerk

No	Reason	Sch Req'd	Home Sch	Date
I-238	FSY	Woodrow	Pioneer	02/01/2021
I-238	FLI	Jefferson	Pioneer	02/01/2021
I-239	FLI	Jefferson	Pioneer	02/01/2021
I-240	FLI/HESD	Jefferson	Lemoore	02/01/2021
I-241	FSY	Lincoln	Armona	02/01/2021
I-242	FSY	Lincoln	Armona	02/01/2021
I-243	FLY	Kennedy	Armona	02/01/2021

No	Reason	Sch Req'd	Home Sch	Date
O-154	CC	Lemoore	Lincoln	02/01/2021
O-155	E	Lemoore	Simas	02/01/2021
O-156	E	Lemoore	Simas	02/01/2021
O-157	O	Kit Carson	Richmond	02/01/2021

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/01/2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: 02/10/2021

ITEM:

Receive for information monthly financial reports for the period of 07/01/2020-01/31/2021.

PURPOSE:

Attached are financial summaries for all of the District's funds for the period of 07/01/2020-01/31/2021.

FISCAL IMPACT:

The financial reports are informational only.

RECOMMENDATIONS:

Receive the monthly financial reports.

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

Page 1 of 13

2/1/2021 8:14:17AM

Fund: 0100 General Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$14,162,587.95	\$14,162,587.95		
REVENUES						
1) LCFF Sources	8010-8099	\$6,597,940.45	\$34,962,693.55	\$61,811,573.00	56.56	43.44
2) Federal Revenues	8100-8299	\$160,791.22	\$7,332,854.93	\$11,032,246.59	66.47	33.53
3) Other State Revenues	8300-8599	\$119,852.46	\$2,279,009.84	\$7,349,871.89	31.01	68.99
4) Other Local Revenues	8600-8799	\$307,996.99	\$1,310,438.04	\$2,596,903.00	50.46	49.54
5) Total, Revenues		\$7,186,581.12	\$45,884,996.36	\$82,790,594.48	55.42	44.58
EXPENDITURES						
1) Certificated Salaries	1000-1999	\$2,741,165.77	\$16,616,186.98	\$31,539,376.00	52.68	47.32
2) Classified Salaries	2000-2999	\$954,276.89	\$6,597,382.35	\$12,385,807.00	53.27	46.73
3) Employee Benefits	3000-3999	\$1,488,721.21	\$8,789,890.59	\$20,647,460.00	42.57	57.43
4) Books and Supplies	4000-4999	\$223,465.08	\$2,276,760.92	\$5,503,486.99	41.37	58.63
5) Services, Oth Oper Exp	5000-5999	\$157,655.19	\$3,588,145.14	\$6,768,815.24	53.01	46.99
6) Capital Outlay	6000-6999	\$5,100.00	\$363,422.36	\$2,193,019.72	16.57	83.43
7) Other Outgo(excl. 7300`s)	7100-7499	\$76,338.00	\$488,116.89	\$1,455,163.00	33.54	66.46
8) Direct/Indirect Support	7300-7399	\$0.00	\$0.00	(\$150,000.00)	0.00	100.00
9) Total Expenditures		\$5,646,722.14	\$38,719,905.23	\$80,343,127.95	48.19	51.81
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$284,735.00	\$278,000.00	102.42	(2.42)
2) Other Sources/Uses						
A) Sources	8930-8979	\$0.00	\$0.00	\$1,240,000.00	0.00	100.00
3) Contributions	8980-8999	\$0.00	\$0.00	\$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		\$0.00	(\$284,735.00)	\$962,000.00	18.76	81.24
NET INCREASE (DECREASE) IN FUND BALANCE		\$1,539,858.98	\$6,880,356.13	\$3,409,466.53		
ENDING FUND BALANCE			\$21,042,944.08	\$17,572,054.48		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

Page 2 of 13
 2/1/2021 8:14:17AM

Fund: 0900 Charter Schools Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$1,697.00	\$1,697.00		
NET INCREASE (DECREASE) IN FUND BALANCE						
		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>		
ENDING FUND BALANCE						
			<u>\$1,697.00</u>	<u>\$1,697.00</u>		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

2/1/2021 8:14:17AM

Fund: 1300 Cafeteria Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$1,508,445.64	\$1,508,445.64		
REVENUES						
2) Federal Revenues	8100-8299	\$543,309.41	\$831,326.07	\$2,454,766.00	33.87	66.13
3) Other State Revenues	8300-8599	\$27,536.82	\$51,590.23	\$166,998.00	30.89	69.11
4) Other Local Revenues	8600-8799	\$38.57	\$4,502.90	\$78,100.00	5.77	94.23
5) Total, Revenues		\$570,884.80	\$887,419.20	\$2,699,864.00	32.87	67.13
EXPENDITURES						
2) Classified Salaries	2000-2999	\$92,786.76	\$626,397.42	\$1,186,093.00	52.81	47.19
3) Employee Benefits	3000-3999	\$37,135.42	\$232,967.66	\$470,638.00	49.50	50.50
4) Books and Supplies	4000-4999	\$23,121.93	\$391,696.79	\$1,369,253.00	28.61	71.39
5) Services, Oth Oper Exp	5000-5999	\$3,677.88	\$20,938.97	(\$22,548.00)	(92.86)	192.86
6) Capital Outlay	6000-6999	\$0.00	\$0.00	\$0.00	0.00	100.00
8) Direct/Indirect Support	7300-7399	\$0.00	\$0.00	\$150,000.00	0.00	100.00
9) Total Expenditures		\$156,721.99	\$1,272,000.84	\$3,153,436.00	40.34	59.66
NET INCREASE (DECREASE) IN FUND BALANCE		\$414,162.81	(\$384,581.64)	(\$453,572.00)		
ENDING FUND BALANCE			\$1,123,864.00	\$1,054,873.64		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

2/1/2021 8:14:17AM

Fund: 1400 Deferred Maintenance Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$4,265.72	\$4,265.72		
REVENUES						
1) LCFF Sources	8010-8099	\$0.00	\$300,000.00	\$300,000.00	100.00	0.00
4) Other Local Revenues	8600-8799	\$0.00	\$707.54	\$3,000.00	23.58	76.42
5) Total, Revenues		\$0.00	\$300,707.54	\$303,000.00	99.24	0.76
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	\$0.00	\$10,095.00	\$10,095.00	100.00	0.00
6) Capital Outlay	6000-6999	\$628.75	\$59,203.90	\$297,170.72	19.92	80.08
9) Total Expenditures		\$628.75	\$69,298.90	\$307,265.72	22.55	77.45
NET INCREASE (DECREASE) IN FUND BALANCE		(\$628.75)	\$231,408.64	(\$4,265.72)		
ENDING FUND BALANCE			\$235,674.36	\$0.00		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

2/1/2021 8:14:17AM

Fund: 1500 Pupil Transportation Equip

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$360,121.84	\$360,121.84		
REVENUES						
3) Other State Revenues	8300-8599	\$0.00	\$0.00	\$1,657,663.00	0.00	100.00
4) Other Local Revenues	8600-8799	\$0.00	\$1,389.88	\$8,000.00	17.37	82.63
5) Total, Revenues		\$0.00	\$1,389.88	\$1,665,663.00	0.08	99.92
EXPENDITURES						
6) Capital Outlay	6000-6999	\$1,927,805.68	\$1,927,805.68	\$1,936,720.63	99.54	0.46
9) Total Expenditures		\$1,927,805.68	\$1,927,805.68	\$1,936,720.63	99.54	0.46
OTHER FINANCING SOURCES/USES						
1) Transfers						
A) Transfers In	8910-8929	\$0.00	\$100,000.00	\$100,000.00	100.00	0.00
4) Total, Other Financing Sources/Uses		\$0.00	\$100,000.00	\$100,000.00	100.00	0.00
NET INCREASE (DECREASE) IN FUND BALANCE						
		<u>(\$1,927,805.68)</u>	<u>(\$1,826,415.80)</u>	<u>(\$171,057.63)</u>		
ENDING FUND BALANCE						
			<u>(\$1,466,293.96)</u>	<u>\$189,064.21</u>		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

Fund: 2000 SPECIAL RESERVE FUND FOR OTHER POSTE

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$6,860,525.75	\$6,860,525.75		
REVENUES						
4) Other Local Revenues	8600-8799	\$0.00	\$22,079.65	\$68,000.00	32.47	67.53
5) Total, Revenues		\$0.00	\$22,079.65	\$68,000.00	32.47	67.53
OTHER FINANCING SOURCES/USES						
1) Transfers						
A) Transfers In	8910-8929	\$0.00	\$184,735.00	\$178,000.00	103.78	(3.78)
4) Total, Other Financing Sources/Uses		\$0.00	\$184,735.00	\$178,000.00	103.78	(3.78)
NET INCREASE (DECREASE) IN FUND BALANCE		\$0.00	\$206,814.65	\$246,000.00		
ENDING FUND BALANCE			\$7,067,340.40	\$7,106,525.75		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

2/1/2021 8:14:17AM

Fund: 2100 Building Fund-Local

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$2,047.19	\$2,047.19		
REVENUES						
4) Other Local Revenues	8600-8799	\$0.00	\$16.03	\$0.00	0.00	100.00
5) Total, Revenues		\$0.00	\$16.03	\$0.00	0.00	100.00
EXPENDITURES						
6) Capital Outlay	6000-6999	\$0.00	\$102.87	\$2,047.19	5.02	94.98
9) Total Expenditures		\$0.00	\$102.87	\$2,047.19	5.02	94.98
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$0.00	\$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		\$0.00	\$0.00	\$0.00	0.00	100.00
NET INCREASE (DECREASE) IN FUND BALANCE						
		\$0.00	(\$86.84)	(\$2,047.19)		
ENDING FUND BALANCE						
			\$1,960.35	\$0.00		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

2/1/2021 8:14:17AM

Fund: 2110 Building Funds - Local 1

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$2,192,761.01	\$2,192,761.01		
REVENUES						
4) Other Local Revenues	8600-8799	\$0.00	\$5,925.02	\$30,000.00	19.75	80.25
5) Total, Revenues		\$0.00	\$5,925.02	\$30,000.00	19.75	80.25
EXPENDITURES						
6) Capital Outlay	6000-6999	\$586,796.10	\$616,936.85	\$652,000.00	94.62	5.38
9) Total Expenditures		\$586,796.10	\$616,936.85	\$652,000.00	94.62	5.38
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$1,550,000.00	\$1,570,761.01	98.68	1.32
4) Total, Other Financing Sources/Uses		\$0.00	(\$1,550,000.00)	(\$1,570,761.01)	98.68	1.32
NET INCREASE (DECREASE) IN FUND BALANCE						
		<u>(\$586,796.10)</u>	<u>(\$2,161,011.83)</u>	<u>(\$2,192,761.01)</u>		
ENDING FUND BALANCE						
			<u>\$31,749.18</u>	<u>\$0.00</u>		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

2/1/2021 8:14:17AM

Fund: 2120 Building Funds - Local 2

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
REVENUES						
4) Other Local Revenues	8600-8799	\$0.00	\$0.00	\$77,000.00	0.00	100.00
5) Total, Revenues		\$0.00	\$0.00	\$77,000.00	0.00	100.00
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	\$0.00	\$222,126.24	\$0.00	0.00	100.00
9) Total Expenditures		\$0.00	\$222,126.24	\$0.00	0.00	100.00
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$0.00	\$4,700,000.00	0.00	100.00
2) Other Sources/Uses						
A) Sources	8930-8979	\$0.00	\$7,822,126.24	\$7,820,000.00	100.03	(0.03)
4) Total, Other Financing Sources/Uses		\$0.00	\$7,822,126.24	\$3,120,000.00	62.48	37.52
NET INCREASE (DECREASE) IN FUND BALANCE						
		\$0.00	\$7,600,000.00	\$3,197,000.00		
ENDING FUND BALANCE						
			\$7,600,000.00	\$3,197,000.00		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

Fund: 2500 CapitalFacilities Fund

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$520,178.31	\$520,178.31		
REVENUES						
4) Other Local Revenues	8600-8799	\$0.00	\$50,565.34	\$169,000.00	29.92	70.08
5) Total, Revenues		\$0.00	\$50,565.34	\$169,000.00	29.92	70.08
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	\$0.00	\$111,360.00	\$165,000.00	67.49	32.51
9) Total Expenditures		\$0.00	\$111,360.00	\$165,000.00	67.49	32.51
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$0.00	\$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		\$0.00	\$0.00	\$0.00	0.00	100.00
NET INCREASE (DECREASE) IN FUND BALANCE		\$0.00	(\$60,794.66)	\$4,000.00		
ENDING FUND BALANCE			\$459,383.65	\$524,178.31		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

2/1/2021 8:14:17AM

Fund: 3500 SCHOOL FACILITY PROGRAM

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$1,794,417.57	\$1,794,417.57		
REVENUES						
4) Other Local Revenues	8600-8799	\$0.00	\$4,800.31	\$0.00	0.00	100.00
5) Total, Revenues		\$0.00	\$4,800.31	\$0.00	0.00	100.00
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	\$0.00	\$1,180.00	\$0.00	0.00	100.00
6) Capital Outlay	6000-6999	\$47,725.91	\$3,303,065.04	\$8,040,589.88	41.08	58.92
9) Total Expenditures		\$47,725.91	\$3,304,245.04	\$8,040,589.88	41.09	58.91
OTHER FINANCING SOURCES/USES						
1) Transfers						
A) Transfers In	8910-8929	\$0.00	\$1,602,500.00	\$6,270,761.01	25.56	74.44
3) Contributions	8980-8999	\$0.00	\$0.00	\$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		\$0.00	\$1,602,500.00	\$6,270,761.01	25.56	74.44
NET INCREASE (DECREASE) IN FUND BALANCE		(\$47,725.91)	(\$1,696,944.73)	(\$1,769,828.87)		
ENDING FUND BALANCE			\$97,472.84	\$24,588.70		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

Fund: 4000 Special Reserve - Capital Outlay

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$1,182,144.91	\$1,182,144.91		
REVENUES						
4) Other Local Revenues	8600-8799	\$0.00	\$3,806.21	\$12,000.00	31.72	68.28
5) Total, Revenues		\$0.00	\$3,806.21	\$12,000.00	31.72	68.28
EXPENDITURES						
6) Capital Outlay	6000-6999	\$0.00	\$0.00	\$1,611.00	0.00	100.00
9) Total Expenditures		\$0.00	\$0.00	\$1,611.00	0.00	100.00
OTHER FINANCING SOURCES/USES						
1) Transfers						
B) Transfers Out	7610-7629	\$0.00	\$52,500.00	\$0.00	0.00	100.00
4) Total, Other Financing Sources/Uses		\$0.00	(\$52,500.00)	\$0.00	0.00	100.00
NET INCREASE (DECREASE) IN FUND BALANCE						
		\$0.00	(\$48,693.79)	\$10,389.00		
ENDING FUND BALANCE						
			\$1,133,451.12	\$1,192,533.91		

13 Hanford Elementary School District
 Fiscal Year: 2021
 Requested by dendo

Fiscal Position Report

January 2021

2/1/2021 8:14:17AM

Fund: 6720 Self-Insurance/Other

		January Amount	YTD Amount	Revised Budget	% of Budget	% Remain
BEGINNING BALANCE						
Net Beginning Balance	9791-9795		\$589,055.53	\$589,055.53		
REVENUES						
4) Other Local Revenues	8600-8799	\$57,946.74	\$275,673.16	\$753,000.00	36.61	63.39
5) Total, Revenues		\$57,946.74	\$275,673.16	\$753,000.00	36.61	63.39
EXPENDITURES						
5) Services, Oth Oper Exp	5000-5999	\$69,526.95	\$301,629.09	\$749,000.00	40.27	59.73
9) Total Expenditures		\$69,526.95	\$301,629.09	\$749,000.00	40.27	59.73
NET INCREASE (DECREASE) IN FUND BALANCE		(\$11,580.21)	(\$25,955.93)	\$4,000.00		
ENDING FUND BALANCE			\$563,099.60	\$593,055.53		

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Board of Trustees

FROM: Joy C. Gabler

DATE: February 1, 2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☒ Information
☐ Action

Date you wish to have your item considered: February 10, 2021

ITEM: Quarterly report (10/01/20 - 12/31/20) regarding Williams Uniform Complaints. The types of complaints covered in the Williams Uniform Complaint Procedures are:

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

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

For the second quarter of 2020-2021 school year there were no Williams Uniform Complaints filed.

FISCAL IMPACT: None

RECOMMENDATIONS: None

Quarterly Report on *Williams* Uniform Complaints

[Education Code § 35186(d)]

District: Hanford Elementary School District

Person completing this form: Jessica Valencia Title: Administrative Assistant

Quarterly Report Submission Month/Quarter:
(check one)

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

Quarterly Report Submission Year: 2020-2021

Date for information to be reported publicly at governing board meeting: February 10, 2021

Please check the box that applies:

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

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0	0	0
Teacher Vacancy or Misassignment	0	0	0
Facilities Conditions	0	0	0
TOTALS	0	0	0

Joy C. Gabler

Print Name of District Superintendent

2/11/2021

Signature of District Superintendent

Date

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

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy C. Gabler

FROM: Bill Potter

DATE: February 1, 2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 10, 2021

ITEM:

Approval to ratify change orders for the New Parking Lot at Monroe Elementary.

PURPOSE:

The scope of work was changed stemming from 5 change orders which were approved on this project.

