

**HAMILTON UNIFIED SCHOOL DISTRICT  
BOARD MEETING  
AGENDA  
Hamilton High School Library  
Wednesday, January 22, 2020**

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- 5:30 p.m. Public session for purposes of opening the meeting only.  
5:30 p.m. Closed session to discuss closed session items listed below.  
6:00 p.m. Reconvene to open session no **later** than 6:30 p.m.
- 

**1.0 OPENING BUSINESS:**

- a. Call to order and roll call

\_\_\_\_\_ Gabriel Leal, President  
\_\_\_\_\_ Genaro Reyes

\_\_\_\_\_ Hubert "Wendall" Lower, Clerk  
\_\_\_\_\_ Ray Odom

\_\_\_\_\_ Rod Boone

**2.0 IDENTIFY CLOSED SESSION ITEMS:**

- 3.0 **PUBLIC COMMENT ON CLOSED SESSION ITEMS:** Public comment will be heard on any closed session items. The board may limit comments to no more than three minutes per speaker and 15 minutes per item.

4.0 **ADJOURN TO CLOSED SESSION:** To consider qualified matters.

- a. Government Code Section 54957 (b), Personnel Issue. To consider the employment, evaluation, reassignment, resignation, dismissal, or discipline of a classified and certificated employees.
- b. Government Code Section 54957.6, Labor Negotiations. To confer with the District's Labor Negotiator, Superintendent Jeremy Powell regarding HTA and CSEA negotiations.
- c. Government Code Section 54956.9, Subdivision (a), Existing litigation. Name of case: Crews v. Hamilton Unified School District, Glenn County Superior Court, Case No. 15CV01394.
- d. Government Code Section 54956.9, Subdivision (a), Pending litigation. Name of case: Goodwin v. Hamilton Unified School District, Glenn County Superior Court, Case No. 19CV02117
- e. *Conference with Real Property Negotiators.* Property: Westermann property north of Hamilton High School, approximately located at 500 Sixth Street, Hamilton City, CA 95951 (APN: 032-230-015-000). Agency Negotiator: Jeremy Powell, Superintendent; Matt Juhl-Darlington, Attorney for District. Negotiating Parties: Westermann Family and Hamilton Unified School District. Under negotiation: Price and terms of payment.

*Report out action taken in closed session.*

**5.0 PUBLIC SESSION/FLAG SALUTE:**

**6.0 ADOPT THE AGENDA: (M)**

**7.0 ADJOURN TO ORGANIZATIONAL MEETING**

- a. Board President: Elect Board President for the 2020 year  
b. Board Clerk: Elect Board Clerk for the 2020 year

**8.0 COMMUNICATIONS/REPORTS:**

- a. Board Member Comments/Reports.
- b. ASB President and Student Council President Reports
- i. Hamilton High School, Giovanni Martinez
  - ii. Hamilton Elementary School, Ella Mendez
- c. District Reports (written)
- i. Technology Report by Frank James & Derek Hawley (page 1)
  - ii. Nutrition Services Report by Sean Montgomery (page 3)
  - iii. Operations Report by Alan Joksch (page 5)

- d. Principal and Dean of Student Reports
  - i. Kathy Thomas, Hamilton Elementary School Principal
  - ii. Maria Reyes, District Dean of Students
  - iii. Cris Oseguera, Hamilton High School Principal
  - iv. Sylvia Robles, Adult School (page 7)
- e. Chief Business Official Report by Kristen Hamman (page 9)
- f. Superintendent Report by Jeremy Powell (page 11)

**9.0 PRESENTATIONS:**

- a. Dual Immersion by Maggie Sawyer (page 15)

**10.0 CORRESPONDENCE:**

- a. None

**11.0 INFORMATIONAL ITEMS:**

- a. Form 700 – annual statement of Economic Interests -- see handout (page 25)
- b. HUSD Enrollment History for 5 years (page 35)
- c. Bond Satus (Fund 21) Update (page 37-39)
- d. HUSD Audit SAS Letter (page 41)

**12.0 DISCUSSION ITEMS:**

- a. PlaceWorks Additional Cost Proposal (page 45)
- b. HUSD Audit Report June 30, 2019 (page 47)
- c. Recommendation from Superintendent regarding 2018-19 Bond Transfer
- d. GCOE Differentiated Assistance Process (page 133)
- e. HHS Site Expansion Permitting Status Update – Mike Cannon (page 137)
- f. CSBA Policy Guide Sheet (for below **first readings**) (page 139)
  - i. Board Policy and Administrative Regulation 0460: Local Control and Accountability Plan (page 143)
  - ii. Board Policy 0520: Intervention for Underperforming Schools (New Policy) (page 159)
  - iii. Board Policy 0520.1: Comprehensive and Targeted Support and Improvement (New Policy) (page 162)
  - iv. Board Policy 1431: Waivers (page 166)
  - v. Board Policy and Administrative Regulation 3515: Campus Security (page 170)
  - vi. Board Policy and Administrative Regulation 4116: Probationary/Permanent Status (page 177)
    - 1. Option 1 (page 178)
    - 2. Option 2 (page 178)
  - vii. Board Policies 4119.22, 4219.22, 4319.22: Dress and Grooming (page 185)
  - viii. Board Policy 4216: Probationary/Permanent Status (page 187)
  - ix. Board Policy and Administrative Regulation 4218: Dismissal/Suspension/Disciplinary Action (page 189)
  - x. Board Policy 5131: Conduct (page 200)
  - xi. Board Policy 5131.8: Mobile Communication Devices (New Policy) (page 206)
  - xii. Board Policy 5132: Dress and Grooming (page 210)
  - xiii. Administrative Regulation 5141.26: Tuberculosis Testing (page 214)
  - xiv. Board Policy and Administrative Regulation 5142: Safety (page 218)
  - xv. Board Policy and Administrative Regulation 7140: Architectural and Engineering Services (page 230)
  - xvi. Board Bylaw 9323: Meeting Conduct (page 236)

**13.0 PUBLIC COMMENT:** Public comment on any item of interest to the public that is within the Board’s jurisdiction will be heard (agenda and non-agenda items). The Board may limit comments to no more than three minutes per speaker and 15 minutes per topic. Public comment will also be allowed on each specific action item prior to board action thereon.

**14.0 ACTION ITEMS:**

- a. Approve PlaceWorks Additional Cost Proposal (page 45)
- b. Accept HUSD Audit Report June 30, 2019 (page 47)
- c. Give Direction to Superintendent regarding 2018-19 Bond Transfer

**15.0 CONSENT AGENDA:** Items in the consent agenda are considered routine and are acted upon by the Board in one motion. There is no discussion of these items prior to the Board vote and unless a member of the Board, staff, or public request specific items be discussed and/or removed from the consent agenda. Each item on the consent agenda approved by the Board shall be deemed to have been considered in full and adopted as recommended.

- a. Minutes for regular Board Meeting on December 11, 2019 (page 243-254)
- b. Certificated and Classified Seniority Lists (pages 255-257)
- c. Approve 2018-19 School Accountability Report Cards (SARC): Hamilton High School, Ella Barkely High School, Hamilton Elementary School and Hamilton Community Day School. (pages 259-310)
- d. HES SSC Agenda December 10, 2019 (page 311)
- e. HES SSC Minutes December 10, 2019 (page 313)
- f. HES SSC Agenda January 14, 2020 (page 315)
- g. HES Signed Safety Plan 2018-19 (page 317)
- h. HHS Sports Boosters Minutes December 2, 2019 (page 323)
- i. Warrants and Expenditures. (page 325)
- j. Interdistrict Transfers (new only; elementary students reapply annually).
  - i. Out
    - 1. Hamilton Elementary School
      - a. K x 1 (for 2020-21 school year)
    - 2. Hamilton High School
      - a. none
  - ii. In
    - 1. Hamilton Elementary School
      - a. none
    - 2. Hamilton High School
      - a. none
- k. Personnel Actions as Presented:
  - i. New hires:

|                    |   |          |
|--------------------|---|----------|
| Karen Tweedt-Ordaz | Job Re-Entry/Job Coach Instructor<br>(Short-Term/Temporary) | Adult Ed |
|--------------------|---|----------|
  - ii. Resignations/Retirement: None

**16.0 ADJOURNMENT:**



## HUSD Technology Report

Board Meeting on January 22, 2020

Frank James, Director of Technology

Derek Hawley, Information Systems Technician

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### Completed and in Progress Tasks – January 2020

1. **Caching Server:** Caching Server has been configured and deployed within the HUSD network. This device will help keep our network stable and limit bandwidth spikes which causes the internet to slow down. The Caching Server will also limit possible network lag during high usage times.
2. **CNIPS reporting:** CNIPS data migration has been properly mapped and we are exploring a tool to automate the export and upload process (from NutriKids to CNIPS). We receive nutrition funding with this report.
3. **Internet for all:** We are exploring a Comcast program that helps provide low cost internet for families of students. Families that qualify for Free and Reduced lunches would be able to get internet in their homes for roughly \$10 a month.
4. **VoIP Project:** We are exploring bringing our VoIP services in house. The proposal we are putting together has the possibility to have significant savings to the District in 20-21 and beyond.
5. **Laserfiche renewal:** We are in the process of renewing our Laserfiche license and support. We are putting together a proposal that would move Laserfiche our servers to the cloud (SaaS). This could reduce by half our license and support cost.