FISCAL IMPACT:

The increase in the contract is \$3,641.74

RECOMMENDATION:

Approve the ratification of the 5 change orders presented by JT2 increasing the total for the project to \$609,341.74

MANGINIARCHITECTURE
INGENUITY

McLAIN BARENG MORRELLI SCOTT

MANGINI ASSOCIATES INC.
4320 West Mineral King Avenue
Visalia, California 93291www.mangini.us
(559) 627-0530 Office
(559) 627-1926 Fax**CHANGE ORDER**

20-097

NO. 01TO: JT2
1701 Clancy Court
Visalia, CA 93291DATE: January 18, 2021
CHANGE ORDER NO.: One
PROJECT NO.: 1967PROJECT: New Parking Lot at Monroe Elementary School
Hanford Elementary School District**THE CONTRACT IS CHANGED AS FOLLOWS:**

See attached Exhibit "A" for Description of Work.

TOTAL ADDS:	\$13,641.74
LESS SIDEWALK REPAIR ALLOWANCE:	(\$10,000.00) P003
TOTAL THIS CHANGE ORDER:	\$3,641.74

Attachments: None

The Contractor agrees that this resolution constitutes a final accord and satisfaction of the Contractor's rights with respect to this change order.

The original Contract Sum was.....	\$605,700.00
Net change by previous Change Orders.....	\$0.00
The Contract Sum prior to this Change Order was.....	\$605,700.00
The Contract Sum will be changed by this Change Order.....	\$3,641.74
The new Contract Sum including this Change Order will be.....	\$609,341.74

The Contract Time will be ~~(increased)~~ ~~(decreased)~~ (unchanged) ZERO DAYS (0) days
The Date of Completion as of the date of this Change Order therefore is Nov. 28, 2020

Contractor:

James Todd J. GORDON TESSMAN
JT2

Date:

1-19-21

Architect:

Gilbert M. Bareng, Architect
Mangini Associates, Inc.

Date:

01/20/2021

Owner:

Bill Potter, Director of Facilities
Hanford Elementary School District

Date:

1/20/21

CHANGE ORDER NO. 1
NEW PARKING LOT MONROE ES

EXHIBIT "A"

Description of Work

<u>Item No. 1:</u>	BL #01: Sawcut and remove existing concrete at south side of Administration Building where fencing is removed.	✓ ADD \$2,132.00	P0011 C002
	Reason: Field Condition/Architect Omission.		
<u>Item No. 2:</u>	BL #02: Premium labor cost to re-route the low voltage connections off normal working hours.	✓ ADD \$1,257.74	P00341 C003
	Reason: Owner Request.		
<u>Item No. 3:</u>	BL #03: Added labor and equipment where storm drain conflicts with unknown existing utilities on Courtner Avenue.	✓ ADD \$6,307.00	C001
	Reason: Unforeseen Condition.		
<u>Item No. 4:</u>	BL #04: Per RFI 6, infill median with concrete flatwork.	✓ ADD \$3,715.00	P00281 C004
	Reason: Architect Omission.		
<u>Item No. 5:</u>	BL #05: Install owner-supplied fence panel near office building.	✓ ADD \$230.00	P0041 C004
	Reason: Owner Request.		

TOTAL ADDS \$13,641.74
TOTAL DEDUCTS \$0.00
TOTAL THIS CHANGE ORDER \$13,641.74

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy C. Gabler

FROM: Bill Potter

DATE: February 1, 2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 10, 2021

ITEM:

Approval to ratify change orders for the Modernization Project at Washington Elementary.

PURPOSE:

The scope of work was changed stemming from 21 change orders which were approved on this project.

FISCAL IMPACT:

The increase in the contract is \$110,578.00

RECOMMENDATION:

Approve the ratification of the 21 change orders presented by Oral E Micham Inc. increasing the total for the project to \$3,036,578.00

WASHINGTON MODERNIZATION CHANGE ORDER LOG

PO # 210279

COR 1	RFI #2 - PROVIDE PRO STYLE SHUT OFF VALVE AT EA BLDG	\$ 4,609.00
COR 2	PR #2 - ADDITIONAL CASE WORK	\$ 18,241.00
COR 3	PR #1 - ADD EXTERIOR RUBBER MATS	\$ 8,464.00
COR 4	RFI #10 - DRY ROT REPAIR	\$ 27,461.00
COR 5	PR #3 - CABINET TOP RECOVER	\$ 3,362.00
COR 6	REPLACE DAMANGED CONCRETE FOR NEW SHADE STRUC COLUMNS	\$ 11,311.00
COR 7	REPAIR DRY ROT BLDG D	\$ 2,411.00
COR 9	PR #5 - REPLACE PALSTIC LAMINATE AT BASE CABS BLDG A & B	\$ 8,614.00
COR 10	RFI #17 - R&R CABINET TO ACCESS CONDENSATE LINE	\$ 454.00
COR 11	REPAIR DRY ROT BLDG B	\$ 7,506.00
COR 12	ADD 6" OF CURB APPROX 30L.F.	\$ 1,029.00
COR 14	PRE-APPROVED CABINET FIX AT BLDG A	\$ 1,075.00

TOTAL PO # 210279 \$ 94,537.00

PO # 210760

COR #15	RFI #21 - EMERGENCY LIGHT LOCATION @ KINDER BLDG	\$ 6,647.00
COR #16	MEMO - RUBBER BASE 6" IN LIEU OF 4"	\$ 281.00
COR #17	ADA COMPLIANCE ENTRY AT BLDG A	\$ 5,059.00
COR #19	REPLACE CEILING TILES PER OWNER REQUEST	\$ 1,134.00
COR #20	RFI #27 - DROP PLATES	\$ 269.00
COR #21	RFI #25 - RELOCATION OF FLOOR BOX	\$ 936.00

TOTAL PO # 210760 \$ 14,326.00

PO# 211104

COR 8	MEMO— DRY ROT REPAIR	\$ 2,428.00
COR 22	CREDIT	\$ 1,200.00
COR 23	RFI— BRACE WALL	\$ 487.00

TOTAL PO # 211104 \$ 1,715.00

TOTAL \$ 110,578.00

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy C. Gabler

FROM: Bill Potter

DATE: February 1, 2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 10, 2021

ITEM:

Approval to ratify change orders for the Modernization Project at Lincoln Elementary.

PURPOSE:

The scope of work was changed stemming from 18 change orders which were approved on this project.

FISCAL IMPACT:

The increase in the contract is \$45,519.00

RECOMMENDATION:

Approve the ratification of the 18 change orders presented by Oral E Micham Inc. increasing the total for the project to \$3,329,519.00

LINCOLN MODERNIZATION CHANGE ORDER LOG

COR 1	RFI #2 remove and dispose of asbestos containing chalkboard glue	\$3,093.00
COR 3	RFI #3 Remove wall finishes @ East wall bldg 40	\$5,487.00
COR 4	carpet change allstar birch bark in lieu of apple sauce III Mosiac	\$5,832.00
COR 5	RFI #12 remove insulation and install with rigid insulation	\$3,745.00
COR 6	submittal #3 Door Hardware change	\$325.00
Total		\$18,482.00

COR 7	T&M concrete removal west of bldg	\$30 485.00
COR 8	RFP #2 repaint fascia Bldg 10-40	\$3,041.00
OCR 9	RFI #29 mortise locks for onsite door	\$3,003.00
COR 10	CREDIT, change carpet color back to original color	\$3,569.00
COR 11	Data additions only for the 10, 20, & 30 wings	\$12,157.00
COR 12	RFI #8, SI #2 Plumbing revisions	\$7,805.00
COR 13	T&M replace christy box & fix concrete at play area	\$2,155.00
Total		\$25,077.00

COR 14	Preserve existing data & reconnect	\$3,493.00
COR 15	CREDIT, SI #6 changes on concrete walk and gate revisions	\$96.00
COR 17	CREDIT Data Additions	\$3,008.00
COR 18	Replace Door Frame Room 44	\$1,687.00
COR 19	Replace Door Room 42	\$884.00
Total		\$2,960.00

COR 20	CREDIT Landscaping	\$1,000.00
Total		\$1,000.00

Total Change Orders \$45,519.00

HANFORD ELEMENTARY SCHOOL DISTRICT

Agenda Request Form

TO: Joy C. Gabler

FROM: Bill Potter

DATE: February 1, 2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 10, 2021

ITEM:

Approval of proposal with SchoolWorks Inc. to provide Facilities Planning Assessment Services.

PURPOSE:

The Facilities Planning Assessment (FPA) identifies a wide range of facility needs and improvements. These include modernization, new construction, renovations, repairs and upgrades. The needs identified in the FPA will be gathered by visiting the school site, assessing the conditions, and working with school site staff and District administration. The FPA identifies a list of improvements and their associated estimated costs. To offset project costs, the District may be eligible for funds through the State of California's School Building Program.


FISCAL IMPACT:

Consulting services are not to exceed \$41,500.00 for this project.

RECOMMENDATION:

Approve SchoolWorks Inc. proposal to provide Facilities Planning Assessment to Hanford Elementary School District.

January 25, 2021



Statement of Proposal

Facilities Planning Assessment



HANFORD Elementary School District

SchoolWorks, Inc.

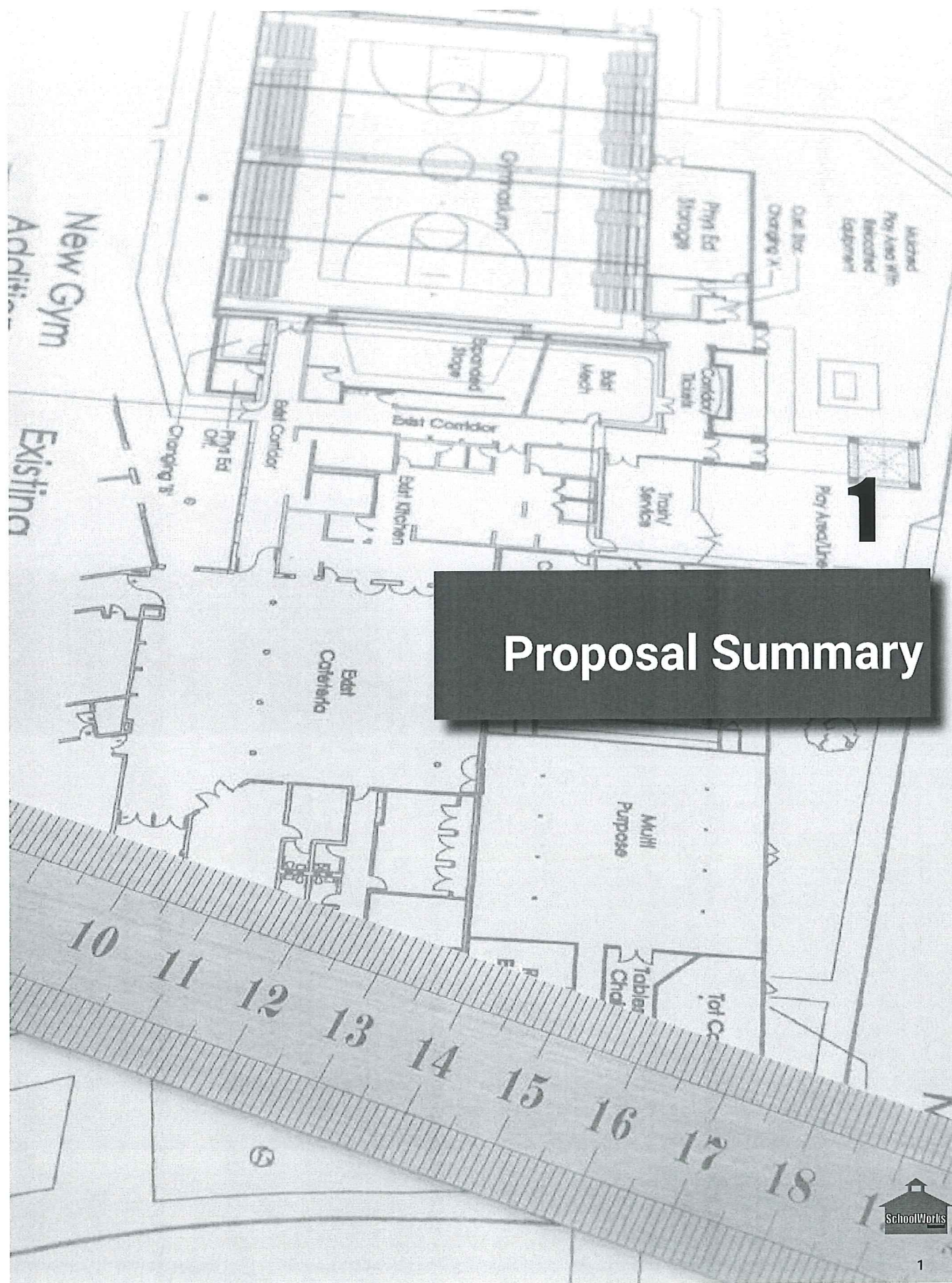
8331 Sierra College Blvd., #221, Roseville, CA 95661 | 916.733.0402 | www.schoolworksgis.com



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

SchoolWorks, Inc. is pleased to present our Statement of Proposal to the Hanford Elementary School District for Facilities Planning Assessment Services. Since its inception in 2002, SchoolWorks, Inc. has been dedicated to assisting school districts across the State of California with a wide range of facility planning services. Each District comes with its own set of unique challenges and circumstances. Our dedicated and experienced team look forward to the opportunity to meet any goal or objective set forth during this project.

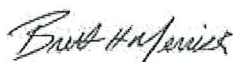
The Facilities Planning Assessment (FPA) will assist the District in its continued efforts to define and prioritize key projects on a Site-by Site basis in order to maximize all available funding opportunities. The FPA will update and review several key components of the Hanford Elementary Facilities Master Plan adopted in 2016. This dynamic planning document will ensure school facilities are able to meet the growing needs of the District and the local community for the next 3 to 5 years and provide the best educational experience for students, staff and the community of Hanford Elementary.

Proposal Summary Includes:

- Review the 2016 Hanford Elementary Facilities Master Plan Document
- Conduct School Site Assessments (11 sites)
- Update Project Lists and Future Scopes of Work
- Provide Detailed Project Cost Estimates
- Review and Update the District's Facilities Goals & Objectives
- Project Prioritization and Implementation Plan
- Review and Update Facilities inventory analysis
- Facility Funding Analysis including: State & Federal Programs and Local Opportunities
- Draft/Final documentation in electronic form and eight (8) printed copies
- Total fee proposal of \$41,500

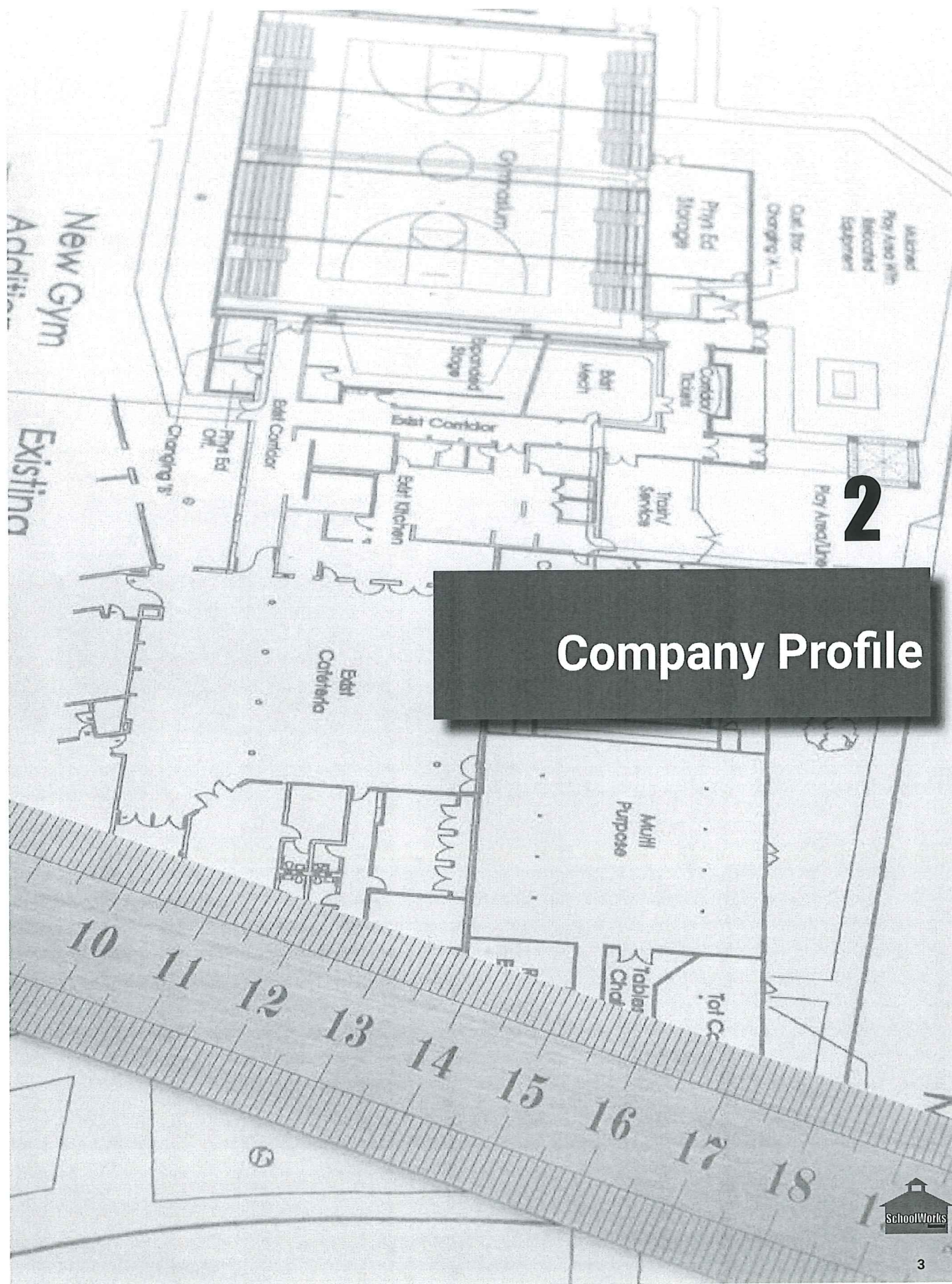
The SchoolWorks Inc., Facilities Assessment Team consists of specialists in the fields of facilities planning, maintenance, operations, construction management, energy management and financial planning. SchoolWorks, inc. is dedicated to developing trusting personal relationships with our clients. Our unique hands-on approach make us more than just another facility planning consultant. Our goal is to become part of your team. We value integrity and going that extra mile to make sure we provide the highest in quality service.

We would be honored to serve the Hanford Elementary School District. Thank you for your consideration and please do not hesitate to contact us if you have any questions.



Brett H. Merrick
 Vice President
 916.771.4606
 brett@schoolworksgis.com





Company Profile

ABOUT SCHOOLWORKS, INC.

SchoolWorks, Inc. established in 2002 by founder and President Ken Reynolds, has a proud history of guiding California school districts through the complexities of school facility planning.

Our firm takes pride in focusing on the unique challenges facing California school districts today. We offer a wide range of services that provide the building blocks towards smart and successful facility planning.

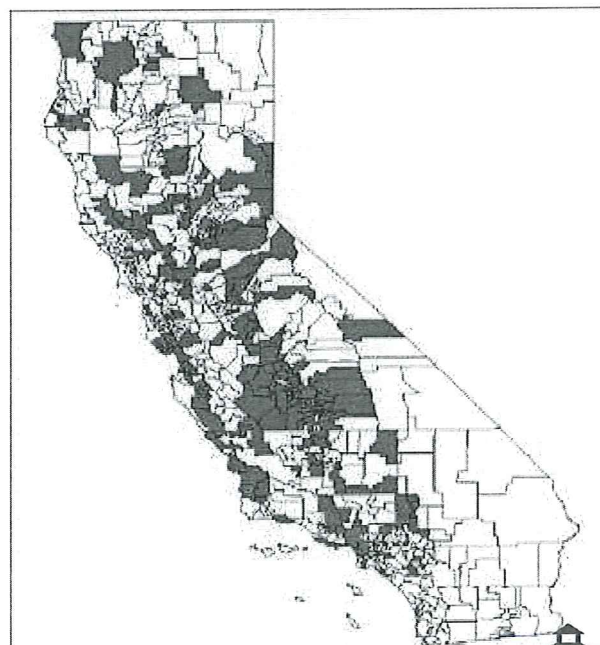
SchoolWorks, Inc. provides services exclusively to California school districts, ranging in size from under 100 students to more than 600,000 students.

Our headquarters is located near Sacramento, providing easy access to CDE, SAB and OPSC. We have additional satellite offices located in the Central Valley and Southern California.

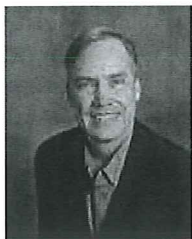
At SchoolWorks, Inc. our mission is simple: Take pride in developing trusting personal relationships. Our unique hands-on approach makes us more than just another facility planning and demographics consultant. Our goal is to become an extension of your staff and community. We value integrity and going the extra mile to make sure we provide the highest in quality service.

OUR SERVICES

- ☐ **Demographic Studies**
- ☐ **Enrollment Projections**
- ☐ **Facilities Master Plans**
- ☐ **Facilities Planning Assessments**
- ☐ **Facility Pro +**
 - Deferred Maintenance and Facility Planning Software
- ☐ **State Building Program Assistance**
 - Modernization
 - New Construction
 - Financial Hardship
 - CTE
- ☐ **Developer Fee Studies**
 - Level 1
 - Level 2
- ☐ **Attendance Boundaries Studies**
- ☐ **Trustee Boundaries**
- ☐ **GIS Facility Planning Software**



Company Profile



KENNETH REYNOLDS – PRESIDENT

As the President of SchoolWorks, Inc., Ken Reynolds has over thirty years of experience. Ken has assisted over 200 California School Districts in applying for the maximum eligible State funding for new construction and modernization projects. Throughout his associations with district personnel, he has helped them solve their unique issues, such as State funding assistance, developer fee eligibility, scenarios for boundary changes, calculating enrollment projections and developing functional Facilities Master Plans.

He has extensive experience working with committees to collaborate and accomplish the goals of the project. He has presented at various workshops and conferences, including CASH, ACSA, CASBO, SSDA, CSBA and UC Riverside

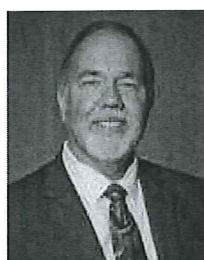
EDUCATION: Bachelor of Science Degree, Electrical and Electronics Engineering, California State University at Sacramento



BRETT H. MERRICK – VICE PRESIDENT

Brett has over twenty years of experience working with GIS-based facility planning software and demographic analysis. As a founding member of SchoolWorks, Inc., Brett oversees the day-to-day project operations of all facility planning and demographics projects. He is responsible for ensuring that SchoolWorks, Inc. meets and exceeds the expectations of our clients and providing the best service possible.

EDUCATION: Bachelor of Science, Geography, University of Nevada Reno



EDWARD C. GONZALEZ, CONSULTANT

Ed Gonzalez began his educational career as a classroom teacher in Madera Unified School District in 1982. After 15 years in the classroom, Ed entered administration, and has served as a Vice Principal, Principal, County Office Administrator, Associate Superintendent, and Superintendent. His eight years as Superintendent are evenly split between a single-school K-8 district, and a large district of 20,000 students. In both districts, Ed initiated facilities projects and master plans that transformed the respective districts and led to increased student achievement and enrollment. Ed retired in 2017, remains active on several local boards, and serves as an educational consultant.

EDUCATION: Bachelor of Arts, Political Science, CSU Fresno
Multiple Subjects Teaching Credentials
Administrative Services Credential
Master of Arts, Educational Leadership
In Progress, Doctor of Education, CSU Fresno



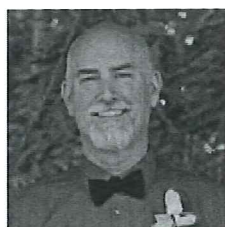
Company Profile



LUKE SMITH – FACILITY CONSULTANT

Luke Smith has over twenty years of experience managing school facilities. Luke started his professional career at Santa Clara University where he served as Housing Facilities Director. In 2006, Luke moved back to the San Joaquin Valley to serve as Director of Facilities for the Tulare Joint Union High School District. Under Luke's guidance, TJUHSD completed over \$80 million in construction projects including a new high school campus and developed the school district's first Facilities Master Plan. His areas of expertise include school construction and modernization, facilities planning and management, maintenance and transportation operations, school safety and risk management.

EDUCATION: Bachelor of Science, Business Finance, Santa Clara University
Post graduate studies, Education Administration, Santa Clara University



RON GROENEVELD – FACILITY CONSULTANT

Ron has been involved with school facilities and operations for over 34 years. Most recently 18 years with Lemoore Union Elementary School District as Director of Facilities, Maintenance & Operations. He has participated in the planning and construction of new schools and numerous classroom/building additions and renovations. Ron retired from LUESD in January of 2018 and is currently a school facilities consultant working with the SchoolWorks team.

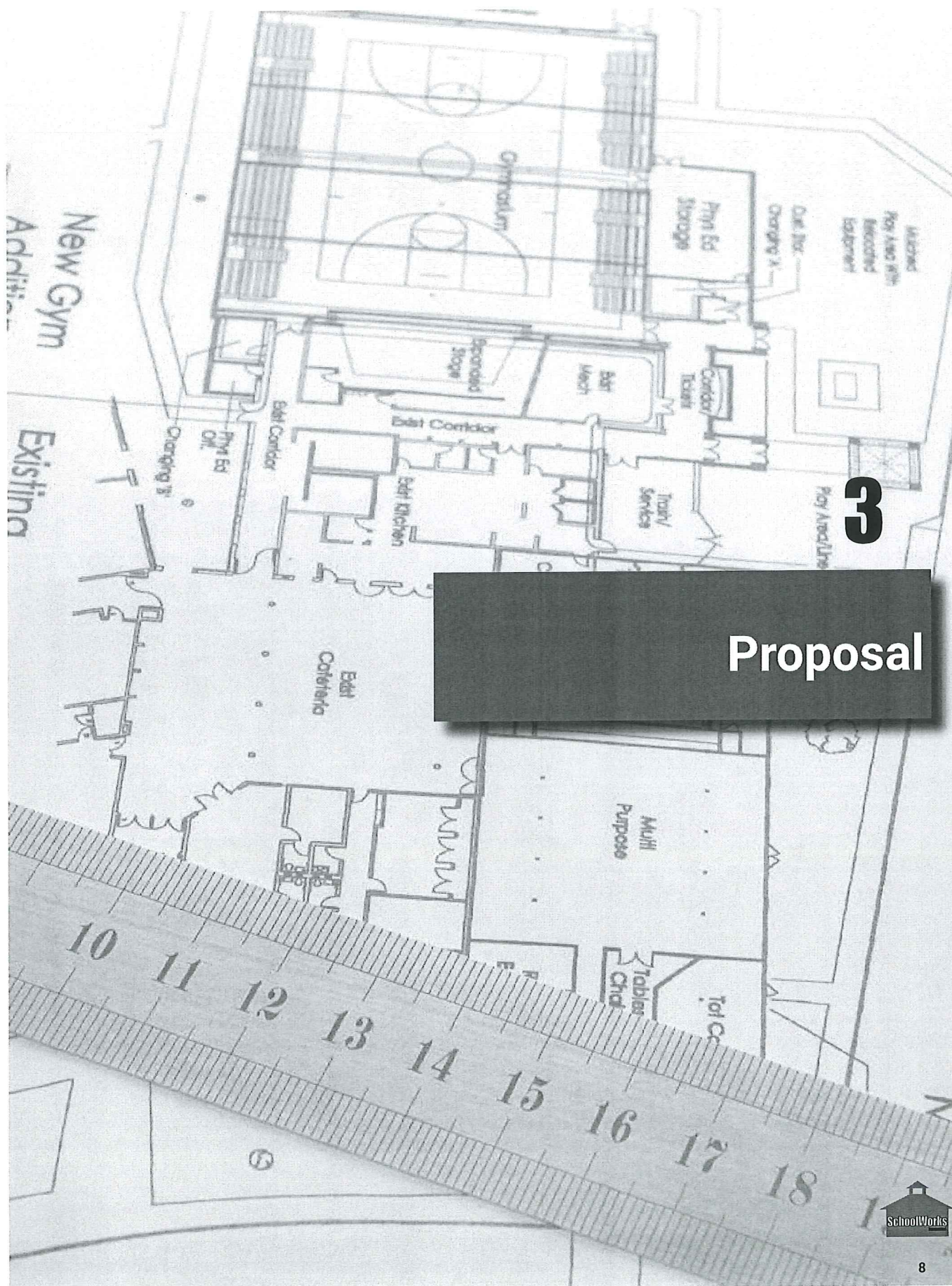


Client References

FACILITIES PLANNING ASSESSMENT CLIENTS

SCHOOL DISTRICT	COUNTY
Alview-Dairyland Union	Madera
Alvina School District	Fresno
Aromas-San Juan Unified	San Benito
Brisbane School District	San Mateo
Burrel Union	Fresno
Burton School District	Tulare
Caliente Union	Kern
Central Unified	Fresno
Central Union	Kings
Durham Unified	Butte
Earlimart Elementary	Tulare
El Dorado Union High	El Dorado
El Nido Elementary	Merced
EL Tejon Unified	Kern
Esparto Unified	Yolo
Farmersville Unified	Tulare
Fort Bragg Unified	Mendocino
Fort Sage Unified	Lassen
Gridley Unified	Butte
Hilmar Unified	Merced
Kings River Union	Tulare
Kingsburg Joint Union High	Fresno
Lassen View Union	Tehama
Laton Unified	Fresno
Lemoore Union	Kings
McFarland Unified	Kern
Millbrae School District	San Mateo
Mother Lode Union	El Dorado
Northern Humboldt High	Humboldt
Parlier Unified	Fresno
Porterville Unified	Tulare
Scotts Valley Unified	Santa Cruz
Stone Corral Elementary	Tulare
Terra Bella Union	Tulare
Traver School District	Tulare
Tulare Joint Union High	Tulare
Westside Elementary	Fresno
Woodside Elementary	Tulare





Proposal

In today's school facilities environment, there is always going to be more needs than available funding. So how do you decide which projects to fund now and which to defer?

The facilities assessment process is one of the key considerations in developing a priority list of projects and in establishing short- and long-term facility goals and objectives. It is especially important in planning budgets, obtaining funding and creating both district and public awareness of overall facility conditions and needs.

The Facilities Planning Assessment (FPA) will help establish guidelines designed to ensure the District's facilities are able to accommodate and support its current and future programs, providing safe, clean, healthy, efficient learning environments for students and staff.

The (FPA) provides a detailed analysis and inventory of each building, including both permanent and portable structures. SchoolWorks, Inc., will review existing facilities drawings, blue prints, evacuation maps, maintenance records and other past master planning documentation prior to visiting the school sites.

SchoolWorks, Inc. will schedule individual site visits to assess facilities conditions. We generally include the Principal of the school, maintenance and operations and District facilities staff in the site walks. We photograph key conditions for future documentation and reports.

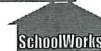
The information will also be used as a mechanism for researching and accessing funding and grants available for maintenance, modernization and new construction projects.

CONDITIONS ASSESSMENT BY SITE

SchoolWorks Inc., will conducted a full comprehensive conditions assessment of each campus. Walking each school provides the team with a high level opportunity to review previous modernization projects, identify the age of facilities and assess crucial infrastructure components such as HVAC, utilities, roofing, health, safety and security.

Hanford Elementary schools will also assessed on the ability of the facilities to accommodate the educational and support programs. This involves determining which instructional spaces and support facilities (i.e. library, cafeteria, gym, office space) meet the minimum required area based on State standards. The assessment team will provide a qualitative assessment of the facilities' educational environment (such as available space, code compliance, amenities, etc.) and how the facilities support or detract from the teaching and learning process.

The new facilities assessment will provide an overview of potential future master-planned projects on campus. This can include identifying new facilities to accommodate growth, technology, changes in educational specifications, replacing existing facilities that can no longer provide a safe or functional educational experience for students and staff, or building facilities that are entirely absent from a campus altogether.



Proposal

COST ESTIMATES

SchoolWorks, Inc. prices each of the components identified in the (FPA) using the current edition of Saylor's Construction Cost Estimating Guidelines, the system utilized by the State of California and the Office of Public School Construction for its cost guidelines.

These cost estimates may be modified through discussions with District staff and local construction contractors to reflect particular local conditions, such as a lack of qualified subcontractors in particular specialties, or the impact of State apprenticeship and pre-qualifications requirements, which can affect construction pricing in a particular area. SchoolWorks, Inc. then produces a Project Cost matrix, which covers costs for all identified proposed work.

The proposed cost estimates outlined in the plan are intended to be used as a guide to assist the in developing a long-range plan. Certain unexpected or unforeseen scope of work variances could have a significant impact on costs. Estimate totals include both construction costs and support costs.

Cost estimates for new facilities are based on a per square foot calculation and not on a particular design. It is recommended the District consult with the architect and project manager before finalizing any budgets.



FUNDING SOURCES

Facilities projects can be funded from several different sources. The State of California provides funding assistance to eligible public school districts through the School Facilities Program (SFP). The District should also consult with its financial advisor to determine if certain local funding options are a viable resource.

We have included a brief explanation of some of the facility funding options which may be available to your District. It's always best to contact your facilities planning consultant for a more in-depth review and analysis as not all funding options described in this section will be applicable to the District.

A funding analysis is included at the end of this section describing the State modernization funding options currently available. As programs and regulations change, new resources may become available.

STATE FUNDING OPTIONS

- ☐ Modernization Funding
- ☐ New Construction Funding
- ☐ Financial Hardship Funding/Facility Hardship

LOCAL FUNDING OPTIONS

- ☐ Developer Fees
- ☐ Certificates of Participation (COP)
- ☐ General obligation bonds ("G.O. Bonds")

OTHER FUNDING OPTIONS

- ☐ LCAP (Local Control and Accountability Plan)
- ☐ RRMA/RMA





Fee Proposal

STATEMENT OF WORK

Schoolworks, Inc. is proposing a fixed fee for the basic services provided in this proposal. Optional services may be added. Changes in the scope of work can have impacts on the overall fee. If SchoolWorks, Inc. presence at meetings or additional services are requested beyond the scope of work, the District will be billed at \$185 per hour, plus travel time and expenses or issued a new contract for those specific services.