# HUSD Food Service Report

## Board Meeting on January 22, 2020

Sean Montgomery, Director of Nutrition and Student Welfare

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### Elementary School

We served 1,968 breakfasts in December.

- Free ..... 1,473
- Reduced ..... 407
- Full Price..... 88

We served 5,204 lunches in December.

- Free ..... 3,522
- Reduced ..... 1,333
- Full Price..... 349

### High School

We served 1,692 breakfasts in December.

- Free ..... 889
- Reduced ..... 429
- Full Price..... 374

We served 1,190 lunches

- Free ..... 659
- Reduced ..... 359
- Full Price..... 172

We completed HUSD's application verification process for the 2019-20 school year.

We are in the process of joining a new commodity co-op (the State Co-op) that should better serve a district of our size.





## HUSD Maintenance Report

Board Meeting on December 11, 2019

Alan Joksch, Director of Maintenance and Transportation

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**Happy New Year!**

### **Fall Sports**

1. We have hosted 9 home basketball games and transported teams to 11 away games.
2. We have hosted 6 home soccer games and had 4 away.
3. The elementary girls' basketball has ended and the boys will begin on Jan 15<sup>th</sup>. We will use vans for most of their games.

### **Facilities**

1. The HVAC project has been completed. The last set of units were installed on January 9<sup>th</sup>. The entire project went smoothly and the weather cooperated so they were finished ahead of schedule. We still have a few other issues with some older units, but they did not fall into this project.
2. New parking lot lighting was installed at Ella Barkley. Two LED fixtures have replaced the old High-Pressure lights that were on the poles. Again, there are other lighting issues there, but that is another project.
3. Over the holiday break the campuses were cleaned and the Maintenance Shop front lot was organized.

### **Maintenance Tickets**

1. This month, we opened 20 new tickets and closed 6. Many of the other open tickets have been addressed but were not closed by the time of this report.



The Robles Report-Adult Education

Board Meeting on January 22, 2020

Silvia Robles, Director of Adult Education

Guadalupe Mercado, Administrative Technician

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**Completed and in Progress Tasks – January, 2020**

1. Enrollment and students served to date for all programs:

|   |            |
|---|------------|
| • Citizenship -----                     | 12         |
| • Computer Literacy -----               | 9          |
| • ESL -----                             | 19         |
| • Floral Design-----                    | 0          |
| • Forklift Training-----                | 38         |
| • High School Diploma-----              | 22         |
| • Intensive ELD/Childcare Provider----- | 0          |
| • Job Reentry-Starts Spring 2020 -----  | 0          |
| <b>TOTAL: -----</b>                     | <b>100</b> |

2. Recruitment/Outreach at Emergency Food Distribution in Hamilton January 18, 2020.

3. Monthly flyers are being distributed to nonprofit organizations and partners in an ongoing effort to help support our Adult School.

4. Spring 2020 Class Schedules were mailed to Hamilton City Residents. They are also available at the Adult School, High School and on our website.

**Upcoming Events and Reporting Due:**

1. Second Quarter Data Integrity Report for Oct, Nov, and Dec., Due January 31, 2020.

2. Hamilton Adult Ed Agency's Implementation Training Due January 31, 2020.

3. Hamilton Adult Ed Agency's Technology Plan Due January 31, 2020.



**Hamilton Unified School District**  
**General Fund - Unrestricted and Restricted**  
**January 2020 Board Report**  
**As of 1/13/2020**

|  | 2019-2020           | 2019-2020           | 2018-2019           | 2018-2019           |
|--|---------------------|---------------------|---------------------|---------------------|
|  | First Interim       | Year To Date        | First Interim       | Year To Date        |
|  | Revised Budget      |                     | Revised Budget      |                     |
| <b>Revenues</b>                            |                     |                     |                     |                     |
| LCFF Sources                               | \$ 7,873,467        | \$ 3,929,983        | \$ 7,548,255        | \$ 3,776,674        |
| All Other Federal Revenue                  | \$ 279,569          | \$ 116,130          | \$ 260,002          | \$ 173,230          |
| Other State Revenue                        | \$ 382,413          | \$ 106,268          | \$ 513,194          | \$ 102,373          |
| Other Local Revenue                        | \$ 79,577           | \$ 61,425           | \$ 35,500           | \$ 32,970           |
| Other Financing Sources                    | \$ -                | \$ -                | \$ 27,972           | \$ -                |
| <b>Total Revenues</b>                      | <b>\$ 8,615,026</b> | <b>\$ 4,213,806</b> | <b>\$ 8,384,923</b> | <b>\$ 4,085,247</b> |
| <b>Expenditures</b>                        |                     |                     |                     |                     |
| Certificated Personnel Salaries            | \$ 3,470,510        | \$ 1,600,207        | \$ 3,481,700        | \$ 1,632,525        |
| Classified Personnel Salaries              | \$ 1,191,536        | \$ 583,879          | \$ 1,146,555        | \$ 594,729          |
| Employee Benefits                          | \$ 1,985,517        | \$ 929,043          | \$ 1,894,485        | \$ 918,984          |
| Books and Supplies                         | \$ 447,944          | \$ 216,867          | \$ 390,899          | \$ 286,164          |
| Travel and Conferences                     | \$ 118,453          | \$ 18,498           | \$ 143,568          | \$ 43,044           |
| Dues and Memberships                       | \$ 12,000           | \$ 14,843           | \$ 9,500            | \$ 8,813            |
| Other Insurance                            | \$ 100,695          | \$ 100,695          | \$ 89,819           | \$ 87,145           |
| All Other Utilities                        | \$ 275,450          | \$ 145,360          | \$ 205,500          | \$ 138,731          |
| Rents/Leases/Repairs                       | \$ 77,099           | \$ 39,539           | \$ 102,299          | \$ 41,411           |
| Other Operating Expenditures               | \$ 300,479          | \$ 160,681          | \$ 306,392          | \$ 220,047          |
| Capital Outlay                             | \$ 402,972          | \$ 187,532          | \$ 200,000          | \$ 545,697          |
| Other Outgo                                | \$ 903,813          | \$ -                | \$ 660,816          | \$ -                |
| <b>Total Expenditures</b>                  | <b>\$ 9,286,468</b> | <b>\$ 3,997,144</b> | <b>\$ 8,631,533</b> | <b>\$ 4,517,290</b> |
| <b>Net Increase (Decrease) in Fund</b>     | <b>\$ (671,442)</b> | <b>\$ 216,662</b>   | <b>\$ (246,610)</b> | <b>\$ (432,043)</b> |
| Beg. Fund Bal. (2018-19 Unaudited Actuals) | \$ 1,258,543        |                     |                     |                     |
| Projected End. Fund Bal.                   | \$ 587,101          |                     |                     |                     |



# HUSD Superintendent Report

Board Meeting on January 22, 2020

Jeremy Powell, Ed. D.

It is amazing how quickly nearly one-half of the school year can fly by! During our Winter Break, many projects around the district have been completed (both large and small). Our Prop 39 AC Project completed the final phase the week before school started, the Boys and Girls Club updated their Clubhouse, and the maintenance staff was able to scrub classrooms.

### Target Goals created by District Cabinet:

- Focus on Dual Immersion-Bilingual/Biliterate/Bicultural
- All students at Standard and Achievement Gap Closed
- Graduates who are College and Career Ready

### District Highlights for December & January:

- California Assessment of Student Performance and Progress (CAASPP) data was released in late December (see attached). As a district, we had some strong areas of growth, but continued to lag behind state expectations in several identified areas (Students with Disabilities-English, Math, and Suspension rate were all in the Red).
- On Friday, December 13 during our Quarterly Cabinet Meeting, we reviewed parent input strategies from several districts and created a structure for seeking parent input (see Handout Survey).
- District Leadership met several times throughout the Winter Break to discuss options to reduce expenditures both for this school year and next school year. Many of these ideas will be presented on January 27 to the Superintendent Budget Advisory Committee Meeting. We are hoping to have representatives from the district, HTA, CSEA, and board members present.

### Upcoming Events:

- 1/20: No School MLK Jr. Holiday
- 1/22: HUSD Board Meeting
- 1/27: Superintendent Budget Advisory Committee Meeting @ 3:30 in the HHS Library
- 2/10: No School-Lincoln's Birthday
- 2/17: No School- Presidents Day
- 3/1-3/3: SSDA Annual Conference in Sacramento

**Save the Date**  
**Small School Districts' Association**  
**37th Annual Conference & Trade Show**  
**March 1-3, 2020**

| <u>Sunday, March 1, 2020</u>  | <u>Holiday, March 2, 2020</u>  | <u>Tuesday, March 3, 2020</u> |
|-------------------------------|--------------------------------|-------------------------------|
| • Pre-Conference Sessions     | • 30+ Workshops                | • Keynote Speaker             |
| • Trade Show                  | • Keynote Speakers             | • Workshops                   |
| • Reception & Keynote Speaker | • Blinderup Award Presentation |                               |
|                               | • Trade Show & Raffle          |                               |
|                               | • Reception & Karaoke Night    |                               |

**Setting The Vision**      **For Excellence**





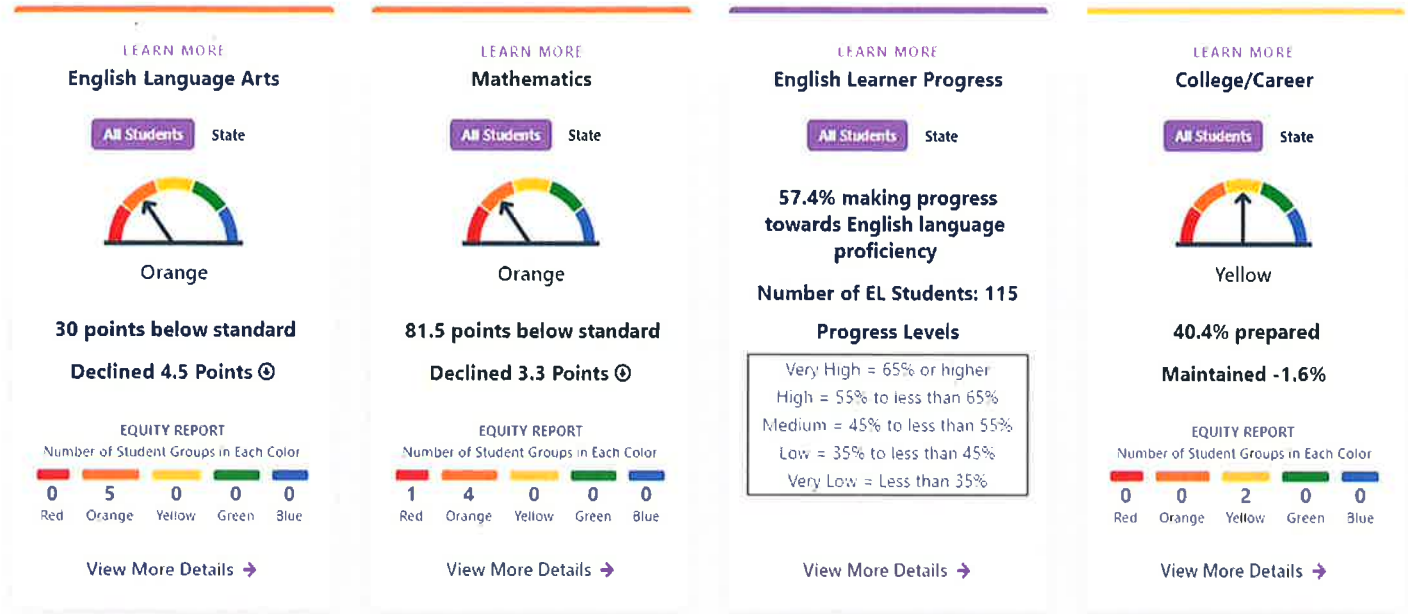
# 2018-2019 Hamilton Unified Dashboard Results

(Information from: <https://www.caschooldashboard.org/>)

HAMILTON UNIFIED

## Academic Performance

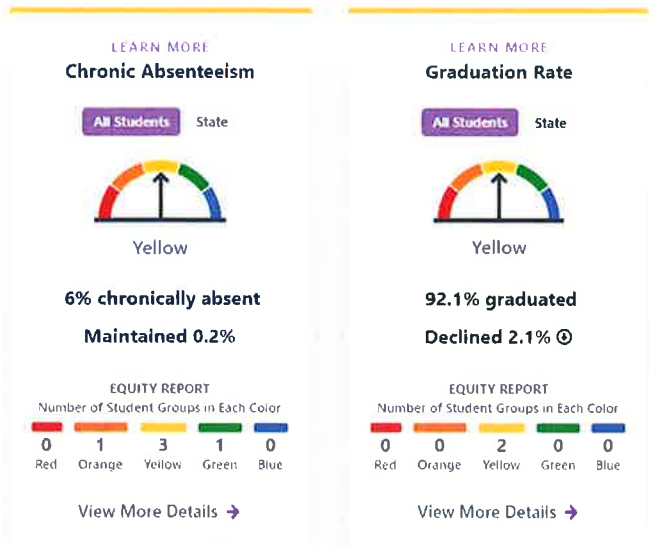
View Student Assessment Results and other aspects of school performance.



HAMILTON UNIFIED

## Academic Engagement

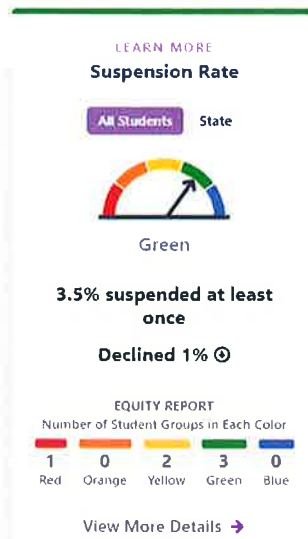
See information that shows how well schools are engaging students in their learning.



HAMILTON UNIFIED

## Conditions & Climate

View data related to how well schools are providing a healthy, safe and welcoming environment.





**HUSD Dual Immersion Program**  
**Board Meeting on January 22, 2020**  
**Presented by Maggie Sawyer, Assistant Principal/ELD Coordinator**

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**Mission**

Develop bilingual/biliterate students that are high achieving in academics, are college, career, globally ready, and sociocultural competence.


**Goals**

- Develop a high level of proficiency in understanding, speaking, reading, and writing in both English and Spanish.
- Prepare students to perform at or above grade level in both languages.
- Foster positive attitudes toward other languages and cultures.
- Promote self-esteem and leadership skills.

**Benefits**

- High academic achievement
- Competitive advantage
- Brain power (prolongs the onset of dementia and Alzheimer's)

**Seal of Biliteracy Pathway**

|  |   |
|--|---|
| <p>Elementary School<br/>         "Biliteracy Award"<br/>         End of 3rd &amp; 5th Grade</p> | <p>Middle School<br/>         "Biliteracy Attainment Award"<br/>         End of 8th Grade</p> |
| <p>High School<br/>         Seal of Biliteracy<br/>         End of 12th Grade</p>                |           |

## Enrollment

| Grade        | Maestra        | Students |
|--------------|----------------|----------|
| Kindergarten | Aimee Curiel   | 24       |
| 1st          | Maria Alvarez  | 24       |
| 2nd          | Maria Esquivel | 22       |
|              | <b>TOTAL</b>   | 70       |

## Cultural Events

- Día de la Independencia



- Día de los Muertos



- Día de los Niños



## Language Allocation & Curriculum Matrix

Currently in K-2, next year we will expand to 3rd grade with the goal of TK-12 district wide.

| Gr. | Time           | Spanish   | Time          | English  |
|-----|----------------|---|---------------|--|
| K   | 90%<br>285 min | Reading/ Spanish Language Arts<br>Math<br>Social Science<br>Science<br>PE | 10%<br>30 min | English Language Development (ELD) or<br>Literacy Extension<br>Music |
| 1   | 90%<br>285 min | Reading/Spanish Language Arts<br>Math<br>Social Science<br>Science<br>PE  | 10%<br>30 min | English Language Development (ELD) or<br>Literacy Extension<br>Music |
| 2   | 80%<br>255 min | Reading/Spanish Language Arts<br>Math<br>Social Science<br>Science<br>PE  | 20%<br>60 min | English Language Development<br>(ELD) or Literacy Extension<br>Music |

### Future Classes

|            |                |   |                   |   |
|------------|----------------|---|-------------------|---|
| 3          | 70%<br>220 min | <i>Reading/Spanish Language Arts<br/>Math<br/>Social Science<br/>Science<br/>PE</i> | 30%<br>95 min     | <i>Reading/English Language Arts<br/>English Language Development<br/>(ELD) or Literacy Extension<br/>Music</i>                           |
| 4          | 60%<br>190 min | <i>Reading/Spanish Language Arts<br/>Math<br/>Social Science<br/>Science</i>        | 40%<br>130<br>min | <i>Reading/English Language Arts<br/>English Language Development<br/>(ELD) or Literacy Extension<br/>Music<br/>PE</i>                    |
| 5          | 50%<br>160 min | <i>Reading/Spanish Language Arts<br/>Math<br/>Science</i>                           | 50%<br>160<br>min | <i>Reading/English Language Arts<br/>English Language Development<br/>(ELD) or Literacy Extension<br/>Social Science<br/>Music<br/>PE</i> |
| 6 - 8*     | 25%            | <i>Two courses in Spanish</i>   | 75%               | <i>Six courses in English</i>   |
| 9 -<br>12* | 25%            | <i>Two courses in Spanish</i>   | 75%               | <i>Two courses in English</i>   |

\*In order to have a Dual Immersion program in Middle School and High School, a minimum of two classes need to be in Spanish.