Facilities Planning Assessment	
<input type="checkbox"/>	Review the 2016 Hanford Elementary Facilities Master Plan Document
<input type="checkbox"/>	Conduct School Site Assessments (11 sites)
<input type="checkbox"/>	Update Project Lists and Future Scopes of Work
<input type="checkbox"/>	Provide Detailed Project Cost Estimates
<input type="checkbox"/>	Review and Update the District's Facilities Goals & Objectives
<input type="checkbox"/>	Project Prioritization and Implementation Plan
<input type="checkbox"/>	Review and Update Facilities inventory analysis
<input type="checkbox"/>	Facility Funding Analysis including: State & Federal Programs and Local Opportunities
<input type="checkbox"/>	Draft/Final documentation in electronic form and eight (8) printed copies
<input type="checkbox"/>	1 Board Presentation or Workshop
Total Proposed Fee	
\$41,500	

PROJECT TIMELINE

The proposed timeline for completion and delivery of the project is two (2) months from the time the Schoolworks, Inc. team visits the school sites. A schedule is intended to be a flexible timeline and will be adjusted accordingly, depending on coordination of schedules and efficient data collection. It is our goal to complete this project under the two (2) month window. The Schedule is generated through a team effort involving school administration, staff and SchoolWorks, Inc. consultants.



Agreement



PROFESSIONAL SERVICES AGREEMENT

FACILITIES PLANNING ASSESSMENT

**Hanford Elementary
School District**

714 N. White Street
Hanford, CA 93230
TEL: 559.585.3600

and

SchoolWorks, Inc.

8331 Sierra College Blvd., 221
Roseville, CA 95661
TEL: 916.733.0402

THIS AGREEMENT, is made by and between SchoolWorks, Inc. (hereinafter referred to as "SCHOOLWORKS") and Hanford Elementary School District, (hereinafter referred to as "the DISTRICT")

WHEREAS, the DISTRICT is authorized to retain consulting services to assist the DISTRICT in preparation of a Facilities Planning Assessment.

SCOPE OF SERVICES

The Facilities Planning Assessment (FPA) identifies a wide range of facility needs and improvements. These include modernization, new construction, renovations, repairs and upgrades. The existing needs identified in the FPA have been gathered by visiting the school site, assessing the conditions and working with school site staff and District administration.

The FPA identifies a list of improvements and their associated estimated costs. Proposed construction cost estimates and support budget costs are based upon the 2021 costs for constructing public works in the region. The "total project cost" is the sum of the individual improvements. To offset project costs, the District may be eligible for funds through the State of California's School Building Program.

AGREEMENT PERIOD

The agreement period begins January 25, 2021, (the "Effective Date") and will automatically expire on January 24, 2022 (the "Expiration Date").

(Continued on next page)



PROFESSIONAL SERVICES AGREEMENT

FACILITIES PLANNING ASSESSMENT

OBLIGATIONS OF THE DISTRICT

DISTRICT agrees that it's employees will cooperate with SCHOOLWORKS and be available for scheduled consultations and meetings at reasonable times.

DISTRICT shall provide data which is required or requested by SCHOOLWORKS. All data and records, including student information will remain confidential.

TERMINATION

It is understood and agreed that the DISTRICT may terminate this agreement without cause by giving SCHOOLWORKS written notice at least thirty (30) days before effective date of such termination. Required payments include payment for hours completed.

COMPENSATION

The full amount of **\$41,500** will be billed upon completion of the Study and submitted to the District for review. The amount is due within thirty days of the date of the invoice.

If SCHOOLWORKS presence is requested at additional school board meetings or other committee meetings beyond the scope of work, the District will be billed at \$185 per hour, plus travel time and expenses.

The parties hereto have caused this agreement to be executed by their authorized representatives.

SchoolWorks, Inc.



Brett H. Merrick

Vice President

January 25, 2021

Hanford Elementary School District

Signature

Print Name

Title


Date



HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department

AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Jaime Martinez 

DATE: February 2, 2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

☐ Information
☒ Action

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **February 10, 2021**

ITEM: Consider adoption of Resolution No. 22-21, Placement of Classified Employee on Reemployment List following exhaustion of all available leaves of absence.

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

FISCAL IMPACT: Unknown at this time.

RECOMMENDATION: Adopt Resolution No. 22-21.

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

In the Matter of Placement of)
Classified Employee on)
Reemployment List Following)
Exhaustion of all Available)
Leaves of Absence)

RESOLUTION # 22-21

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

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

WHEREAS, Rachell Rivera exhausted all available leaves of absence, both paid and unpaid, as of February 1, 2021; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Hanford Elementary School District that Rachell Rivera be placed on a reemployment list for a period of thirty-nine (39) months effective February 2, 2021, in accordance with Education Code Section 45195.

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

This RESOLUTION was adopted at a duly-called regular meeting of the Board of Trustees of the Hanford Elementary School District on the 10th day of February 2021 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

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

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy Gabler

FROM: Doug Carlton

DATE: January 28, 2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: February 10, 2021

ITEM: Consider for approval BP 0410.**PURPOSE:****BP 0410**

The local educational agency (LEA) shall have a policy that prohibits discrimination, harassment, intimidation, and bullying based on actual or perceived ancestry, color, disability, gender, gender identity, gender expression, immigration status, nationality, race or ethnicity, religion, sex, sexual orientation, or association with a person or a group with one or more of these actual or perceived characteristics. The policy shall include a statement that it applies to all acts related to school activity or school attendance within a school under the jurisdiction of the superintendent of the school district.

(California *Education Code* [EC] sections 220, 234.1(a), and 260; California Penal Code (PC) Section 422.55; *California Code of Regulations*, Title 5 [5 CCR] sections 4900, 4902, and 4960; *Code of Federal Regulations*, Title 34 (34 CFR) Section 106.9(a))

FISCAL IMPACT: None**RECOMMENDATIONS:** Approve revised BP 0410.

Hanford ESD

Board Policy

Nondiscrimination In District Programs And Activities

BP 0410

Philosophy, Goals, Objectives and Comprehensive Plans

The Governing Board is committed to providing equal opportunity for all individuals in district programs and activities. District programs, activities, and practices shall be free from unlawful discrimination, harassment, intimidation, and bullying, including discrimination harassment, intimidation, and bullying against an individual or group based on race, color, ancestry, nationality, national origin, immigration status, ethnic group identification, ethnicity, age, religion, marital status, pregnancy, parental status, physical or mental disability, sex, sexual orientation, gender, gender identity, gender expression, or genetic information; a perception of one or more of such characteristics; or association with a person or group with one or more of these actual or perceived characteristics.

(cf. 1240 - Volunteer Assistance)

(cf. 4030 - Nondiscrimination in Employment)

(cf. 4032 - Reasonable Accommodation)

(cf. 4033 - Lactation Accommodation)

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

(cf. 4161.8/4261.8/4361.8 - Family Care and Medical Leave)

(cf. 5131.2 - Bullying)

(cf. 5145.3 - Nondiscrimination/Harassment)

(cf. 5145.7 - Sexual Harassment)

(cf. 5145.9 - Hate-Motivated Behavior)

(cf. 5146 - Married/Pregnant/Parenting Students)

(cf. 6145 - Extracurricular and Cocurricular Activities)

(cf. 6145.2 - Athletic Competition)

(cf. 6164.4 - Identification and Evaluation of Individuals for Special Education)

(cf. 6164.6 - Identification and Education Under Section 504)

(cf. 6178 - Career Technical Education)

(cf. 6200 - Adult Education)

All individuals shall be treated equitably in the receipt of district and school services. Personally identifiable information collected in the implementation of any district program, including, but not limited to, student and family information for the free and reduced-price lunch program, transportation, or any other educational program, shall be used only for the purposes of the program, except when the Superintendent or designee authorizes its use for another purpose in accordance with law. Resources and data collected by the district shall not be used, directly or by others, to compile a list, registry, or database of individuals based on race, gender, sexual orientation, religion, ethnicity, national origin, or immigration status or any other category identified above.

(cf. 3540 - Transportation)
 (cf. 3553 - Free and Reduced Price Meals)
 (cf. 5145.13 - Response to Immigration Enforcement)

District programs and activities shall be free of any racially derogatory or discriminatory school or athletic team names, mascots, or nicknames.

The Superintendent or designee shall annually review district programs and activities to ensure the removal of any derogatory or discriminatory name, image, practice, or other barrier that may unlawfully prevent an individual or group in any of the protected categories stated above from accessing district programs and activities. He/she shall take prompt, reasonable actions to remove any identified barrier. The Superintendent or designee shall report his/her findings and recommendations to the Board after each review.

(cf. 1330 - Use of Facilities)

All allegations of unlawful discrimination in district programs and activities shall be investigated and resolved in accordance with the procedures specified in AR 1312.3 - Uniform Complaint Procedures.

(cf. 1312.3 - Uniform Complaint Procedures)

Pursuant to 34 CFR 104.8 and 34 CFR 106.9, the Superintendent or designee shall notify students, parents/guardians, employees, employee organizations, applicants for admission and employment, and sources of referral for applicants about the district's policy on nondiscrimination and related complaint procedures. Such notification shall be included in the annual parental notification distributed pursuant to Education Code 48980 and, as applicable, in announcements, bulletins, catalogs, handbooks, application forms, or other materials distributed by the district. The notification shall also be posted on the district's web site and social media and in district schools and offices, including staff lounges, student government meeting rooms, and other prominent locations as appropriate.

(cf. 1113 - District and School Web Sites)
 (cf. 1114 - District-Sponsored Social Media)
 (cf. 4112.9/4212.9/4312.9 - Employee Notifications)
 (cf. 5145.6 - Parental Notifications)

In addition, the annual parental notification shall inform parents/guardians of their children's right to a free public education regardless of immigration status or religious beliefs, including information on educational rights issued by the California Attorney General. Alternatively, such information may be provided through any other cost-effective means determined by the Superintendent or designee. (Education Code 234.7)

The district's nondiscrimination policy and related informational materials shall be published in a format that parents/guardians can understand. In addition, when 15 percent or more of a school's

students speak a single primary language other than English, those materials shall be translated into that other language.

Access for Individuals with Disabilities

District programs and facilities, viewed in their entirety, shall be in compliance with the Americans with Disabilities Act (ADA) and any implementing standards and/or regulations. When structural changes to existing district facilities are needed to provide individuals with disabilities access to programs, services, activities, or facilities, the Superintendent or designee shall develop a transition plan that sets forth the steps for completing the changes.

(cf. 6163.2 - Animals at School)
 (cf. 7110 - Facilities Master Plan)
 (cf. 7111 - Evaluating Existing Buildings)

The Superintendent or designee shall ensure that the district provides appropriate auxiliary aids and services when necessary to afford individuals with disabilities equal opportunity to participate in or enjoy the benefits of a service, program, or activity. These aids and services may include, but are not limited to, qualified interpreters or readers, assistive listening devices, assistive technologies or other modifications to increase accessibility to district and school web sites, notetakers, written materials, taped text, and Braille or large-print materials. Individuals with disabilities shall notify the Superintendent or principal if they have a disability that requires special assistance or services. Reasonable notification should be given prior to a school-sponsored function, program, or meeting.

(cf. 6020 - Parent Involvement)
 (cf. 9320 - Meetings and Notices)
 (cf. 9322 - Agenda/Meeting Materials)

The individual identified in AR 1312.3 - Uniform Complaint Procedures as the employee responsible for coordinating the district's response to complaints and for complying with state federal civil rights laws is hereby designated as the district's ADA coordinator. He/she shall receive and address requests for accommodation submitted by individuals with disabilities, and shall investigate and resolve complaints regarding their access to district programs, services, activities, or facilities.

Assistant Superintendent of Special Services
 714 North White Street
 (559) 585-3600

Legal Reference:
 EDUCATION CODE
 200-262.4 Prohibition of discrimination
 48980 Parental notifications

48985 Notices to parents in language other than English
 51007 Legislative intent: state policy
 GOVERNMENT CODE
 8310.3 California Religious Freedom Act
 11000 Definitions
 11135 Nondiscrimination in programs or activities funded by state
 12900-12996 Fair Employment and Housing Act
 54953.2 Brown Act compliance with Americans with Disabilities Act
 PENAL CODE
 422.55 Definition of hate crime
 422.6 Interference with constitutional right or privilege
 CODE OF REGULATIONS, TITLE 5
 4600-4670 Uniform complaint procedures
 4900-4965 Nondiscrimination in elementary and secondary education programs
 UNITED STATES CODE, TITLE 20
 1400-1482 Individuals with Disabilities in Education Act
 1681-1688 Discrimination based on sex or blindness, Title IX
 2301-2414 Carl D. Perkins Career and Technical Education Act
 6311 State plans
 6312 Local education agency plans
 UNITED STATES CODE, TITLE 29
 794 Section 504 of the Rehabilitation Act of 1973
 UNITED STATES CODE, TITLE 42
 2000d-2000d-7 Title VI, Civil Rights Act of 1964
 2000e-2000e-17 Title VII, Civil Rights Act of 1964 as amended
 2000h-2000h-6 Title IX
 12101-12213 Americans with Disabilities Act
 CODE OF FEDERAL REGULATIONS, TITLE 28
 35.101-35.190 Americans with Disabilities Act
 36.303 Auxiliary aids and services
 CODE OF FEDERAL REGULATIONS, TITLE 34
 100.1-100.13 Nondiscrimination in federal programs, effectuating Title VI
 104.1-104.39 Section 504 of the Rehabilitation Act of 1973
 106.1-106.61 Discrimination on the basis of sex, effectuating Title IX, especially:
 106.9 Dissemination of policy

Management Resources:

CSBA PUBLICATIONS

Updated Legal Guidance: Protecting Transgender and Gender Nonconforming Students
 Against Sex Discrimination, July 2016

CALIFORNIA OFFICE OF THE ATTORNEY GENERAL PUBLICATIONS

Promoting a Safe and Secure Learning Environment for All: Guidance and Model Policies to
 Assist California's K-12 Schools in Responding to Immigration Issues, April 2018

CALIFORNIA DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING PUBLICATIONS

California Law Prohibits Workplace Discrimination and Harassment

U.S. DEPARTMENT OF EDUCATION, OFFICE FOR CIVIL RIGHTS PUBLICATIONS

Examples of Policies and Emerging Practices for Supporting Transgender Students, May 2016

Dear Colleague Letter: Title IX Coordinators, April 2015

Dear Colleague Letter, May 26, 2011

Dear Colleague Letter: Harassment and Bullying, October 2010

Notice of Non-Discrimination, Fact Sheet, August 2010

Dear Colleague Letter: Electronic Book Readers, June 29, 2010

Nondiscrimination in Employment Practices in Education, August 1991

U.S. DEPARTMENT OF JUSTICE PUBLICATIONS

2010 ADA Standards for Accessible Design, September 2010

Accessibility of State and Local Government Websites to People with Disabilities, June 2003

WORLD WIDE WEB CONSORTIUM PUBLICATIONS

Web Content Accessibility Guidelines, December 2008

WEB SITES

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

California Office of the Attorney General: <http://oag.ca.gov>

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

California Department of Fair Employment and Housing: <http://www.dfeh.ca.gov>

Safe Schools Coalition: <http://www.casafeschools.org>

Pacific ADA Center: <http://www.adapacific.org>

U.S. Department of Education, Office for Civil Rights: <http://www.ed.gov/about/offices/list/ocr>

U.S. Department of Justice, Civil Rights Division, Americans with Disabilities Act:

<http://www.ada.gov>

U.S. Equal Employment Opportunity Commission: <http://www.eeoc.gov>

World Wide Web Consortium, Web Accessibility Initiative: <http://www.w3.org/wai>

Policy HANFORD ELEMENTARY SCHOOL DISTRICT

adopted: July 29, 1994 Hanford, California

revised: September 19, 2001

revised: June 15, 2006

revised: September 10, 2014

revised: December 12, 2017

revised: October 24, 2018

revised: February 10, 2021

HANFORD ELEMENTARY SCHOOL DISTRICT
Human Resources Department
AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: Jaime Martinez

DATE: February 1, 2021

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

DATE YOU WISH TO HAVE YOUR ITEM CONSIDERED: **February 10, 2021**

ITEM: Consider approval of personnel transactions and related matters.

PURPOSE:

a. Employment

Classified

- Sheila Dizon, Licensed Vocational Nurse – 6.0 hrs., Jefferson Academy, effective 1/29/21
- Charlotte A. Lyles, Administrative Secretary II – Confidential – 8.0 hrs., Facilities/Fiscal Services, effective 2/16/21

Temporary Employees/Substitutes

- Anthony Diaz, Substitute Custodian II, effective 1/11/21
- Tania Garcia, Short-term Bus Driver – 4.5 hrs., Transportation/DSF, effective 2/1/21 to 3/26/21
- Diana Karle, Substitute Yard Supervisor, effective 2/1/21
- Emily Lerma, Substitute Custodian I, effective 1/27/21
- Ray Mueller, Substitute Personnel Specialist, effective 1/19/21

b. Resignations

- Larry Dias, Substitute Bus Driver, effective 6/5/20
- Cristal Gutierrez, Teacher, Richmond, effective 6/4/21

c. Retirement

- Alice Garcia, Administrative Assistant – 8.0 hrs., Human Resources, effective 4/30/21
- Linda Hickey, Teacher, Hamilton School, effective 06/04/2021
- Garrett Lutes, Teacher, Woodrow Wilson Junior High School, effective 06/04/2021
- Gracie Pittman, Teacher, Monroe, effective 6/4/21
- Becky Wells, Teacher, Lincoln, effective 6/4/21
- Jessie Williams, Teacher, Roosevelt, effective 6/4/21

RECOMMENDATION: Approve.