Professional Development

**Dr. Claudia Rodriguez-Mojica**

| Date               | Training  | Participants                                      |
|--------------------|---|---|
| March 23, 2018     | Foundations of Bilingual Education & Bilingualism<br>Bilingual Methods: An Introduction | TK-8 All staff (AM)<br>K-5 BCLAD (PM)             |
| August 6 & 7, 2018 | Dual Language Implementation Workshop   | V. Ortiz, M. Alvarez, M. Sawyer                   |
| Sept. 21, 2018     | Dual Language Support Session (AM)<br>School-wide commitment to bilingualism (PM)       | Ortiz & Alvarez<br>TK - 8 All staff               |
| Oct. 29, 2018      | Dual Language Support   | Ortiz & Alvarez                                   |
| Nov. 7, 2018       | Dual Language Support and Coaching Session  | Ortiz & Alvarez                                   |
| Feb. 26, 2019      | Dual Immersion Parent Workshop  | K and 1st grade parents                           |
| March 28, 2019     | Dual Language Support and Coaching Session  | Ortiz & Alvarez                                   |
| March 29, 2019     | School-wide commitment to bilingualism (AM)<br>Dual Language Support Session (PM)       | TK-8 All staff<br>BCLAD Teachers                  |
| May 9, 2019        | Dual Language Support Session   | Ortiz, Alvarez, & M. Esquivel                     |
| Aug. 6-7, 2019     | Dual Language Implementation  | A.Curiel, Alvarez, & M. Esquivel                  |
| Sept. 11, 2019     | All day<br>Coaching and Observation Session (focus on student interactions)             | Curiel, Alvarez, G.Godinez, E. Peery, & M. Llamas |

**Upcoming dates with Dr. Claudia Rodriguez-Mojica:**

| Date           | Training  | Participants                                      |
|----------------|---|---|
| Jan. 24, 2020  | Dual Language Support Session (AM)<br>Engaging students in sustained interactions with teacher and peers (PM) | Curiel, Alvarez, Esquivel<br>TK-8 All staff       |
| March 19, 2020 | All day<br>Coaching & Observation Session (focus on student interactions)                                     | Curiel, Alvarez, G.Godinez, E. Peery, & M. Llamas |

**CIELO - Community and Instruction for Expanding English Learners' Opportunities**

The Center for Bilingual/Multicultural Studies from CSU, Chico's School of Education acquired a 5 year \$2.9 million grant funded by the United States Department of Education. Their goal is to improve instructional practices of Dual Language Immersion Programs as they specifically serve English Learners. HES teachers have had the opportunity to participate in the CIELO summer institute for the last two years and will continue to be involved in future trainings and lesson studies as they are offered.

| Date             | Training  | Participants   |
|------------------|---|--|
| June 11-15, 2018 | CIELO Summer Institute provided PD focussing on increasing Spanish vocabulary in Math and Science for TK-2nd grade DI teachers and ELD activities for English teachers. Two lesson studies throughout the academic year.  | Spanish - M. Sawyer, V. Ortiz, M. Alvarez, M. Esquivel, M. Hernandez<br>English - N. Heffley |
| June 10-14, 2019 | CIELO Summer Institute provided PD focussing on increasing Spanish vocabulary in Math and Science for 3rd-6th grade DI teachers and ELD activities for English teachers. Two lesson studies throughout the academic year. | Spanish - M. Hernandez, L. Cox, M. Llamas, & M. Sawyer                                       |

**Upcoming CIELO dates: TBD**

**California Association for Bilingual Educators (CABE)**


| Date       | Training               | Participants       |
|------------|------------------------|--------------------|
| March 2018 | CABE Annual Conference | Thomas, Sawyer, R. |

|            |   |                                |
|------------|---|--------------------------------|
|            | Many various breakout sessions offered for different stakeholders. A small team from HUSD's Spanish Language committee attended to gather details for future DI program implementation.                                   | Sanchez, G. Reyes, & L. Garcia |
| April 2019 | CABE Annual Conference<br>Sawyer and Dr. Claudia Rodriguez-Mojica presented a break out session sharing the HUSD's DI program and vision of a school-wide commitment to bilingualism with educators throughout the state. | Sawyer and Alvarez             |

**Upcoming CABE dates:**

|            |  |  |
|------------|--|--|
| April 2020 | CABE Annual Conference - CIELO grant to pay for four participants that attended the summer institute in 2019 | M. Hernandez, L. Cox, M. Llamas, M. Sawyer |
|------------|--|--|

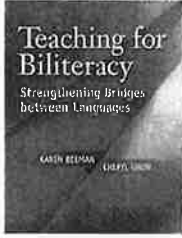
**Estrellitas - Accelerated Beginning Spanish Reading**

| Date          | Training   | Participants                      |
|---------------|--|-----------------------------------|
| July 29, 2019 |  <p>Training to implement Estrellita Curriculum in the dual immersion classroom. Estrellita is a multisensory phonics program that provides accelerated, systematic, explicit phonics instruction to decode in Spanish.</p> | Curiel, Alvarez, Esquivel, Sawyer |

**Book Study**

| Date | Training | Participants |
|------|----------|--------------|
|------|----------|--------------|



|          |  |   |
|----------|--|---|
| On going |  <p><i>Teaching for Bilingual Literacy: Strengthening Bridges between Languages</i> by Karen Beeman and Cheryl Urow. The authors introduce the concept of the Bridge to transfer language and academic content. Teachers meet once a month to discuss the book, focusing on classroom and school wide applications.</p> | A.Curiel, M, Alvarez, M. Esquivel, M. Hernandez, L. Cox, M. Llamas, S. Dickerson, and M. Sawyer |
|----------|--|---|

### Spanish Curriculum

| Implementation Year | Grades    | Number of students | Content Area  |
|---------------------|-----------|--------------------|---|
| Year 1<br>2018-2019 | K and 1st | 48                 | <p><b>Mathematics</b></p> <p>Early Learning Mathematics ( Kit del profesor - PDF Aprendizaje Temprano de las Matemáticas) 24 students</p> <p>Everyday Mathematics 4th Edition, Grade 1, 24 students</p> <p><b>Benchmark Adelante (Spanish Language Arts)</b><br/>K-1 Includes 8 year adoption<br/>Student consumables &amp; digital access, 48 students</p> <p><b>Social Science</b><br/>K-1, 48 students</p> |
| Year 2<br>2019-2020 | 2nd grade | 24 students        | <p>Everyday Math 4th Ed, Grade 2, 24 students<br/>Kindergarten 24 students</p> <p><b>Benchmark Adelante (Spanish Language Arts)</b><br/>Grade 2 only Includes 8 year subscription<br/>Student consumables &amp; digital access.</p> <p><b>Social Science</b><br/>K, 1st, &amp; 2nd grade, 72 students</p>   |

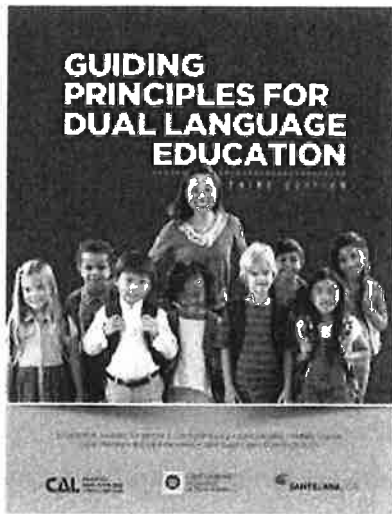
**Future Curriculum Needs:**

| Implementation Year | Grades | Number of students | Content Area   |
|---------------------|--------|--------------------|--|
| Year 3<br>2020-2021 | 3rd    | 24                 | <ul style="list-style-type: none"><li>● Everyday Math 4th Ed - 3rd grade</li><li>● Benchmark Adelante (Spanish)</li><li>● Science</li><li>● Social Studies</li></ul> |
| Year 4<br>2021-2022 | 4th    | 24                 | <ul style="list-style-type: none"><li>● Everyday Math 4th Ed - 4th grade</li><li>● Benchmark Adelante (Spanish)</li><li>● Science</li><li>● Social Studies</li></ul> |
| Year 5<br>2022-2023 | 5th    | 24                 | <ul style="list-style-type: none"><li>● Everyday Math 4th Ed - 5th grade</li><li>● Benchmark Advance (Spanish)</li><li>● Science</li></ul>                           |

**Spanish Rich Environment**

- Spanish classroom environment
- Spanish library books
- Classroom/School Wide expectations posters
- Primary playground
- Special events always bilingual (Recognition awards, assemblies, etc.)

**Program Self-Assessment - CAL Guiding Principles for Dual Language Education**



Steering committee met January - May 2019 and conducted a program self-assessment using the Center for Applied Linguistics' (CAL) *Guiding Principles for Dual Language Education*. The team identified areas of strengths as well as areas to improve then developed action steps. These action steps were shared at the DELAC, ELAC, and parent breakfast for community input. These are the identified areas we will be focusing on to improve our program.

#### **Strand 1: Program Structure**

- Principle 1.D - Appropriate grade-level academic expectations are clearly identified in the program design.
- Principle 2.B - The program promotes linguistic equity.

#### **Strand 2: Curriculum**

- Principle 1.A - There is a curriculum development and implementation plan.
- Principle 1.E - The curriculum is coordinated within and across grade levels.

#### **Strand 3: Instruction**

- Principle 1.F - Teachers who provide support services (e.g., special education, gifted education, ESL) and specials (e.g., art, music) align their instruction with the dual language model.
- Principle 3.B - Teachers create meaningful opportunities for sustained language use.

#### **Strand 4: Assessment and Accountability**

- Principle 1.D - Staff are provided ongoing professional development opportunities in assessment and accountability.
- Principle 2.A - Student assessment is aligned with program goals, instructional objectives, and language and literacy standards for both languages of instruction.

**Strand 5: Staff Quality and Professional Development**

- Principle 1.A - There is a teacher recruitment and retention plan that is aligned with program goals and long-term needs.
- Principle 2.B - Approaches to professional development respect individual interests and learning styles and foster autonomy and ownership of the learning process.

**Strand 6: Family and Community**

- Principle 2.A - The program incorporates ongoing learning activities that are designed to help families understand, support, and advocate for the program.
- Principle 2.E - The program partners with families to promote home-school connections.

**Strand 7: Support and Resources**

- Principle 1.B - Instructional and support staff have adequate knowledge to support and lead the program.
- Principle 2.A - The dual language program has equitable access to school, district, and state resources.

Secretary/President

Conflict of Interest Code of the  
Hamilton Unified School District

The provisions of 2 CCR 18730 and any amendments to it adopted by the Fair Political Practices Commission, together with the attached Appendix specifying designated positions and disclosure categories, are incorporated by reference and shall constitute the district's conflict of interest code.

Governing Board members and designated employees shall file a Statement of Economic Interest/Form 700 in accordance with the disclosure categories listed in the attached Appendix. The Statement of Economic Interest shall be filed with the district's filing officer and/or, if so required, with the district's code reviewing body. The district's filing officer shall make the statements available for public review and inspection.

#### APPENDIX

##### Disclosure Categories

1. Category 1: A person designated Category 1 shall disclose:
  - a. Interests in real property located entirely or partly within district boundaries, or within two miles of district boundaries, or of any land owned or used by the district.
  - b. Investments or business positions in or income from sources which are engaged in the acquisition or disposal of real property within the district, are contractors or subcontractors which are or have been within the past two years engaged in work or services of the type used by the district, or manufacture or sell supplies, books, machinery, or equipment of the type used by the district.
2. Category 2: A person designated Category 2 shall disclose:
  - a. Investments or business positions in or income from sources which are contractors or subcontractors engaged in work or services of the type used by the department which the designated person manages or directs.
  - b. Investments or business positions in or income from sources which manufacture or sell supplies, books, machinery, or equipment of the type used by the department which the designated person manages or directs. For the purposes of this category, a principal's department is his/her entire school.

3. Full Disclosure: Because it has been determined that the district's Board members and/or Superintendent "manage public investments," they and other persons designated for "full disclosure" shall disclose, in accordance with Government Code 87200:

- a. Interests in real property located entirely or partly within district boundaries, or within two miles of district boundaries, or of any land owned or used by the district.
- b. Investments, business positions, and sources of income, including gifts, loans, and travel payments.

Designated Positions

| Designated Position                                     | Disclosure Category |
|---|---------------------|
| Governing Board Members                                 | 1                   |
| District Superintendent/Principal Alternative Education | 1                   |
| Chief Business Official                                 | 1                   |
| District Accounts Clerk                                 | 1                   |
| Principal, Hamilton High School                         | 2                   |
| Principal, Hamilton Elementary School                   | 2                   |
| Assistant Principal, Hamilton Elementary School         | 2                   |
| Director of Maintenance, Operations and Transportation  | 2                   |
| Dean of Students  | 2                   |
| Director of Technology                                  | 2                   |
| Director of Nutrition and Student Welfare               | 2                   |
| Activities Director                                     | 2                   |

Disclosures for Consultants

Consultants are designated employees who must disclose financial interests as determined on a case-by-case basis by the Superintendent or designee. The Superintendent or designee's written determination shall include a description of the consultant's duties and a statement of the extent of disclosure requirements based upon that description. All such determinations are public records and shall be retained for public inspection along with this conflict of interest code.

A consultant is an individual who, pursuant to a contract with the district, makes a governmental decision whether to: (2 CCR 18701)

- 1. Approve a rate, rule, or regulation
- 2. Adopt or enforce a law
- 3. Issue, deny, suspend, or revoke a permit, license, application, certificate, approval, order, or similar authorization or entitlement

4. Authorize the district to enter into, modify, or renew a contract that requires district approval
5. Grant district approval to a contract that requires district approval and in which the district is a party, or to the specifications for such a contract
6. Grant district approval to a plan, design, report, study, or similar item
7. Adopt or grant district approval of district policies, standards, or guidelines

A consultant is also an individual who, pursuant to a contract with the district, serves in a staff capacity with the district and in that capacity participates in making a governmental decision as defined in 2 CCR 18702.2 or performs the same or substantially all the same duties for the district that would otherwise be performed by an individual holding a position specified in the district's conflict of interest code. (2 CCR 18701)

Regulation HAMILTON UNIFIED SCHOOL DISTRICT  
approved: September 26, 2018 Hamilton City, California

**CONFLICT OF INTEREST**

The Governing Board desires to maintain the highest ethical standards and help ensure that decisions are made in the best interest of the district and the public. In accordance with law, Board members and designated employees shall disclose any conflict of interest and, as necessary, shall abstain from participating in the decision.

*(cf. 9005 - Governance Standards)*

The Board shall adopt a resolution that specifies the terms of the district's conflict of interest code, the district's designated positions, and the disclosure categories required for each position.

Upon direction by the code reviewing body, the Board shall review the district's conflict of interest code and submit any changes to the code reviewing body.

When a change in the district's conflict of interest code is necessitated due to changed circumstances, such as the creation of new designated positions, changes to the duties assigned to existing positions, amendments, or revisions, the amended code shall be submitted to the code reviewing body within 90 days. (Government Code 87306)

When reviewing and preparing the district's conflict of interest code, the Superintendent or designee shall provide officers, employees, consultants, and members of the community adequate notice and a fair opportunity to present their views. (Government Code 87311)

*(cf. 9320 - Meetings and Notices)*

Board members and designated employees shall annually file a Statement of Economic Interest/Form 700 in accordance with the disclosure categories specified in the district's conflict of interest code. A Board member who leaves office or a designated employee who leaves district employment shall, within 30 days, file a revised statement covering the period of time between the closing date of the last statement and the date of leaving office or district employment. (Government Code 87302, 87500)

*(cf. 4117.2/4217.2/4317.2 - Resignation)*

*(cf. 9222 - Resignation)*

**Conflict of Interest under the Political Reform Act**

A Board member or designated employee shall not make, participate in making, or in any way use or attempt to use his/her official position to influence a governmental decision in which he/she knows or has reason to know that he/she has a disqualifying conflict of interest. A conflict of interest exists if the decision will have a "reasonably foreseeable material financial effect" on one or more of the Board member's or designated employee's "economic



**CONFLICT OF INTEREST** (continued)

interests," unless the effect is indistinguishable from the effect on the public generally or the Board member's or designated employee's participation is legally required. (Government Code 87100, 87101, 87103; 2 CCR 18700-18709)

A Board member or designated employee makes a governmental decision when, acting within the authority of his/her office or position, he/she votes on a matter, appoints a person, obligates or commits the district to any course of action, or enters into any contractual agreement on behalf of the district. (2 CCR 18702.1)

A Board member who has a disqualifying conflict of interest on an agenda item that will be heard in an open meeting of the Board shall abstain from voting on the matter. He/she may remain on the dais, but his/her presence shall not be counted towards achieving a quorum for that matter. A Board member with a disqualifying conflict of interest shall not be present during a closed session meeting of the Board when the decision is considered and shall not obtain or review a recording or any other nonpublic information regarding the issue. (2 CCR 18702.1)

**Additional Requirements for Boards that Manage Public Investments**

A Board member who manages public investments pursuant to Government Code 87200 and who has a financial interest in a decision shall, upon identifying a conflict or potential conflict of interest and immediately prior to the consideration of the matter, do all of the following: (Government Code 87105; 2 CCR 18702.5)

1. Publicly identify each financial interest that gives rise to the conflict or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required.
2. Recuse himself/herself from discussing and voting on the matter, or otherwise acting in violation of Government Code 87100. The Board member shall not be counted toward achieving a quorum while the item is discussed.

However, the Board member may speak on the issue during the time that the general public speaks on it and may leave the dais to speak from the same area as members of the public. He/she may listen to the public discussion of the matter with members of the public.

3. Leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters.

If the item is on the consent calendar, the Board member must recuse himself/herself from discussing or voting on that matter, but the Board member is not required to leave the room during consideration of the consent calendar.

**CONFLICT OF INTEREST (continued)**

4. If the Board's decision is made during closed session, disclose his/her interest orally during the open session preceding the closed session. This disclosure shall be limited to a declaration that his/her recusal is because of a conflict of interest pursuant to Government Code 87100. He/she shall not be present when the item is considered in closed session and shall not knowingly obtain or review a recording or any other nonpublic information regarding the Board's decision.

*(cf. 3430 - Investing)*

**Conflict of Interest under Government Code 1090**

Board members, employees, or district consultants shall not be financially interested in any contract made by the Board on behalf of the district, including in the development, preliminary discussions, negotiations, compromises, planning, reasoning, and specifications and solicitations for bids. If a Board member has such a financial interest, the district is barred from entering into the contract. (Government Code 1090; Klistoff v. Superior Court, (2007) 157 Cal.App. 4th 469)

A Board member shall not be considered to be financially interested in a contract if his/her interest is a "noninterest" as defined in Government Code 1091.5. One such noninterest is when a Board member's spouse/registered domestic partner has been a district employee for at least one year prior to the Board member's election or appointment. (Government Code 1091.5)

A Board member shall not be considered to be financially interested in a contract if he/she has only a "remote interest" in the contract as specified in Government Code 1091 and if the remote interest is disclosed during a Board meeting and noted in the official Board minutes. The affected Board member shall not vote or debate on the matter or attempt to influence any other Board member to enter into the contract. (Government Code 1091)

Even if there is not a prohibited conflict of interest, a Board member shall abstain from voting on personnel matters that uniquely affect his/her relatives. However, a Board member may vote on collective bargaining agreements and personnel matters that affect a class of employees to which his/her relative belongs. *Relative* means an adult who is related to the Board member by blood or affinity within the third degree, as determined by the common law, or an individual in an adoptive relationship within the third degree. (Education Code 35107)

A relationship within the third degree includes an individual's parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, brothers, sisters, aunts, uncles, nieces, nephews, and the similar family of the individual's spouse/registered domestic partner unless the individual is widowed or divorced.