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/01/2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 02/10/2021

ITEM:

Consider acceptance of the audit report.

PURPOSE:

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

There were were no findings in this audit report.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

Accept the audit report.



Financial Statements
June 30, 2020

Hanford Elementary School District

Hanford Elementary School District

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Hanford Elementary School District

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Independent Auditor's Report

To the Governing Board
Hanford Elementary School District
Hanford, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hanford Elementary School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hanford Elementary School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted

in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 20, 2021 on our consideration of Hanford Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hanford Elementary School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hanford Elementary School District's internal control over financial reporting and compliance.

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

Fresno, California
January 20, 2021

Hanford Elementary School District



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

(559) 585-3600

Superintendent
Joy C. Gabler

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

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

INTRODUCTION

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

The Management Discussion and Analysis of Hanford Elementary School District's financial statements provide an overall review of the District's financial activities for the fiscal year ended June 30, 2020, with comparative information for the fiscal year ended June 30, 2019. This analysis will look at the District's financial performance as a whole. The management discussion and analysis should be reviewed in conjunction with the auditor's transmittal letter, notes to the basic financial statements and the basic governmental wide financial statements to enhance the understanding of the District's financial performance.

The Hanford Elementary School District is a medium-sized rural school district offering instruction to students from kindergarten through eighth grade. During the 2019-2020 school year, the District operated eight elementary schools, one k-8 magnet school and two junior high schools, and one community day school on the traditional August through June schedule, for the instruction of approximately 5,900 students.

USING THE ANNUAL FINANCIAL REPORT

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

FINANCIAL HIGHLIGHTS

- The Hanford Elementary School District's Government-wide Statement of Net Position illustrates total deficit net position of \$(4.3) million, the result of assets and deferred outflows of \$108.7 million minus liabilities and deferred inflows of \$113.0 million.
- General Revenues accounted for \$67.9 million or 84 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$13.4 million or 16 percent of total revenues of \$81.3 million.
- The District had \$82.2 million in expenses related to governmental activities.
- The General Fund reported a positive fund balance of \$21.4 million.

STUDENT ENROLLMENT & DEMOGRAPHIC TRENDS

- The School District has an enrollment of approximately 5,900 students for the current 2019-2020 school year, with enrollment projected to remain static for the coming 2020-2021 school year.
- In addition to tracking enrollment, the District also watches actual Average Daily Attendance (ADA). The ADA is typically lower than a District's enrollment, although the two terms are often (though incorrectly) used interchangeably. The anticipated 2020-2021 ADA for the District is 5,742 excluding ADA from County run programs. The ratio of actual attendance to enrollment summarizes the District's changes and efforts to increase attendance. Figure 1 summarizes a historical analysis of the District's enrollment to actual positive attendance ratios.

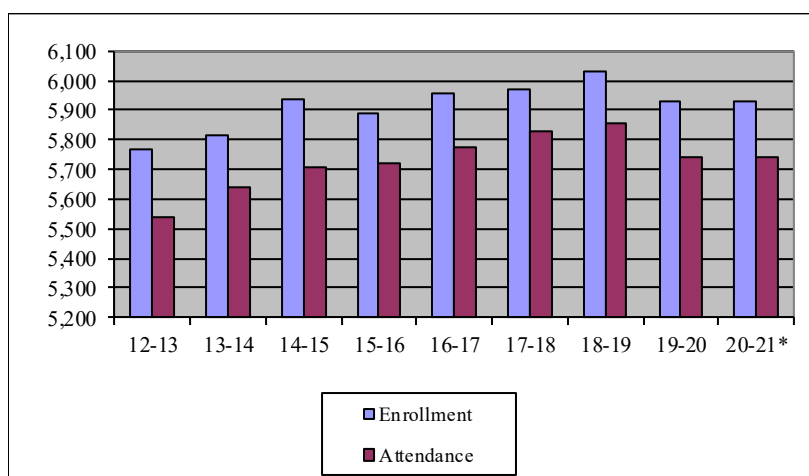


Figure 1. District Enrollment to Actual Attendance Data

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

REPORTING THE DISTRICT AS A WHOLE

- THE STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

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

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

- FUND FINANCIAL STATEMENTS

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

- GOVERNMENTAL FUNDS

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

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

- PROPRIETARY FUNDS

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

- FIDUCIARY FUNDS

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

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

- NOTES TO THE FINANCIAL STATEMENTS

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

Hanford Elementary School District
Management's Discussion and Analysis
June 30, 2020

- THE DISTRICT AS A WHOLE

The "Statement of Net Position" provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position for fiscal years 2019-2020 and 2018-2019, respectively.

Table 1. Net Position

	Governmental Activities	
	2020	2019
Assets		
Current and other assets	\$ 36,329,405	\$ 39,120,912
Capital assets	51,757,781	45,119,065
Total assets	88,087,186	84,239,977
Deferred outflows of resources	20,682,708	20,101,709
Liabilities		
Current liabilities	5,216,868	4,881,471
Long-term liabilities	103,626,941	99,374,379
Total liabilities	108,843,809	104,255,850
Deferred inflows of resources	4,163,271	3,450,042
Net Position		
Net investment in capital assets	35,115,208	33,184,093
Restricted	7,398,203	5,955,022
Unrestricted	(46,750,597)	(42,503,321)
Total net position	\$ (4,237,186)	\$ (3,364,206)

Hanford Elementary School District
Management's Discussion and Analysis
June 30, 2020

Table 2 shows the changes in net position for fiscal years 2019-2020 and 2018-2019, respectively.

Table 2. Changes in Net Position

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 159,077	\$ 387,411
Operating grants and contributions	13,196,103	14,251,743
Capital grants and contributions	15,663	8,925
General revenues		
Federal and State aid not restricted	61,344,072	60,705,845
Property taxes	4,727,064	4,055,594
Other general revenues	1,881,318	1,528,439
Total revenues	<u>81,323,297</u>	<u>80,937,957</u>
Expenses		
Instruction-related	53,062,964	52,576,257
Pupil services	11,630,771	11,224,964
Administration	5,037,436	4,539,228
Plant services	7,745,826	7,500,726
Other	4,719,280	3,656,204
Total expenses	<u>82,196,277</u>	<u>79,497,379</u>
Change in net position	<u>\$ (872,980)</u>	<u>\$ 1,440,578</u>

GOVERNMENTAL FUNDS

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

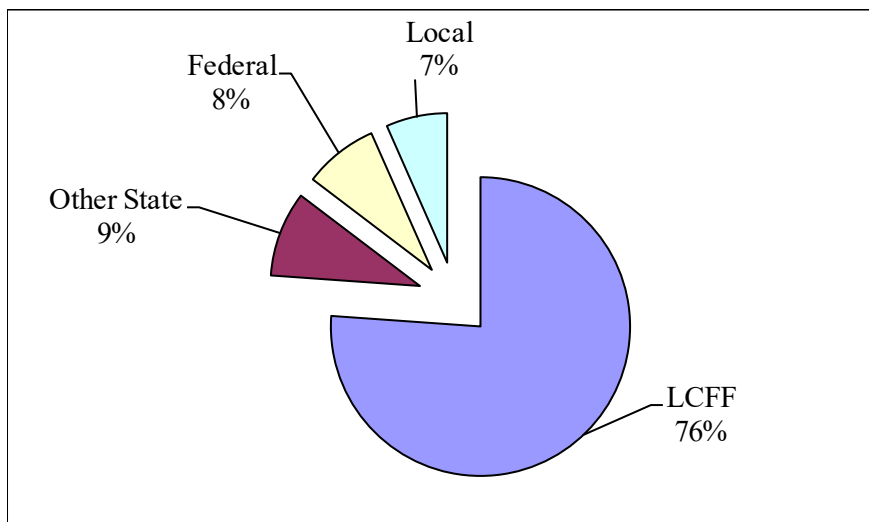


Figure 2. Revenues by Source

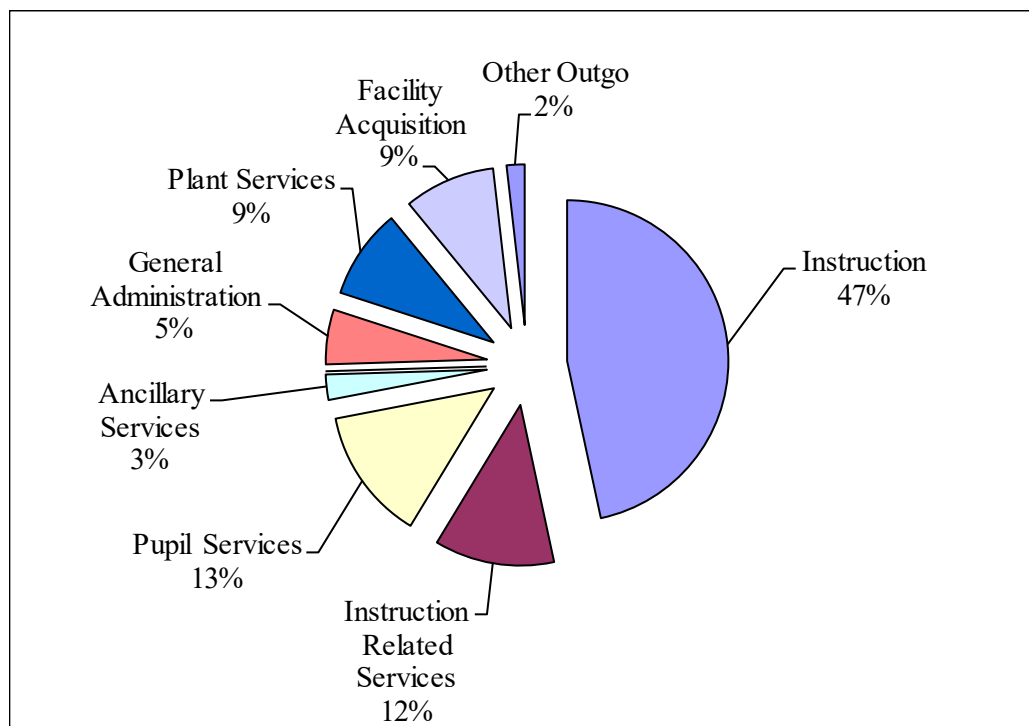


Figure 3. Expenditures by Function

GENERAL FUND BUDGET INFORMATION

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

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

- GENERAL FUND BUDGET VARIATIONS

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

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

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

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

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

The net difference in fund balance between the adopted budget and the final budget was an increase of \$0.8 million and may be summarized as follows:

\$1.6 million increase in total revenue mainly due to increases in state and other local revenue.

\$0.8 million increase in total expenditures due primarily to projected increased spending for capital outlay.

CAPITAL ASSETS AND DEBT ADMINISTRATION

- CAPITAL ASSETS

At June 30, 2019, the District had \$45.1 million in a broad range of capital assets, including land, buildings, and furniture and equipment, net of accumulated depreciation. At June 30, 2020, the District's net capital assets were \$51.8 million. This amount represents a net increase (including additions and deductions) of \$6.7 million, or 14.7 percent, from last year. Table 3 presents capital asset balances for each year and the net change. The years major additions included \$4.5 million for construction in progress and \$2.7 million for completed projects and purchases during the year.

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

	Governmental Activities	
	2020	2019
Land and construction in progress	\$ 8,595,733	\$ 4,670,172
Buildings and improvements	40,271,699	37,666,149
Equipment	2,890,349	2,782,744
Total	<u>\$ 51,757,781</u>	<u>\$ 45,119,065</u>

- LONG-TERM LIABILITIES

At the end of this year, the District had \$103.6 million in long-term liabilities outstanding versus \$99.4 million last year, an increase of \$4.2 million. Table 4 summarizes these obligations.

Table 4. Outstanding Obligations

	Governmental Activities	
	2020	2019
Long-Term Liabilities		
General obligation bonds	\$ 17,765,000	\$ 18,340,000
Unamortized premiums	1,072,381	1,123,339
Compensated absences	460,694	357,600
Claims liability	73,128	69,989
Net OPEB liability	12,954,777	11,251,391
Aggregate net pension liability	71,300,961	68,302,049
Total	<u>\$ 103,626,941</u>	<u>\$ 99,444,368</u>

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

At year-end, the District had a net pension liability of \$71.3 million versus \$68.3 million last year, an increase of \$3.0 million, or 4.4 percent. The District also reported deferred outflows of resources from pension activities of \$19.1 million, and deferred inflows of resources from pension activities of \$3.8 million.

We present more detailed information regarding our long-term liabilities in the Notes to Financial Statements.

FOR THE FUTURE

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Hanford Elementary School District
Statement of Net Position
June 30, 2020

	Governmental Activities
Assets	
Deposits and investments	\$ 27,298,132
Receivables	8,755,322
Stores inventories	275,951
Capital assets not depreciated	8,595,733
Capital assets, net of accumulated depreciation	<u>43,162,048</u>
Total assets	<u>88,087,186</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	1,597,006
Deferred outflows of resources related to pensions	<u>19,085,702</u>
Total deferred outflows of resources	<u>20,682,708</u>
Liabilities	
Accounts payable	4,565,917
Unearned revenue	650,951
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	1,145,000
Long-term liabilities other than OPEB and pensions due in more than one year	18,226,203
Net other postemployment benefits liabilities	12,954,777
Aggregate net pension liabilities	<u>71,300,961</u>
Total liabilities	<u>108,843,809</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	368,576
Deferred inflows of resources related to pensions	<u>3,794,695</u>
Total deferred inflows of resources	<u>4,163,271</u>
Net Position	
Net investment in capital assets	35,115,208
Restricted for	
Debt service	1,861,160
Capital projects	2,314,596
Educational programs	1,824,643
Food service	1,397,804
Unrestricted	<u>(46,750,597)</u>
Total net position	<u>\$ (4,237,186)</u>

Hanford Elementary School District
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 42,154,305	\$ 81	\$ 4,004,064	\$ 15,663	\$ (38,134,497)
Instruction-related activities					
Supervision of instruction	3,388,826	-	2,364,655	-	(1,024,171)
Instructional library, media, and technology	1,403,540	-	-	-	(1,403,540)
School site administration	6,116,293	-	186,389	-	(5,929,904)
Pupil services					
Home-to-school transportation	1,562,763	-	182,920	-	(1,379,843)
Food services	3,702,166	75,201	3,553,464	-	(73,501)
All other pupil services	6,365,842	79	757,703	-	(5,608,060)
Administration					
Data processing	1,275,091	-	-	-	(1,275,091)
All other administration	3,762,345	3,367	411,441	-	(3,347,537)
Plant services	7,745,826	5,093	33,897	-	(7,706,836)
Facility acquisition and construction	-	-	-	-	-
Ancillary services	2,295,730	11	1,212,863	-	(1,082,856)
Interest on long-term liabilities	699,022	-	-	-	(699,022)
Other outgo	1,724,528	75,245	488,707	-	(1,160,576)
Total governmental activities	<u>\$ 82,196,277</u>	<u>\$ 159,077</u>	<u>\$ 13,196,103</u>	<u>\$ 15,663</u>	<u>(68,825,434)</u>
General Revenues and Subventions					
Property taxes, levied for general purposes					3,225,955
Property taxes, levied for debt service					1,462,250
Taxes levied for other specific purposes					38,859
Federal and State aid not restricted to specific purposes					61,344,072
Interest and investment earnings					413,883
Miscellaneous					<u>1,467,435</u>
Total general revenues and transfers					<u>67,952,454</u>
Change in Net Position					(872,980)
Net Position - Beginning					<u>(3,364,206)</u>
Net Position - Ending					<u>\$ (4,237,186)</u>

See Notes to Financial Statements

Hanford Elementary School District

Balance Sheet – Governmental Funds

June 30, 2020

	General Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Deposits and investments	\$ 17,425,859	\$ 2,366,528	\$ 6,843,831	\$ 26,636,218
Receivables	8,255,424	-	499,628	8,755,052
Due from other funds	12,313	-	15,000	27,313
Stores inventories	165,719	-	110,232	275,951
Total assets	\$ 25,859,315	\$ 2,366,528	\$ 7,468,691	\$ 35,694,534
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 3,810,128	\$ 572,110	\$ 183,679	\$ 4,565,917
Due to other funds	15,000	-	12,313	27,313
Unearned revenue	650,951	-	-	650,951
Total liabilities	4,476,079	572,110	195,992	5,244,181
Fund Balances				
Nonspendable	170,819	-	110,641	281,460
Restricted	1,822,946	1,794,418	5,975,647	9,593,011
Committed	-	-	4,266	4,266
Assigned	7,220,648	-	1,182,145	8,402,793
Unassigned	12,168,823	-	-	12,168,823
Total fund balances	21,383,236	1,794,418	7,272,699	30,450,353
Total liabilities and fund balances	\$ 25,859,315	\$ 2,366,528	\$ 7,468,691	\$ 35,694,534

Hanford Elementary School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balance - Governmental Funds \$ 30,450,353

Amounts Reported for Governmental Activities in the
Statement of Net Position are Different Because

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported as assets in
governmental funds.

The cost of capital assets is	\$ 83,094,060
Accumulated depreciation is	<u>(31,336,279)</u>

Net capital assets	51,757,781
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An internal service fund is used by management to charge the costs
of the workers' compensation insurance program to the individual
funds. The assets and liabilities of the internal service fund are
included with governmental activities.