**CONFLICT OF INTEREST** (continued)

**Common Law Doctrine Against Conflict of Interest**

A Board member shall abstain from any official action in which his/her private or personal interest may conflict with his/her official duties.

**Rule of Necessity or Legally Required Participation**

On a case-by-case basis and upon advice of legal counsel, a Board member with a financial interest in a contract may participate in the making of the contract if the rule of necessity or legally required participation applies pursuant to Government Code 87101 and 2 CCR 18708.

**Incompatible Offices and Activities**

Board members shall not engage in any employment or activity or hold any office which is inconsistent with, incompatible with, in conflict with, or inimical to the Board member's duties as an officer of the district. (Government Code 1099, 1126)

*(cf 4136/4236/4336 - Nonschool Employment)*

**Gifts**

Board members and designated employees may accept gifts only under the conditions and limitations specified in Government Code 89503 and 2 CCR 18730.

The limitation on gifts does not apply to wedding gifts and gifts exchanged between individuals on birthdays, holidays, and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value. (Government Code 89503)

Gifts of travel and related lodging and subsistence shall be subject to the current gift limitation except as described in Government Code 89506.

A gift of travel does not include travel provided by the district for Board members and designated employees. (Government Code 89506)

**Honoraria**

Board members and designated employees shall not accept any honorarium, which is defined as any payment made in consideration for any speech given, article published, or attendance at any public or private gathering, in accordance with law. (Government Code 89501, 89502)

**CONFLICT OF INTEREST** (continued)

The term *honorarium* does not include: (Government Code 89501)

1. Earned income for personal services customarily provided in connection with a bona fide business, trade, or profession unless the sole or predominant activity of the business, trade, or profession is making speeches
2. Any honorarium which is not used and, within 30 days after receipt, is either returned to the donor or delivered to the district for donation into the general fund without being claimed as a deduction from income for tax purposes

*Legal Reference:*EDUCATION CODE

1006 *Qualifications for holding office*

35107 *School district employees*

35230-35240 *Corrupt practices, especially:*

35233 *Prohibitions applicable to members of governing boards*

41000-41003 *Moneys received by school districts*

FAMILY CODE

297.5 *Rights, protections, and benefits of registered domestic partners*

GOVERNMENT CODE

1090-1099 *Prohibitions applicable to specified officers*

1125-1129 *Incompatible activities*

81000-91014 *Political Reform Act of 1974, especially:*

82011 *Code reviewing body*

87100-87103 6 *General prohibitions*

87200-87210 *Disclosure*

87300-87313 *Conflict of interest code*

87500 *Statements of economic interests*

89501-89503 *Honoraria and gifts*

91000-91014 *Enforcement*

PENAL CODE

85-88 *Bribes*

CODE OF REGULATIONS, TITLE 2

18110-18997 *Regulations of the Fair Political Practices Commission, especially:*

18702.5 *Public identification of a conflict of interest for Section 87200 filers*

COURT DECISIONS

*Klistoff v. Superior Court*, (2007) 157 Cal.App.4th 469

*Thorpe v. Long Beach Community College District*, (2000) 83 Cal.App.4th 655

*Kunec v. Brea Redevelopment Agency*, (1997) 55 Cal.App.4th 511

*Legal References continued: (see next page)*

**CONFLICT OF INTEREST (continued)**

*Legal Reference: (continued)*

ATTORNEY GENERAL OPINIONS

- 92 Ops. Cal. Atty. Gen. 26 (2009)
- 92 Ops. Cal. Atty. Gen. 19 (2009)
- 89 Ops. Cal. Atty. Gen. 217 (2006)
- 86 Ops. Cal. Atty. Gen. 138(2003)
- 85 Ops. Cal. Atty. Gen. 60 (2002)
- 82 Ops. Cal. Atty. Gen. 83 (1999)
- 81 Ops. Cal. Atty. Gen. 327 (1998)
- 80 Ops. Cal. Atty. Gen. 320 (1997)
- 69 Ops. Cal. Atty. Gen. 255 (1986)
- 68 Ops. Cal. Atty. Gen. 171 (1985)
- 65 Ops. Cal. Atty. Gen. 606 (1982)
- 63 Ops. Cal. Atty. Gen. 868 (1980)

*Management Resources:*

CSBA PUBLICATIONS

Conflict of Interest: Overview of Key Issues for Governing Board Members. Fact Sheet, July 2010

FAIR POLITICAL PRACTICES COMMISSION PUBLICATIONS

Can I Vote? A Basic Overview of Public Officials' Obligations Under the Conflict-of-Interest Rules. 2005

INSTITUTE FOR LOCAL GOVERNMENT PUBLICATIONS

Understanding the Basics of Public Service Ethics: Personal Financial Gain Laws. 2009

Understanding the Basics of Public Service Ethics: Transparency Laws. 2009

WEB SITES

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

Fair Political Practices Commission: <http://www.fppc.ca.gov>

Institute of Local Government: <http://www.ca-ilg.org>

Bylaw  
adopted: February 22, 2017

**HAMILTON UNIFIED SCHOOL DISTRICT**  
Hamilton City, California

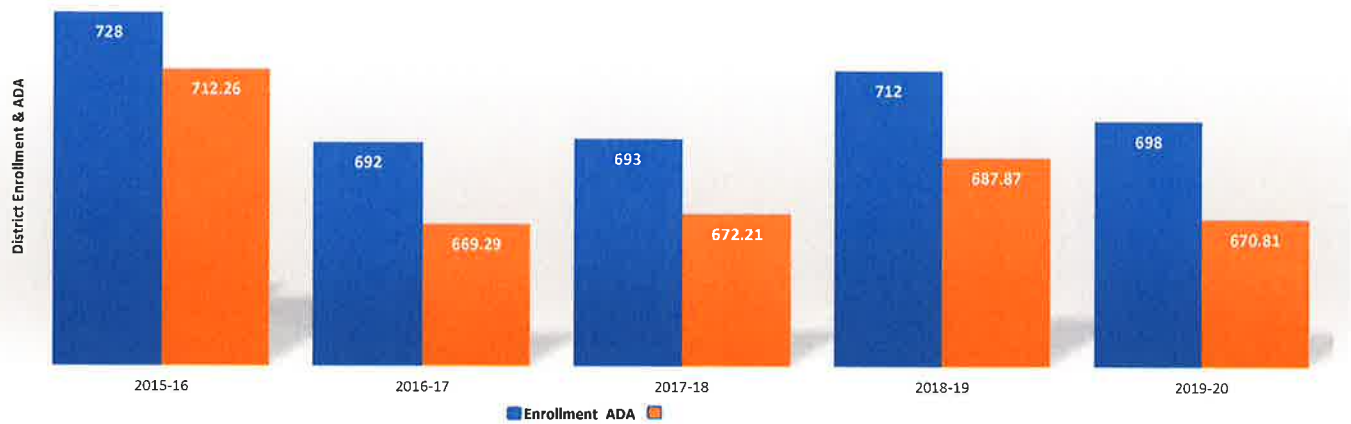


## HUSD ENROLLMENT OVER FIVE YEARS 2015-2019

| 1                     | 2                     | 3                     | 4                     | 5                     |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>2015-16</b>        | <b>2016-17</b>        | <b>2017-18</b>        | <b>2018-19</b>        | <b>2019-20</b>        |
| 304 HHS               | 264 HHS               | 269 HHS               | 286 HHS               | 265 HHS               |
| 9 EBHS                | 14 EBHS               | 12 EBHS               | 9 EBHS                | 14 EBHS               |
| 415 K-5               | 414 K-5               | 279 K-5               | 292 K-5               | 268 K-5               |
| 6-8                   | 6-8                   | 133 6-8               | 125 6-8               | 151 6-8               |
| <b>728 ENROLLMENT</b> | <b>692 ENROLLMENT</b> | <b>693 ENROLLMENT</b> | <b>712 ENROLLMENT</b> | <b>698 ENROLLMENT</b> |
| <b>712.26 ADA</b>     | <b>669.29 ADA</b>     | <b>672.21 ADA</b>     | <b>687.87 ADA</b>     | <b>670.81 ADA</b>     |

Enrollment and ADA totals above are based on P2 Data Reporting except current year based on current reporting