589,056

Deferred outflows of resources represent a consumption of net
position in a future period and is not reported in the governmental
funds. Deferred outflows of resources amounted to and related to

Other postemployment benefits	1,597,006
Net pension obligation	<u>19,085,702</u>

Total deferred outflows of resources to pensions	20,682,708
--	------------

Deferred inflows of resources represent an acquisition of net position
that applies to a future period and is not reported in the governmental
funds. Deferred inflows of resources amount to and related to

Other postemployment benefits	(368,576)
Net pension obligation	<u>(3,794,695)</u>

Total deferred inflows of resources to pensions	(4,163,271)
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Net pension liability is not due and payable in the current period,
and is not reported as a liability in the funds.

(71,300,961)

The District's OPEB liability is not due and payable in the current period,
and is not reported as a liability in the funds.

(12,954,777)

Long-term liabilities, excluding claims liability, are not due and payable
in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of

General obligation bonds	(18,837,381)
Compensated absences (vacations)	<u>(460,694)</u>

Total long-term liabilities	<u>(19,298,075)</u>
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Total net position - governmental activities	<u>\$ (4,237,186)</u>
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Hanford Elementary School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2020

	General Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Local Control Funding Formula	\$ 62,313,571	\$ -	\$ 315,000	\$ 62,628,571
Federal sources	3,175,672	-	3,442,263	6,617,935
Other State sources	7,314,260	-	265,128	7,579,388
Other local sources	3,593,479	15,664	1,831,308	5,440,451
Total revenues	76,396,982	15,664	5,853,699	82,266,345
Expenditures				
Current				
Instruction	39,330,836	-	-	39,330,836
Instruction-related activities				
Supervision of instruction	3,149,416	-	-	3,149,416
Instructional library, media, and technology	1,329,774	-	-	1,329,774
School site administration	5,649,072	-	-	5,649,072
Pupil services				
Home-to-school transportation	1,465,223	-	-	1,465,223
Food services	28,689	-	3,766,175	3,794,864
All other pupil services	5,966,926	-	-	5,966,926
Administration				
Data processing	1,206,682	-	-	1,206,682
All other administration	3,265,501	-	171,409	3,436,910
Plant services	7,308,927	64,307	257,102	7,630,336
Ancillary services	2,147,799	-	-	2,147,799
Other outgo	1,525,349	-	-	1,525,349
Facility acquisition and construction	1,245,908	5,981,823	443,601	7,671,332
Debt service				
Principal	-	-	575,000	575,000
Interest and other	-	-	699,022	699,022
Total expenditures	73,620,102	6,046,130	5,912,309	85,578,541
Excess (Deficiency) of Revenues Over Expenditures	2,776,880	(6,030,466)	(58,610)	(3,312,196)
Other Financing Sources (Uses)				
Transfers in	199,179	7,406,809	-	7,605,988
Transfers out	-	-	(7,605,988)	(7,605,988)
Net Financing Sources (Uses)	199,179	7,406,809	(7,605,988)	-
Net Change in Fund Balances	2,976,059	1,376,343	(7,664,598)	(3,312,196)
Fund Balance - Beginning	18,407,177	418,075	14,937,297	33,762,549
Fund Balance - Ending	<u>\$ 21,383,236</u>	<u>\$ 1,794,418</u>	<u>\$ 7,272,699</u>	<u>\$ 30,450,353</u>

See Notes to Financial Statements

Hanford Elementary School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds \$ (3,312,196)

Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because

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

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

Depreciation expense	\$	(1,888,719)
Capital outlays		<u>8,564,033</u>

Net expense adjustment		6,675,314
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Loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (36,598)

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used. (103,094)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. (4,277,227)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. (557,301)

Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Premium amortization		50,958
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Hanford Elementary School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2020

Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds	575,000
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An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.

	112,164
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Change in net position of governmental activities

	<u>\$ (872,980)</u>
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Hanford Elementary School District
Statement of Net Position – Proprietary Funds
June 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Assets	
Current assets	
Deposits and investments	\$ 661,914
Receivables	<u>270</u>
Total current assets	<u>662,184</u>
Liabilities	
Noncurrent liabilities	
Claims liabilities	<u>73,128</u>
Net Position	
Restricted for claims	<u><u>\$ 589,056</u></u>

Hanford Elementary School District
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended June 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues	
Charges for services	<u>\$ 725,757</u>
Operating Expenses	
Professional and contract services	<u>622,489</u>
Operating Income	<u>103,268</u>
Nonoperating Revenues	
Interest income	<u>8,896</u>
Change in Net Position	112,164
Total Net Position - Beginning	<u>476,892</u>
Total Net Position - Ending	<u><u>\$ 589,056</u></u>

Hanford Elementary School District
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash receipts from operating funds	\$ 725,487
Cash payments for claims and services	<u>(618,979)</u>
Net Cash From Operating Activities	<u>106,508</u>
Investing Activities	
Interest on investments	<u>8,896</u>
Net Change in Cash and Cash Equivalents	115,404
Cash and Cash Equivalents, Beginning	<u>546,510</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 661,914</u></u>
Reconciliation of Operating Income to Net Cash From Operating Activities	
Operating income	\$ 103,268
Changes in assets and liabilities	
Receivables	100
Claims liability	<u>3,140</u>
Net Cash From Operating Activities	<u><u>\$ 106,508</u></u>

Hanford Elementary School District
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>
Assets	
Deposits and investments	<u>\$ 15,788</u>
Liabilities	
Due to student groups	<u>\$ 15,788</u>

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Note 1 - Summary of Significant Accounting Policies**Financial Reporting Entity**

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

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

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

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

As a result, the General Fund reflects an increase in fund balance of \$7.2 million.

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

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

Non-Major Governmental Funds

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

- **Charter School Fund** The Charter School Fund may be used by authorizing districts to account separately for the operating activities of district-operated charter school that would otherwise be reported in the authorizing District's General Fund.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).
- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

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

- **Building Fund** The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.
- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

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

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

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

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

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

Basis of Accounting - Measurement Focus

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

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

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

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

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Proprietary Funds** Proprietary funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.
- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

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

Cash and Cash Equivalents

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

Investments

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

Stores Inventories

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

Capital Assets and Depreciation

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

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

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

Interfund Balances

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

Compensated Absences

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

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

Accounts Payable and Long-Term Liabilities

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

Premiums

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

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. Premiums received on debt issuance are also reported as other financing sources.

Deferred Outflows/Inflows of Resources

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

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for pension related items and for OPEB related items. The deferred amounts related to pension and OPEB relate to differences between expected and actual experience, changes of assumptions, and other pension and OPEB related changes.

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Fund Balances - Governmental Funds

As of June 30, 2020, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District.

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Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$7,398,203 of restricted net position.

Operating Revenues and Expenses

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

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a

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requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities column of the Statement of Activities.

Estimates

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

Property Tax

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

Change in Accounting Principles

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

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The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

The provisions of this Statement have been implemented as of June 30, 2020.

New Accounting Pronouncements

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

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

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this

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Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

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

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

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

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate

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diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

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

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

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

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

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

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

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.

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

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

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

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As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment

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benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The effects of this change on the District's financial statements have not yet been determined.

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Note 2 - Deposits and Investments**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 26,636,218
Proprietary funds	661,914
Fiduciary funds	<u>15,788</u>
Total deposits and investments	<u><u>\$ 27,313,920</u></u>

Deposits and investments as of June 30, 2020, consist of the following:

Cash on hand and in banks	\$ 28,288
Cash in revolving	5,510
Investments	<u>27,280,122</u>
Total deposits and investments	<u><u>\$ 27,313,920</u></u>

Policies and Practices

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

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

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

General Authorizations

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

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

Interest Rate Risk

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

Segmented Time Distribution

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

Investment Type	Reported Amount	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
County Pool	<u>\$ 27,280,122</u>	<u>\$ -</u>	<u>\$ 27,280,122</u>	<u>\$ -</u>	<u>\$ -</u>

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Note 3 - Receivables

Receivables at June 30, 2020, consist of intergovernmental grants, entitlements, and local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total	Proprietary Funds
Federal Government				
Categorical aid	\$ 299,424	\$ 375,185	\$ 674,609	\$ -
State Government				
Grants and entitlements	7,956,000	109,860	8,065,860	-
Local sources	-	14,583	14,583	270
Total	<u>\$ 8,255,424</u>	<u>\$ 499,628</u>	<u>\$ 8,755,052</u>	<u>\$ 270</u>

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,016,579	\$ -	\$ -	\$ 3,016,579
Construction in progress	1,653,593	4,497,744	(572,183)	5,579,154
Total capital assets not being depreciated	4,670,172	4,497,744	(572,183)	8,595,733
Capital assets being depreciated				
Land improvements	7,218,794	775,434	-	7,994,228
Buildings and improvements	55,594,213	3,235,389	-	58,829,602
Furniture and equipment	7,107,292	627,649	(60,444)	7,674,497
Total capital assets being depreciated	69,920,299	4,638,472	(60,444)	74,498,327
Total capital assets	74,590,471	9,136,216	(632,627)	83,094,060
Accumulated depreciation				
Land improvements	(5,247,232)	(174,218)	-	(5,421,450)
Buildings and improvements	(19,899,626)	(1,231,055)	-	(21,130,681)
Furniture and equipment	(4,324,548)	(483,446)	23,846	(4,784,148)
Total accumulated depreciation	(29,471,406)	(1,888,719)	23,846	(31,336,279)
Governmental activities capital assets, net	\$ 45,119,065	\$ 7,247,497	\$ (608,781)	\$ 51,757,781

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Depreciation expense was charged to the following functions as follows:

Governmental Activities	
Instruction	\$ 888,822
Supervision of instruction	66,133
School site administration	139,062
Home-to-school transportation	86,622
Food services	136,280
All other pupil services	54,554
Ancillary services	27,171
All other administration	183,286
Plant services	306,789
	<hr/>
Total depreciation expenses governmental activities	\$ 1,888,719
	<hr/>

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2020, between major and non-major governmental funds are as follows:

<u>Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Governmental Fund		
General	\$ 12,313	\$ 15,000
Non-Major Governmental Funds		
Charter Schools	-	2,313
Deferred Maintenance	15,000	-
Building	-	10,000
	<hr/>	<hr/>
Total	\$ 27,313	\$ 27,313
	<hr/>	<hr/>

The General Fund owes the Deferred Maintenance Non-Major Governmental Fund for maintenance projects.

\$ 15,000

The Charter Schools Non-Major Governmental Fund owes the General Fund tax in lieu funds.

2,313

The Building Non-Major Governmental Fund owes the General Fund for building projects.

10,000

Total

\$ 27,313

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Operating Transfers

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2020, consist of the following:

The Building Non-Major Governmental Fund transferred to the County School Facilities Fund for a potential state funded project.	\$ 5,416,846
The Charter School Non-Major Governmental Fund transferred to the General Fund funds that were due back to the fund.	199,179
The Special Reserve Non-Major Governmental Fund for Capital Outlay Projects transferred to the County School Facilities Fund for a potential state funded project.	<u>1,989,963</u>
Total	<u><u>\$ 7,605,988</u></u>

Note 6 - Accounts Payable

Accounts payable at June 30, 2020, consist of the following:

	General Fund	County Schools Facility Fund	Non-Major Governmental Funds	Total
Vendor payables	\$ 1,691,438	\$ 572,110	\$ 183,679	\$ 2,447,227
State LCFF apportionment	72,025	-	-	72,025
Salaries and benefits	144,525	-	-	144,525
Deferred payroll	<u>1,902,140</u>	<u>-</u>	<u>-</u>	<u>1,902,140</u>
Total	<u><u>\$ 3,810,128</u></u>	<u><u>\$ 572,110</u></u>	<u><u>\$ 183,679</u></u>	<u><u>\$ 4,565,917</u></u>

Note 7 - Unearned Revenue

Unearned revenue at June 30, 2020, consists of the following:

	General Fund
Federal financial assistance	<u><u>\$ 650,951</u></u>

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Note 8 - Long-Term Liabilities Other than OPEB and Pensions**Summary**

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 18,340,000	\$ -	\$ (575,000)	\$ 17,765,000	\$ 1,145,000
Unamortized debt premiums	1,123,339	-	(50,958)	1,072,381	-
Compensated absences	357,600	103,094	-	460,694	-
Claims liability	69,989	3,139	-	73,128	-
Total	<u>\$ 19,890,928</u>	<u>\$ 106,233</u>	<u>\$ (625,958)</u>	<u>\$ 19,371,203</u>	<u>\$ 1,145,000</u>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. The premium will be amortized over the life of the related debt. The compensated absences will be paid by the fund for which the employee worked.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Fiscal Year Issued	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2019	Redeemed	Bonds Outstanding June 30, 2020
2010	9/2024	2.0-5.0%	\$ 5,740,000	\$ 2,540,000	\$ (460,000)	\$ 2,080,000
2017	8/2047	2.0-5.0%	8,800,000	8,200,000	(115,000)	8,085,000
2019	8/2049	1.875-5.250%	7,600,000	7,600,000	-	7,600,000
Total				<u>\$ 18,340,000</u>	<u>\$ (575,000)</u>	<u>\$ 17,765,000</u>

Debt Service Requirements to Maturity2010 General Obligation Bonds

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

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

The bonds were sold at a premium of \$210,148 which is being amortized over the life of the bonds at \$15,011 per year. The unamortized premium as of June 30, 2020, amounted to \$60,040.

2016A General Obligation Bonds

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

The bonds were sold at a premium of \$452,164 which is being amortized over the life of the bonds at \$15,072 per year. The unamortized premium as of June 30, 2020, amounted to \$406,948.

2016B General Obligation Bonds

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

The bonds were sold at a premium of \$626,269 which is being amortized over the life of the bonds at \$20,876 per year. The unamortized premium as of June 30, 2020, amounted to \$605,393.

The bonds have debt service payments as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2021	\$ 1,145,000	\$ 717,406	\$ 1,862,406
2022	1,055,000	683,737	1,738,737
2023	535,000	652,581	1,187,581
2024	555,000	625,331	1,180,331
2025	70,000	610,056	680,056
2026-2030	635,000	2,977,955	3,612,955
2031-2035	1,705,000	2,734,840	4,439,840
2036-2040	2,825,000	2,354,677	5,179,677
2041-2045	4,280,000	1,749,141	6,029,141
2046-2049	4,960,000	544,569	5,504,569
Total	<u>\$ 17,765,000</u>	<u>\$ 13,650,293</u>	<u>\$ 31,415,293</u>

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2020, amounted to \$460,694.

Note 9 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2020, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	\$ 12,602,724	\$ 1,597,006	\$ 368,576	\$ 1,096,203
Medicare Premium Payment (MPP) Program	352,053	-	-	(2,895)
Total	<u>\$ 12,954,777</u>	<u>\$ 1,597,006</u>	<u>\$ 368,576</u>	<u>\$ 1,093,308</u>

The details of each plan are as follows:

District Plan**Plan Administration**

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

Plan Membership

At June 30, 2019, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	38
Active employees	<u>452</u>
Total	<u>490</u>

Benefits Provided

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

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Hanford Elementary Teachers Association (HETA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, HETA, CSEA, and the unrepresented groups. For measurement period of June 30, 2019, the District paid \$531,418 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of \$12,602,724 was measured as of June 30, 2019.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	3.13 percent
Healthcare cost trend rates	5.90 percent for 2020, declining to 5.00 in 2029 and later years

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study for the period July 1, 2017 to June 30, 2019.

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2018	\$ 10,896,443
Service cost	600,382
Interest	406,651
Differences between expected and actual experience	120,927
Changes of assumptions or other inputs	1,109,739
Benefit payments	(531,418)
Net change in total OPEB liability	1,706,281
Balance, June 30, 2019	\$ 12,602,724

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

Changes of Assumptions - The discount rate remained unchanged at 3.13 percent since the previous valuation.

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

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

Discount Rate	Total OPEB Liability
1% decrease (2.13%)	\$ 13,873,549
Current discount rate (3.13%)	12,602,724
1% increase (4.13%)	11,461,317

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

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

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (4.90/4.00%)	\$ 11,166,144
Current healthcare cost trend rate (5.90/5.00%)	12,602,724
1% increase (6.90/6.00%)	14,299,811

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to OPEB

At June 30, 2020, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 520,173	\$ -
Differences between expected and actual experience	105,811	-
Changes of assumptions	<u>971,022</u>	<u>368,576</u>
Total	<u>\$ 1,597,006</u>	<u>\$ 368,576</u>

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

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

Year Ended June 30,	Deferred Outflows of Resources
2021	\$ 153,833
2022	153,833
2023	153,833
2024	153,833
2025	153,833
Thereafter	<u>307,668</u>
Total	<u>\$ 1,076,833</u>
Year Ended June 30,	Deferred Inflows of Resources
2021	\$ (64,663)
2022	(64,663)
2023	(64,663)
2024	(64,663)
2025	(64,663)
Thereafter	<u>(45,261)</u>
Total	<u>\$ (368,576)</u>

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Medicare Premium Payment (MPP) Program**Plan Description**

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2020, the District reported a liability of \$352,053 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, respectively, was 0.0945 percent and 0.0927 percent, resulting in a net increase in the proportionate share of 0.0018 percent.

For the year ended June 30, 2020, the District recognized OPEB expense of \$(2,895).

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Actuarial Methods and Assumptions

The June 30, 2019 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23 percent of the potentially eligible population (165,422).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37 percent from 3.87 percent as of June 30, 2018.