### Enrollment & ADA by School Year



| 2019-20<br>8/13-8/30/19 |       |
|-------------------------|-------|
| #STU                    | GRADE |
| 11                      | TK    |
| 39                      | K     |
| 45                      | 1     |
| 42                      | 2     |
| 40                      | 3     |
| 46                      | 4     |
| 40                      | 5     |
| 59                      | 6     |
| 43                      | 7     |
| 48                      | 8     |
| 68                      | 9     |
| 74                      | 10    |
| 78                      | 11    |
| 53                      | 12    |
| <b>686 TOTAL</b>        |       |

| 2019-20<br>9/3-9/27/19 |       |
|------------------------|-------|
| #STU                   | GRADE |
| 11                     | TK    |
| 39                     | K     |
| 47                     | 1     |
| 42                     | 2     |
| 40                     | 3     |
| 47                     | 4     |
| 40                     | 5     |
| 59                     | 6     |
| 43                     | 7     |
| 48                     | 8     |
| 68                     | 9     |
| 74                     | 10    |
| 79                     | 11    |
| 54                     | 12    |
| <b>691 TOTAL</b>       |       |

| 2019-20<br>9/30-10/14/19 |       |
|--------------------------|-------|
| #STU                     | GRADE |
| 11                       | TK    |
| 39                       | K     |
| 47                       | 1     |
| 42                       | 2     |
| 40                       | 3     |
| 47                       | 4     |
| 40                       | 5     |
| 59                       | 6     |
| 43                       | 7     |
| 48                       | 8     |
| 68                       | 9     |
| 74                       | 10    |
| 79                       | 11    |
| 56                       | 12    |
| <b>693 TOTAL</b>         |       |

| 2019-20<br>11/13/19-01/13/20 |       | ADA           |
|------------------------------|-------|---------------|
| #STU                         | GRADE |               |
| 11                           | TK    | 10.73         |
| 40                           | K     | 37.58         |
| 47                           | 1     | 45.23         |
| 41                           | 2     | 39.94         |
| 40                           | 3     | 39.14         |
| 47                           | 4     | 45.86         |
| 42                           | 5     | 39.64         |
| 60                           | 6     | 58.57         |
| 43                           | 7     | 42.30         |
| 48                           | 8     | 46.79         |
| 69                           | 9     | 66.34         |
| 75                           | 10    | 72.05         |
| 79                           | 11    | 74.93         |
| 56                           | 12    | 51.71         |
| <b>698 TOTAL</b>             |       | <b>670.81</b> |





2018-2019 Bond and Property Related Expenses

| PO #   | Vendor  | Description                                  | Amount      | Reimbursable |
|--------|---|--|-------------|--------------|
| 19-567 | California Appraisals                         | Appraisal for future site                    | \$ 4,000.00 | Yes          |
| 19-134 | Educational Facilities Program Management LLC | Bond Development & Election                  | \$34,440.00 | Yes          |
| PV#69  | Glenn County Elections                        | Bond Election Fees                           | \$ 3,466.00 | No           |
| 19-309 | Holdrege & Kull (NV5)                         | Environmental Site Assessment                | \$ 4,600.00 | Yes          |
| 19-397 | Holdrege & Kull (NV5)                         | Prelim Assessment #032-230-015               | \$ 4,060.62 | Yes          |
| 19-524 | HUSD Revolving Fund                           | New property project                         | \$ 1,500.00 | Yes          |
| 19-514 | Placeworks Inc.                               | Title 5 Risk Assessment                      | \$15,210.00 | Yes          |
| 19-515 | Placeworks Inc.                               | CEQA Review; Expansion Project               | \$ 5,877.75 | Yes          |
| 18-639 | School Works Inc.                             | Development Fee Study                        | \$ 6,000.00 | No           |
| 19-596 | Western Valuation Professional                | Appraisal - new property                     | \$3,500.00  | Yes          |
| 423    | Dannis Woliver Kelley                         | matter # 10518 Property Purchase Negotiation | \$ 6,470    | Yes          |
| 423    | Dannis Woliver Kelley                         | matter # 10418 2018 Bond Discussions         | \$ 1,017    | No           |

**Total Amount Expended** \$90,140.87

**Reimbursable Total** \$79,657.87



**Building Fund 21 (Bond) Expenditures for 2019-20  
For HUSD Board Meeting January 22, 2020**

| Date  | Vendor  | Description   | Amount              |
|---|---|---|---------------------|
| 9/27/2019                                   | Dannis Woliver Kelley                         | Legal Fees related to land acquisition - matter ending 518      | \$ 802.00           |
| 10/30/2019                                  | Dannis Woliver Kelley                         | Legal Fees related to land acquisition - matter ending 518      | \$ 1,126.00         |
| 11/13/2019                                  | Dannis Woliver Kelley                         | Legal Fees related to land acquisition - matter ending 518      | \$ 165.00           |
| 12/11/2019                                  | Dannis Woliver Kelley                         | Legal Fees related to land acquisition - matter ending 518      | \$ 2,969.00         |
| 1/8/2020                                    | Dannis Woliver Kelley                         | Legal Fees related to land acquisition - matter ending 518/1103 | \$ 807.00           |
| 9/27/2019                                   | Holdrege & Kull (NV5)                         | Prelim Assessment #032-230-015                                  | \$ 1,057.63         |
| 9/27/2019                                   | Holdrege & Kull (NV5)                         | Prelim Assessment #032-230-015                                  | \$ 1,445.00         |
| 10/16/2019                                  | Holdrege & Kull (NV5)                         | Prelim Assessment #032-230-015                                  | \$ 2,960.00         |
| 10/23/2019                                  | Holdrege & Kull (NV5)                         | Prelim Assessment #032-230-015                                  | \$ 171.62           |
| 12/11/2019                                  | Holdrege & Kull (NV5)                         | Prelim Assessment #032-230-015                                  | \$ 12,940.58        |
| 9/27/2019                                   | Placeworks Inc.                               | CEQA Review; expansion project                                  | \$ 4,692.02         |
| 10/2/2019                                   | Placeworks Inc.                               | CEQA Review; expansion project                                  | \$ 5,009.48         |
| 11/20/2019                                  | Placeworks Inc.                               | CEQA Review; expansion project                                  | \$ 9,667.98         |
| 11/20/2019                                  | Placeworks Inc.                               | CEQA Review; expansion project                                  | \$ 14,715.59        |
| 9/27/2019                                   | Department of Toxic Substances Control - DTSC | Property Purchase Testing                                       | \$ 14,480.00        |
| 9/27/2019                                   | Educational Facilities Program Management LLC | Consulting for HHS Expansion Project                            | \$ 5,040.00         |
| 9/27/2019                                   | Educational Facilities Program Management LLC | Consulting for HHS Expansion Project                            | \$ 4,200.00         |
| 11/13/2019                                  | Educational Facilities Program Management LLC | Consulting for HHS Expansion Project                            | \$ 4,480.00         |
| 12/11/2019                                  | Educational Facilities Program Management LLC | Consulting for HHS Expansion Project                            | \$ 3,080.00         |
| 11/20/2019                                  | Timios Title                                  | Title Report for new property                                   | \$ 400.00           |
| 10/9/2019                                   | Robertson Erickson Inc.                       | Survey for land   | \$ 3,250.00         |
| <b>Total expenditures through 1/13/2020</b> |   |   | <b>\$ 93,458.90</b> |



December 16, 2019

Board of Education  
Hamilton Unified School District  
Hamilton City, CA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton Unified School District (the "District") for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 4, 2015. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2019. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation of capital assets is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and related deferred outflows of resources and deferred inflows of resources are based on actuarial valuations and pension contributions made during the year. We evaluated the key factors, assumptions, and proportionate share calculations used to develop the net pension liability and related deferred outflows of resources and deferred inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of total other postemployment benefits (OPEB) obligation is based on an actuarial valuation. We evaluated the key factors and assumptions used to develop the total OPEB obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

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Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of capital assets in Note 4 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the pension plans, net pension liability and related deferred outflows of resources and deferred inflows of resources in Note 11 to the financial statements represents management's estimates based on actuarial valuations and pension contributions made during the year. Actual results could differ depending on the key factors, and assumptions and proportionate share calculations used to develop the net pension liability and related deferred outflows of resources and deferred inflows of resources.

The disclosure of other postemployment benefits and the total OPEB obligation in Note 10 to the financial statements represents management's estimate based on an actuarial valuation. Actual results could differ depending on the key factors and assumptions used for the actuarial valuation.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 16, 2019.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, and the required supplementary information section, 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 the supplementary information section, 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.

Restriction on Use

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

Very truly yours,

*Christy White, Inc.*

Christy White, Inc.