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.50%)	\$ 384,170
Current discount rate (3.50%)	352,053
1% increase (4.50%)	322,523

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	\$ 329,979
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	352,053
1% increase (4.7% Part A and 5.1% Part B)	396,145

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Note 10 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	County Schools Facility Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	\$ 5,100	\$ -	\$ 410	\$ 5,510
Stores inventories	165,719	-	110,232	275,951
Total nonspendable	170,819	-	110,641	281,460
Restricted				
Legally restricted programs	1,822,946	-	1,697	1,824,643
Food service	-	-	1,397,804	1,397,804
Capital projects	-	1,794,418	4,576,146	6,370,564
Total restricted	1,822,946	1,794,418	5,975,647	9,593,011
Committed				
Deferred maintenance program	-	-	4,266	4,266
Assigned				
Transportation	360,122	-	-	360,122
Other postemployment benefits	6,860,526	-	-	6,860,526
Future capital outlay projects	-	-	1,182,145	1,182,145
Total assigned	7,220,648	-	1,182,145	8,402,793
Unassigned				
Reserve for economic uncertainties	7,500,000	-	-	7,500,000
Remaining unassigned	4,668,823	-	-	4,668,823
Total unassigned	12,168,823	-	-	12,168,823
Total	\$ 21,383,236	\$ 1,794,418	\$ 7,272,699	\$ 30,450,353

Note 11 - Risk Management**Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2020, the District contracted with Northern California Regional Excess Liability Fund for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2020, the District participated in the Kings County Self-Insured Schools (KCSIC), an insurance purchasing pool. The intent of KCSIC is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in KCSIC. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in KCSIC. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of KCSIC. Participation in KCSIC is limited to districts that can meet KCSIC's selection criteria.

Employee Medical and Vision Benefits

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

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Employee Dental Benefits Claims Liabilities

The District records an estimated liability for dental claims paid out of the Internal Service Fund of the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience. The following represent the changes in approximate aggregate liabilities for the District from June 30, 2018 to June 30, 2020 (in thousands):

	<u>Dental Care</u>
Liability Balance, July 1, 2018	\$ 55,076
Claims and changes in estimates	<u>14,913</u>
Liability Balance, June 30, 2019	69,989
Claims and changes in estimates	<u>3,139</u>
Liability Balance, June 30, 2020	<u>\$ 73,128</u>
Assets available to pay claims at June 30, 2020	<u>\$ 662,184</u>

Note 12 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2020, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 48,265,346	\$ 13,861,388	\$ 3,464,075	\$ 6,289,304
CalPERS	<u>23,035,615</u>	<u>5,224,314</u>	<u>330,620</u>	<u>4,007,499</u>
Total	<u>\$ 71,300,961</u>	<u>\$ 19,085,702</u>	<u>\$ 3,794,695</u>	<u>\$ 10,296,803</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required state contribution rate	10.328%	10.328%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the District's total contributions were \$5,114,583.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 48,265,346
State's proportionate share of the net pension liability	<u>26,331,969</u>
Total	<u>\$ 74,597,315</u>

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement periods June 30, 2019 and June 30, 2018, respectively was 0.0534 percent and 0.0517 percent, resulting in a net increase in the proportionate share of 0.0017 percent.

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

For the year ended June 30, 2020, the District recognized pension expense of \$6,289,304. In addition, the District recognized pension expense and revenue of \$3,921,398 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,114,583	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,520,450	244,816
Differences between projected and actual earnings on pension plan investments	-	1,859,196
Differences between expected and actual experience in the measurement of the total pension liability	121,844	1,360,063
Changes of assumptions	6,104,511	-
Total	<u>\$ 13,861,388</u>	<u>\$ 3,464,075</u>

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

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

Year Ended June 30,	Deferred Inflows of Resources
2021	\$ (187,531)
2022	(1,475,982)
2023	(306,437)
2024	110,754
Total	<u>\$ (1,859,196)</u>

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 1,793,747
2022	1,793,749
2023	1,606,831
2024	1,687,182
2025	191,799
2026	68,618
Total	<u>\$ 7,141,926</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.8%
Fixed income	12%	1.3%
Real estate	13%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	9%	1.8%
Inflation sensitive	4%	-3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 71,871,096
Current discount rate (7.10%)	48,265,346
1% increase (8.10%)	28,691,684

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

California Public Employees Retirement System (CalPERS)**Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:

<https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	19.721%	19.721%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the total District contributions were \$2,294,845.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$23,035,615. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, respectively was 0.0790 percent and 0.0781 percent, resulting in a net increase in the proportionate share of 0.0009 percent.

For the year ended June 30, 2020, the District recognized pension expense of \$4,007,499. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,294,845	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	159,592	116,961
Differences between projected and actual earnings on pension plan investments	-	213,659
Differences between expected and actual experience in the measurement of the total pension liability	1,673,311	-
Changes of assumptions	1,096,566	-
Total	<u>\$ 5,224,314</u>	<u>\$ 330,620</u>

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

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

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

<u>Year Ended June 30,</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 210,906
2022	(421,277)
2023	(63,839)
2024	60,551
Total	<u>\$ (213,659)</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2021	\$ 1,724,290
2022	734,962
2023	321,142
2024	32,114
Total	<u>\$ 2,812,508</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

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

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 33,204,324
Current discount rate (7.15%)	23,035,615
1% increase (8.15%)	14,599,968

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Social Security

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

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,750,461 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on behalf of school employers of \$1.1 billion for CalSTRS. A proportionate share of these contributions totaling \$922,597 has been recorded in these financial statements as well as in the calculation of available reserves.

Note 13 - Commitments and Contingencies**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

Litigation

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

Hanford Elementary School District

Notes to Financial Statements

June 30, 2020

Construction Commitments

As of June 30, 2020, the District had the following commitments with respect to the unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Wilson Cafeteria HVAC	\$ 67,000	July 2020
Monroe Parking Lot	650,000	Nov 2020
Richmond Modernization	2,850,000	June 2022
Roosevelt Modernization	1,900,000	June 2022
Washington Modernization	304,500	June 2021
Lincoln Modernization	2,879,000	Nov 2020
Wilson Re-Roof	87,000	Oct 2020
Bus Barn Solar Project	218,000	Nov 2020
Total	<u>\$ 8,955,500</u>	

Note 14 - Participation in Joint Powers Authorities

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

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

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

During the year ended June 30, 2020, the District made payment of \$397,528 to NorCal ReLiEF for property and liability insurance.

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

During the year ended June 30, 2020, the District made payment of \$7,059,961 to SISC III for health insurance.

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

During the year ended June 30, 2020, the District made payment of \$788,615 to KCSIS for workers' compensation insurance.

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

During the year ended June 30, 2020, the District made payment of \$492,461 to KSTA for student transportation services.

Note 15 - Subsequent Events

General Obligation Bonds

The District's governing board of directors adopted by resolution the issuance of \$7,600,000 of General Obligation Bonds. The official statement is dated September 23, 2020. The bonds fully mature on August 1, 2045, and yield from 2.0 to 2.540 percent interest. The bonds were sold as the final series of 2016 election, Measure U on the ballot. The issuance is for construction and modernizations projects within the District.

World-Wide Coronavirus Pandemic

Subsequent to year-end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.



Required Supplementary Information
June 30, 2020

Hanford Elementary School District

Hanford Elementary School District
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Local Control Funding Formula	\$ 63,717,216	\$ 62,313,571	\$ 62,313,571	\$ -
Federal sources	3,894,335	3,175,672	3,175,672	-
Other State sources	5,100,573	7,314,260	7,314,260	-
Other local sources	2,245,966	3,593,479	3,593,479	-
Total revenues ¹	74,958,090	76,396,982	76,396,982	-
Expenditures				
Current				
Certificated salaries	30,234,732	30,354,503	30,354,503	-
Classified salaries	11,853,673	11,964,713	11,964,713	-
Employee benefits	18,664,184	20,283,662	20,283,662	-
Books and supplies	4,135,775	2,740,490	2,740,490	-
Services and operating expenditures	5,333,095	5,064,446	5,064,446	-
Other outgo	1,638,532	1,360,349	1,360,349	-
Capital outlay	640,794	1,851,939	1,851,939	-
Total expenditures ¹	72,500,785	73,620,102	73,620,102	-
Excess of Revenues Over Expenditures	2,457,305	2,776,880	2,776,880	-
Other Financing Sources/(Uses)				
Transfers in	-	199,179	199,179	-
Transfers out	(274,067)	-	-	-
Net financing sources/(uses)	(274,067)	199,179	199,179	-
Net Change in Fund Balances	2,183,238	2,976,059	2,976,059	-
Fund Balance - Beginning	18,407,177	18,407,177	18,407,177	-
Fund Balance - Ending	\$ 20,590,415	\$ 21,383,236	\$ 21,383,236	\$ -

¹ Due to the consolidation of Fund 14, Deferred Maintenance Fund, Fund 15, Pupil Transportation Fund, Fund 17, Special Reserve Fund for Other than Capital Outlay Projects, and Fund 20, Special Reserve Fund for Postemployment Benefits for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however are not included in the original and final General Fund budgets.

Hanford Elementary School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 600,382	\$ 634,895	\$ 616,403
Interest	406,651	334,563	321,583
Difference between expected and actual experience	120,927	-	-
Changes of assumptions	1,109,739	(497,902)	-
Benefit payments	(531,418)	(524,045)	(522,503)
Net change in total OPEB liability	1,706,281	(52,489)	415,483
Total OPEB Liability - Beginning	10,896,443	10,948,932	10,533,449
Total OPEB Liability - Ending	<u>\$ 12,602,724</u>	<u>\$ 10,896,443</u>	<u>\$ 10,948,932</u>
Covered Payroll	N/A ¹	N/A ¹	N/A ¹
Total OPEB Liability as a Percentage of Covered Payroll	N/A ¹	N/A ¹	N/A ¹
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

¹ The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

Hanford Elementary School District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2020

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.9450%	0.0927%	0.0914%
Proportionate share of the net OPEB liability	\$ 352,053	\$ 354,948	\$ 384,710
Covered payroll	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Hanford Elementary School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
CalSTRS						
Proportion of the net pension liability	0.0534%	0.0517%	0.0505%	0.0511%	0.0510%	0.0482%
Proportionate share of the net pension liability	\$ 48,265,346	\$ 47,482,880	\$ 46,711,085	\$ 41,305,968	\$ 34,307,537	\$ 28,163,133
State's proportionate share of the net pension liability	26,331,969	27,186,169	27,633,883	23,514,751	18,144,905	17,006,116
Total	<u>\$ 74,597,315</u>	<u>\$ 74,669,049</u>	<u>\$ 74,344,968</u>	<u>\$ 64,820,719</u>	<u>\$ 52,452,442</u>	<u>\$ 45,169,249</u>
Covered payroll	<u>\$ 28,765,897</u>	<u>\$ 27,570,305</u>	<u>\$ 26,685,429</u>	<u>\$ 25,643,541</u>	<u>\$ 23,320,878</u>	<u>\$ 21,702,145</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	167.79%	172.22%	175.04%	161.08%	147.11%	129.77%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS						
Proportion of the net pension liability	0.0790%	0.0781%	0.0790%	0.0798%	0.0771%	0.0740%
Proportionate share of the net pension liability	\$ 23,035,615	\$ 20,819,169	\$ 18,847,723	\$ 15,760,087	\$ 11,366,384	\$ 8,395,535
Covered payroll	<u>\$ 10,948,001</u>	<u>\$ 10,303,580</u>	<u>\$ 10,066,302</u>	<u>\$ 9,581,751</u>	<u>\$ 8,524,832</u>	<u>\$ 7,842,555</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	210.41%	202.06%	187.24%	164.48%	133.33%	107.05%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

See Note to Required Supplementary Information

Hanford Elementary School District
Schedule of the District Contributions
Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	\$ 5,114,583	\$ 4,683,088	\$ 3,978,395	\$ 3,357,027	\$ 2,751,552	\$ 2,070,894
Less contributions in relation to the contractually required contribution	<u>5,114,583</u>	<u>4,683,088</u>	<u>3,978,395</u>	<u>3,357,027</u>	<u>2,751,552</u>	<u>2,070,894</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 29,909,842</u>	<u>\$ 28,765,897</u>	<u>\$ 27,570,305</u>	<u>\$ 26,685,429</u>	<u>\$ 25,643,541</u>	<u>\$ 23,320,878</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS						
Contractually required contribution	\$ 2,294,845	\$ 1,977,428	\$ 1,600,249	\$ 1,398,008	\$ 1,135,150	\$ 1,003,458
Less contributions in relation to the contractually required contribution	<u>2,294,845</u>	<u>1,977,428</u>	<u>1,600,249</u>	<u>1,398,008</u>	<u>1,135,150</u>	<u>1,003,458</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 11,636,555</u>	<u>\$ 10,948,001</u>	<u>\$ 10,303,580</u>	<u>\$ 10,066,302</u>	<u>\$ 9,581,751</u>	<u>\$ 8,524,832</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.0620%</u>	<u>15.5310%</u>	<u>13.8880%</u>	<u>11.8470%</u>	<u>11.7710%</u>

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

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

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate remained unchanged at 3.13 percent since the previous valuation.

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

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

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plan rate of investment return assumption was changed from 3.87 percent to 3.50 percent since the previous valuation.

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

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

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

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



Supplementary Information
June 30, 2020

Hanford Elementary School District

Hanford Elementary School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	\$ 226,912
Special Education Grants to States - (CDE: IDEA Local Assistance, Part B, Sec 611, Private School ISP)	84.027	10115	82
Special Education Grants to States - Mental Health	84.027	15197	66,512
Total Special Education Cluster			293,506
Title I Grants to Local Educational Agencies	84.010	14329	2,184,956
Title I Grants to Local Educational Agencies (CDE: ESSA School Improvement (CSI) Funding for LEAs)	84.010	15438	56,145
Supporting Effective Instruction State Grants - Teacher Quality	84.367	14341	321,920
English Language Acquisition State Grants - LEP	84.365	14346	144,623
Student Support and Academic Enrichment Program	84.424	15396	174,522
Total U.S. Department of Education			3,175,672
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	2,291,593
National School Lunch Program - Meal Supplements	10.555	13391	102,472
School Breakfast Program - Especially Needy Breakfast	10.553	13526	779,052
National School Lunch Program - Summer Food Program	10.559	13004	12,587
National School Lunch Program - Commodity Supplemental Food	10.555	13391	256,559
Total Child Nutrition Cluster			3,442,263
Total U.S. Department of Agriculture			3,442,263
Total Expenditures of Federal Awards			\$ 6,617,935

Organization

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

Governing Board

Member	Office	Term Expires
Jeff Garner	President	2022
Timothy Revious	Vice President	2020
Lupe Hernandez	Clerk	2022
Robert "Bobby" Garcia	Trustee	2022
Greg Strickland	Trustee	2020

Administration

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

Hanford Elementary School District

Schedule of Average Daily Attendance

Year Ended June 30, 2020

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	2,540.80	2,540.80
Fourth through sixth	1,908.96	1,908.96
Seventh and eighth	1,274.54	1,274.54
Total Regular ADA	5,724.30	5,724.30
Special Education, Nonpublic, Nonsectarian Schools		
Seventh and eighth	0.67	0.67
Total Special Education, Nonpublic, Nonsectarian Schools	0.67	0.67
Community Day School		
Transitional kindergarten through third	4.97	5.10
Fourth through sixth	2.42	2.76
Seventh and eighth	8.33	8.98
Total Community Day School	15.72	16.84
Total ADA	5,740.69	5,741.81

Hanford Elementary School District

Schedule of Instructional Time

Year Ended June 30, 2020

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	52,513	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		52,103	180	N/A	Complied
Grade 2		52,103	180	N/A	Complied
Grade 3		52,103	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		55,293	180	N/A	Complied
Grade 5		55,293	180	N/A	Complied
Grade 6		55,293	180	N/A	Complied
Grade 7		57,138	180	N/A	Complied
Grade 8		57,138	180	N/A	Complied

Hanford Elementary School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2020

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2020.

Hanford Elementary School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2020

	(Budget) 2021 ¹	2020	2019	2018
General Fund				
Revenues	\$ 71,926,312	\$ 76,281,307	\$ 71,253,415	\$ 64,728,808
Other sources	-	199,179	100,000	-
Total Revenues and Other Sources	71,926,312	76,480,486	71,353,415	64,728,808
Expenditures	74,337,047	73,620,102	67,054,895	61,717,017
Other uses and transfers out	-	1,343,450	1,988,428	2,694,216
Total Expenditures and Other Uses	74,337,047	74,963,552	69,043,323	64,411,233
Increase/(Decrease) in Fund Balance	(2,410,735)	1,516,934	2,310,092	317,575
Ending Fund Balance	\$ 11,751,853	\$ 14,162,588	\$ 12,645,654	\$ 10,335,562
Available Reserves ^{2, 4}	\$ 2,500,000	\$ 12,168,823	\$ 10,937,122	\$ 9,419,340
Available Reserves as a Percentage of Total Outgo ⁴	3.36%	16.23%	16.44%	14.62%
Long-Term Liabilities	Not Available	\$ 103,626,941	\$ 99,444,368	\$ 89,905,751
Average Daily Attendance at P-2 ³	5,742	5,741	5,352	5,349

The General Fund balance has increased by \$3,827,026 over the past two years. The fiscal year 2020-2021 budget projects a decrease of \$2,410,735 (17.02 percent). For a district this size, the State recommends available reserves of at least 3.0 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2020-2021 fiscal year. Total long-term liabilities have increased by \$13,721,190 over the past two years due primarily to the issuance of general obligation bonds and the implementation of GASB Statement No. 75.

Average daily attendance has increased by 392 over the past two years. Additional growth of one ADA is anticipated during fiscal year 2020-2021.

¹ Budget 2021 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund.

³ Excludes Charter School average daily attendance for the 2019 and 2018 school years.

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

Hanford Elementary School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2020

	Charter Schools Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets								
Deposits and investments	\$ 4,010	\$ 970,327	\$ 88,329	\$ 2,196,258	\$ 539,213	\$ 1,184,534	\$ 1,861,160	\$ 6,843,831
Receivables	-	485,047	-	10,000	4,581	-	-	499,628
Due from other funds	-	-	15,000	-	-	-	-	15,000
Stores inventories	-	110,232	-	-	-	-	-	110,232
Total assets	\$ 4,010	\$ 1,565,606	\$ 103,329	\$ 2,206,258	\$ 543,794	\$ 1,184,534	\$ 1,861,160	\$ 7,468,691
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ 57,161	\$ 99,063	\$ 1,450	\$ 23,616	\$ 2,389	\$ -	\$ 183,679
Due to other funds	2,313	-	-	10,000	-	-	-	12,313
Total liabilities	2,313	57,161	99,063	11,450	23,616	2,389	-	195,992
Fund Balances								
Nonspendable	-	110,641	-	-	-	-	-	110,641
Restricted	1,697	1,397,804	-	2,194,808	520,178	-	1,861,160	5,975,647
Committed	-	-	4,266	-	-	-	-	4,266
Assigned	-	-	-	-	-	1,182,145	-	1,182,145
Total fund balances	1,697	1,508,445	4,266	2,194,808	520,178	1,182,145	1,861,160	7,272,699
Total liabilities and fund balances	\$ 4,010	\$ 1,565,606	\$ 103,329	\$ 2,206,258	\$ 543,794	\$ 1,184,534	\$ 1,861,160	\$ 7,468,691

Hanford Elementary School District

Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Non-Major Governmental Funds

Year Ended June 30, 2020

	Charter Schools Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues								
Local Control Funding Formula	\$ -	\$ -	\$ 315,000	\$ -	\$ -	\$ -	\$ -	\$ 315,000
Federal sources	-	3,442,263	-	-	-	-	-	3,442,263
Other State sources	-	244,994	-	-	-	-	20,134	265,128
Other local sources	2	101,360	5,052	129,327	91,460	38,155	1,465,952	1,831,308
Total revenues	2	3,788,617	320,052	129,327	91,460	38,155	1,486,086	5,853,699
Expenditures								
Current								
Pupil services								
Food services	-	3,766,175	-	-	-	-	-	3,766,175
Administration								
All other administration	-	165,000	-	-	6,409	-	-	171,409
Plant services	-	1,013	76,344	-	179,745	-	-	257,102
Facility acquisition and construction	-	-	255,883	46,040	-	141,678	-	443,601
Debt service								
Principal	-	-	-	-	-	-	575,000	575,000
Interest and other	-	-	-	-	-	-	699,022	699,022
Total expenditures	-	3,932,188	332,227	46,040	186,154	141,678	1,274,022	5,912,309
Excess (Deficiency) of Revenues Over Expenditures	2	(143,571)	(12,175)	83,287	(94,694)	(103,523)	212,064	(58,610)
Other Financing Uses								
Transfers out	(199,179)	-	-	(5,416,846)	-	(1,989,963)	-	(7,605,988)
Net Change in Fund Balances	(199,177)	(143,571)	(12,175)	(5,333,559)	(94,694)	(2,093,486)	212,064	(7,664,598)
Fund Balance - Beginning	200,874	1,652,016	16,441	7,528,367	614,872	3,275,631	1,649,096	14,937,297
Fund Balance - Ending	\$ 1,697	\$ 1,508,445	\$ 4,266	\$ 2,194,808	\$ 520,178	\$ 1,182,145	\$ 1,861,160	\$ 7,272,699

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Hanford Elementary School District (the District) under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2020, the District had spent food commodities totaling \$256,559.

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

Districts must maintain their instructional minutes at the 1986-1987 requirements as required by *Education Code* Section 46201.

Hanford Elementary School District

Note to Supplementary Information

June 30, 2020

Due to school closures caused by COVID-19, the District filed the COVID-19 School Closure Certification certifying that schools were closed for 53 days due to the pandemic. As a result, the District received credit for these 53 days in meeting the annual instructional days requirement. In addition, planned minutes covered by the COVID-19 School Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Non-Major Governmental Funds - Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.



Independent Auditor's Reports
June 30, 2020

Hanford Elementary School District

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Governing Board
Hanford Elementary School District
Hanford, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hanford Elementary School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Hanford Elementary School District's basic financial statements and have issued our report thereon dated January 20, 2021

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Fresno, California
January 20, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Governing Board
Hanford Elementary School District
Hanford, California

Report on Compliance for Each Major Federal Program

We have audited Hanford Elementary School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hanford Elementary School District's major federal programs for the year ended June 30, 2020. Hanford Elementary School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hanford Elementary School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hanford Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hanford Elementary School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Hanford Elementary School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Hanford Elementary School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hanford Elementary School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hanford Elementary School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Fresno, California
January 20, 2021

Independent Auditor's Report on State Compliance

To the Governing Board
Hanford Elementary School District
Hanford, California

Report on State Compliance

We have audited Hanford Elementary School District's (the District) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the state laws and regulations listed in the table below for the year ended June 30, 2020.

Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with laws and regulations applicable to the following items:

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (See below)
Continuation Education	No (See below)
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (See below)
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No (See below)
Middle or Early College High Schools	No (See below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No (See below)
Comprehensive School Safety Plan	Yes
District of Choice	No (See below)
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No (See below)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No (See below)
CHARTER SCHOOLS	
Attendance	No (See below)
Mode of Instruction	No (See below)
Nonclassroom-Based Instruction/Independent Study for Charter Schools	No (See below)
Determination of Funding for Nonclassroom-Based Instruction	No (See below)
Annual Instruction Minutes Classroom-Based	No (See below)
Charter School Facility Grant Program	No (See below)

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

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

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

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

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

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform District of Choice procedures because the program is not offered by the District.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety Program.

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

The District does not operate any Charter Schools; therefore, we did not perform procedures for Charter School Programs.

Unmodified Opinion

In our opinion, Hanford Elementary School District complied with the laws and regulations of the state programs referred to above for the year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Fresno, California
January 20, 2021

Hanford Elementary School District

Summary of Auditor's Results

Year Ended June 30, 2020

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Child Nutrition Cluster	10.553, 10.555, 10.559
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

Type of auditor's report issued on compliance for programs:	Unmodified
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Hanford Elementary School District

Financial Statement Findings

Year Ended June 30, 2020

None reported.

Hanford Elementary School District
Federal Awards Findings and Questioned Costs
Year Ended June 30, 2020

None reported.

Hanford Elementary School District
State Compliance Findings and Questioned Costs
Year Ended June 30, 2020

None reported.

Hanford Elementary School District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

January 20, 2021

To the Governing Board
Hanford Elementary School District
Hanford, California

We have audited the financial statements of Hanford Elementary School District (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated January 20, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our engagement letter dated May 11, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the District complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the District's major federal program compliance, is to express an opinion on the compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the

effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the District's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated January 20, 2021. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated December 1, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the the year ended June 30, 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because

of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

Governmental Accounting Standards Board (GASB) requires the District to calculate, recognize, and report the costs and obligations associated with pensions in their financial statements. These amounts were all determined based on the District's proportionate share of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) estimated net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, which utilized projections of future contributions and future earnings, actuarial assumptions such as inflation, salary increases, mortality rates, and investment rate of return and discount rates in the determination of the final balances reported in the CalSTRS and CalPERS audited financial statements. The District's proportionate share was determined by calculating the District's share of contributions to the pension plan relative to the contributions of all participating entities in the plan.

Management's estimate of the Net OPEB liability, related deferred outflows of resources, related deferred inflows of resources and OPEB expense are based on a calculation of actuarially determined contributions for health insurance benefits.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to the Other Postemployment Benefits (OPEB) Liability and the District's proportionate share of the aggregate net pension liabilities relating to STRS and PERS.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected those known misstatements that were deemed to be material and are aware of the misstatements that were not corrected that were deemed immaterial which are attached to this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated January 20, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Noncompliance with Laws and Regulations

We have not identified any matters involving noncompliance with laws and regulations that came to our attention during the course of the audit.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have applied certain limited procedures to the General Fund-Budgetary Comparison Schedule, Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Contributions, and Note to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Schedule of Expenditures of Federal Awards, Local Education Agency Organization Structure, Schedule of Average Daily Attendance, Schedule of Instructional Time, Reconciliation of Annual Financial and Budget Report With Audited Financial Statements, Schedule of Financial Trends and Analysis, Combining Statements - Non-Major Governmental Funds and Note to Supplementary Information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Governing Board and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

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

Fresno, California

HANFORD ELEMENTARY SCHOOL DISTRICT

AGENDA REQUEST FORM

TO: Joy C. Gabler

FROM: David Endo

DATE: 02/01/2021

FOR: ☒ Board Meeting
☐ Superintendent's Cabinet

FOR: ☐ Information
☒ Action

Date you wish to have your item considered: 02/10/2021

ITEM:

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

PURPOSE:

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

The report has been included for review.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

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



Financial and Performance Audits
Building Fund (Measure U)
June 30, 2020

Hanford Elementary School District

Hanford Elementary School District
Building Fund (Measure U)

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June 30, 2020

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Financial Audit
Building Fund (Measure U)
June 30, 2020

Hanford Elementary School District

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Hanford Elementary School District's (the District), Building Fund (Measure U), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure U) of Hanford Elementary School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Building Fund specific to Measure U are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Hanford Elementary School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021, on our consideration of Hanford Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hanford Elementary School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hanford Elementary School District's internal control over financial reporting and compliance.



Fresno, California
January 25, 2021

Hanford Elementary School District
Building Fund (Measure U)

Balance Sheet
June 30, 2020

Assets	
Deposits and investments	\$ 2,196,258
Accounts receivable	<u>10,000</u>
Total assets	<u><u>\$ 2,206,258</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 1,450
Due to other funds	<u>10,000</u>
Total liabilities	<u>11,450</u>
Fund Balance	
Restricted for capital projects	<u>2,194,808</u>
Total liabilities and fund balance	<u><u>\$ 2,206,258</u></u>

Hanford Elementary School District
 Building Fund (Measure U)
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Year Ended June 30, 2020

Revenues	
Interest income	\$ 129,327
Expenditures	
Land improvements	<u>46,040</u>
Excess of Revenues over Expenditures	<u>83,287</u>
Other Financing Uses	
Transfers Out	<u>(5,416,846)</u>
Net Change in Fund Balance	(5,333,559)
Fund Balance - Beginning	<u>7,528,367</u>
Fund Balance - Ending	<u><u>\$ 2,194,808</u></u>

Hanford Elementary School District
Building Fund (Measure U)
Notes to Financial Statements
June 30, 2020

Note 1 - Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

Fund Accounting

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

Basis of Accounting

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

Budgets and Budgetary Accounting

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

Hanford Elementary School District
Building Fund (Measure U)
Notes to Financial Statements
June 30, 2020

Encumbrances

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

Fund Balance - Building Fund (Measure U)

As of June 30, 2020, the fund balance in the Building Fund was \$2,194,808.

As of June 30, 2020, the fund balance is classified as follows:

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

Use of Estimates

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

Note 2 - Investments**Policies and Practices**

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

Hanford Elementary School District
 Building Fund (Measure U)
 Notes to Financial Statements
 June 30, 2020

Investment in County Treasury

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

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Kings County Treasury Investment Pool. The District maintains a Building Fund (Measure U) investment of \$2,196,258 with the Kings County Treasury Investment Pool, with an average maturity of 369 days.

Hanford Elementary School District
 Building Fund (Measure U)
 Notes to Financial Statements
 June 30, 2020

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2020.

Note 3 - Fund Balances

Fund balances are composed of the following elements:

Restricted Capital projects	<u><u>\$ 2,194,808</u></u>
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Note 4 - Accounts Receivable

Accounts receivable at June 30, 2020, consisted of the following:

Local sources	<u><u>\$ 10,000</u></u>
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Note 5 - Interfund Transactions

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2020, between governmental funds arose from the Building Fund owing the General Fund for certain projects costs totaling \$10,000.

Additionally, the Building Fund transferred \$5,416,846 to the County School Facilities Fund to set aside matching funds for a potential state supported project.

Note 6 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

Vendor payables	<u><u>\$ 1,450</u></u>
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Hanford Elementary School District
 Building Fund (Measure U)
 Notes to Financial Statements
 June 30, 2020

Note 7 - Commitments and Contingencies

Construction Commitments

As of June 30, 2020, the Building Fund (Measure U) had the following commitments with respect to unfinished projects:

Measure U Projects	Remaining Construction Commitment	Expected Date of Completion
Monroe Parking Lot	\$ 650,000	Nov 2020
Richmond Modernization	2,650,000	June 2022
Roosevelt Modernization	1,768,000	June 2022
Lincoln Modernization	2,879,000	Nov 2020
	<hr/>	
Total	<u>\$ 7,947,000</u>	

Litigation

The District is not currently a party to any legal proceedings related to the Building Fund (Measure U) as of June 30, 2020.

Note 8 - Subsequent Events

General Obligation Bonds

The District's Governing Board of Directors adopted by resolution the issuance of \$7,600,000 of General Obligation Bonds. The official statement is dated September 23, 2020. The bonds fully mature on August 1, 2045, and yield from 2.0 to 2.540 percent interest. The bonds were sold as the final series of 2016 election, Measure U on the ballot. The issuance is for construction and modernizations projects within the District.



Independent Auditor's Report
June 30, 2020

Hanford Elementary School District

**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Hanford Elementary School District (the District) Building Fund (Measure U) as of and for the year ended June 30, 2020, and the related notes of the financial statements, and have issued our report thereon dated January 25, 2021.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Building Fund specific to Measure U are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Hanford Elementary School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Fresno, California
January 25, 2021

Hanford Elementary School District
Building Fund (Measure U)
Financial Statement Findings
June 30, 2020

None reported.

Hanford Elementary School District
Building Fund (Measure U)
Summary of Schedule of Prior Audit Findings
June 30, 2020

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.



Performance Audit
Building Fund (Measure U)
June 30, 2020

Hanford Elementary School District

Independent Auditor's Report on Performance

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

We were engaged to conduct a performance audit of the Hanford Elementary School District (the District) Building Fund (Measure U) for the year ended June 30, 2020.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely for the information and use of the District, and is not intended to be and should not be used by anyone other than this specified party

Eide Bailly LLP

Fresno, California
January 25, 2021

Authority for Issuance

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

The District received authorization from an election held on November 8, 2016, to issue bonds of the District in an aggregate principal amount not to exceed \$24 million to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and (ii) pay the costs of issuing the bonds. On June 14, 2017, the District issued \$8,800,000 in Election 2016, Series A, Measure U general obligation bonds. The Series A Bonds represent the first series of bonds to be issued under the 2016 Authorization. On March 17, 2019, the District issued \$7,600,000 in Election 2016, Series B, Measure U general obligation bonds. The Series B Bonds represent the second series of bonds to be issued under the 2016 Authorization. The total of the Series A and B issuances is \$16,400,000, leaving \$7,600,000 available to issue from Measure U.

Purpose of Issuance

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

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

Authority for the Audit

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

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a citizen’s oversight committee.
4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

Objectives of the Audit

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

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2019 to June 30, 2020. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2020, were not reviewed or included within the scope of our audit or in this report.

Methodology

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2020, for the Building Fund (Measure U). Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure U as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out where applicable, from July 1, 2019 through June 30, 2020 from July 1, 2019 through June 30, 2020 from Measure U bond proceeds.
 - b. We selected expenditures that were individually significant expenditures until we reached 40 percent of the total expenditures within the fund. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded \$91,000.
 - c. Additionally, if payroll costs were noted, obtained backup for the source of the expenditures regardless if the amount was below our individually significant thresholds to determine if they related to administrative duties not related to project management.
3. Our sample included transactions totaling \$2,698,949. This represents 49.4 percent of the total expenditures of \$5,462,886, including transfers out.
4. We reviewed the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were expended in accordance with voter-approved bond project list.
 - c. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
5. We determined that the District has met the compliance requirement of Measure U if the following conditions were met:
 - a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
 - b. Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the District.

Conclusion

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

Hanford Elementary School District
Building Fund (Measure U)
Schedule of Findings and Questioned Costs
June 30, 2020

None reported.

Hanford Elementary School District
Building Fund (Measure U)
Summary of Schedule of Prior Audit Findings
June 30, 2020

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

January 25, 2021

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

We have audited the financial statements of Hanford Elementary School District's (the District) Building Fund (Measure U) as of and for the year ended June 30, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit of the District's Building Fund (Measure U) under Generally Accepted Auditing Standards and Government Auditing Standards and the Performance Audit under Government Auditing Standards.

As communicated in our letter dated January 7, 2021, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Additionally, our responsibility, as described by professional standards, is to conduct a performance audit in accordance with Government Auditing Standards. Our audit of the financial statements and performance audit does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Hanford Elementary School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Hanford Elementary School District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the current year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's Building Fund (Measure U) financial statements relate to:

The Summary of significant accounting policies in Note 1.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Hanford Elementary School District financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated January 25, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Hanford Elementary School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Hanford Elementary School District's auditors.

This report is intended solely for the information and use of the Governing Board, the Citizens' Oversight Committee, and management of Hanford Elementary School District and is not intended to be, and should not be, used by anyone other than these specified parties.



Fresno, California