The PlaceWorks Team  
 Hamilton High School Expansion CEQA, Hamilton Unified School District  
**ADDITIONAL COST PROPOSAL**

| Hourly Rate:   | PLACEWORKS |            |              |            |                |             |                 |          |                  |                               | SUBCONSULTANTS   |                            | Subconsultant Total Task Budget |                                      |            |
|--|------------|------------|--------------|------------|----------------|-------------|-----------------|----------|------------------|-------------------------------|------------------|----------------------------|---------------------------------|--------------------------------------|------------|
|  | Noack      | Goodfellow | AQ Tech Team | Steve Bush | Nando Sandoval | Joshi Nando | Project Planner | GRAPHICS | PlaceWorks Hours | PlaceWorks 2% Office Expenses | PlaceWorks Total | Service Area Collaborative |                                 | Service Area Tom Origer & Associates | 10% Markup |
| <b>Hourly Rate:</b>  |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| <b>TASK A: Communications, Project Management and Public Outreach</b>  |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| 1. 4 months of unscheduled written and oral communication re project info  | 2          | 16         |              |            |                |             |                 |          | 18               | \$64                          | \$3,244          | 0                          | 0                               | \$0                                  | \$3,244    |
| 2. Three site visit reschedules from 8/13/2019 to 11/4/2019 (Noise, Bio, Cultural)   | 1          | 5          |              |            |                |             |                 | 8        | \$29             | \$1,489                       | 825              | 1,225                      | \$205                           | \$2,255                              |            |
| 3. 1 month period of communication/delay with Glenn County staff for GIS zoning data: 7/25/19 to 8/20/19   |            |            |              |            |                |             |                 | 4        | \$11             | \$555                         | 0                | 0                          | \$0                             | \$555                                |            |
| 4. Redigitize PD Boundary due to lack of digital boundary from District. Conflicting boundaries in Phase I, written description, CDE submission  | 0.5        | 1          |              |            |                |             |                 | 8.5      | \$22             | \$1,132                       | 0                | 0                          | \$0                             | \$1,132                              |            |
| 5. Unscopied hours to develop PD due to changing and minimal information Currently limited to 2 conceptual site plans. Missing: updated architectural site plans & elevations, engineering sheets, modernization details | 1.5        | 7          |              |            |                |             |                 | 17       | \$48             | \$2,448                       | 0                | 0                          | \$0                             | \$2,448                              |            |
| 6. Add'l hours of environmental analysis due to changing PD and limited information  | 5          | 35         |              |            |                |             |                 | 74       | \$227            | \$11,567                      | \$825            | \$1,225                    | \$205                           | \$2,255                              |            |
| <b>Task A. Subtotal</b>  |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| <b>TASK B: Air Quality</b>   |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| 1. Written communication re construction data from 10/7/2019 to 12/4/2019  | 3          | 3          |              |            |                |             |                 | 3        | \$10             | \$520                         | 0                | 0                          | \$0                             | \$520                                |            |
| 2. Reimport/analyze AQ data to CalEmit8 due to changes in data request   | 1          | 1          |              |            |                |             |                 | 9        | \$23             | \$1,193                       | 0                | 0                          | \$0                             | \$1,193                              |            |
| 3. Internal PM re technical team rescheduling for AQ   | 1          | 2          |              |            |                |             |                 | 4        | \$14             | \$709                         | 0                | 0                          | \$0                             | \$709                                |            |
| <b>Task B. Subtotal</b>  |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| <b>TASK C: Agricultural Analysis</b>   |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| 1. Add'l Agricultural Analysis: Loss of Prime Farmland research & strategy, request and inclusion of HASO Demographic Study 2018/19  | 1          | 4          |              |            |                |             |                 | 6        | \$21             | \$1,046                       | 0                | 0                          | \$0                             | \$1,046                              |            |
| <b>Task C. Subtotal</b>  |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| <b>EXPENSES</b>  |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| PlaceWorks Reimbursable Expenses   | \$1,610    | \$7,650    | \$1,500      | \$340      | \$1,250        | \$380       | \$1,610         | \$400    | \$295            | \$15,035                      | \$825            | \$1,225                    | \$205                           | \$2,255                              |            |
| Subconsultants' Reimbursable Expenses  |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| <b>EXPENSES TOTAL</b>  |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |
| <b>GRAND TOTAL</b>   |            |            |              |            |                |             |                 |          |                  |                               |                  |                            |                                 |                                      |            |



# HAMILTON UNIFIED SCHOOL DISTRICT

AUDIT REPORT  
JUNE 30, 2019



**HAMILTON UNIFIED SCHOOL DISTRICT  
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JUNE 30, 2019**

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

Governing Board  
Hamilton Unified School District  
Hamilton City, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton Unified School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Hamilton Unified School 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 Hamilton Unified School District, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of District contributions for pensions be presented to supplement the basic financial statements. Such information, although not 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 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019 on our consideration of Hamilton Unified 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 Hamilton Unified 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 Hamilton Unified School District's internal control over financial reporting and compliance.

*Christy White, Inc.*

San Diego, California  
December 16, 2019



# HAMILTON UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

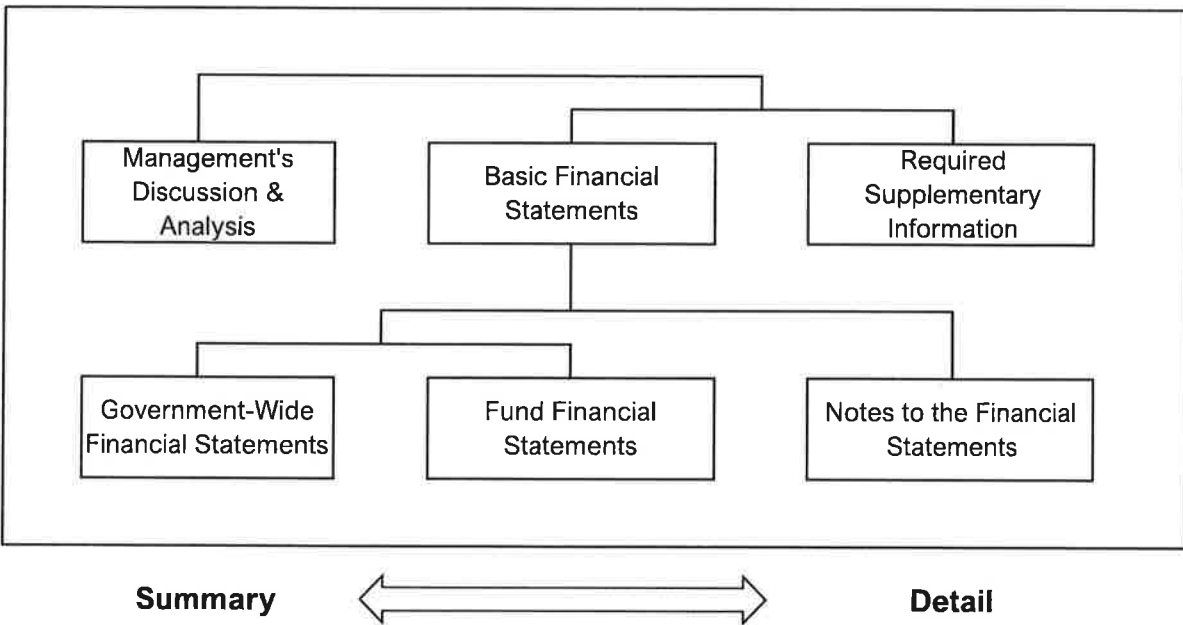
Our discussion and analysis of Hamilton Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019. It should be read in conjunction with the District's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- ▶ The District's net position was \$(136,488) at June 30, 2019. This was a decrease of \$1,724,776 from the prior year.
- ▶ Overall revenues were \$9,671,724 which was less than expenses of \$11,396,500.

## OVERVIEW OF FINANCIAL STATEMENTS

### Components of the Financials Section



**HAMILTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2019**

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**OVERVIEW OF FINANCIAL STATEMENTS (continued)**

**Components of the Financials Section (continued)**

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
  
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
  - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
  
  - ▶ **Fiduciary Funds** report balances for which the District is a custodian or *trustee* of the funds, such as Associated Student Bodies and pension funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

**HAMILTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2019**

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**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

**Net Position**

The District's net position was \$(136,488) at June 30, 2019, as reflected in the table below. Of this amount, \$(6,304,829) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

|                                       | <b>Governmental Activities</b> |                     |                       |
|---------------------------------------|--------------------------------|---------------------|-----------------------|
|                                       | <b>2019</b>                    | <b>2018</b>         | <b>Net Change</b>     |
| <b>ASSETS</b>                         |                                |                     |                       |
| Current and other assets              | \$ 4,588,165                   | \$ 3,704,928        | \$ 883,237            |
| Capital assets                        | 6,369,309                      | 5,951,927           | 417,382               |
| <b>Total Assets</b>                   | <b>10,957,474</b>              | <b>9,656,855</b>    | <b>1,300,619</b>      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | <b>2,830,221</b>               | <b>2,609,278</b>    | <b>220,943</b>        |
| <b>LIABILITIES</b>                    |                                |                     |                       |
| Current liabilities                   | 590,219                        | 701,972             | (111,753)             |
| Long-term liabilities                 | 12,844,025                     | 9,472,809           | 3,371,216             |
| <b>Total Liabilities</b>              | <b>13,434,244</b>              | <b>10,174,781</b>   | <b>3,259,463</b>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | <b>489,939</b>                 | <b>503,064</b>      | <b>(13,125)</b>       |
| <b>NET POSITION</b>                   |                                |                     |                       |
| Net investment in capital assets      | 5,186,646                      | 5,454,727           | (268,081)             |
| Restricted                            | 981,695                        | 1,329,589           | (347,894)             |
| Unrestricted                          | (6,304,829)                    | (5,196,028)         | (1,108,801)           |
| <b>Total Net Position</b>             | <b>\$ (136,488)</b>            | <b>\$ 1,588,288</b> | <b>\$ (1,724,776)</b> |

**HAMILTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2019**

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

|                                    | <b>Governmental Activities</b> |                     |                       |
|------------------------------------|--------------------------------|---------------------|-----------------------|
|                                    | <b>2019</b>                    | <b>2018</b>         | <b>Net Change</b>     |
| <b>REVENUES</b>                    |                                |                     |                       |
| Program revenues                   |                                |                     |                       |
| Charges for services               | \$ 49,318                      | \$ 32,677           | \$ 16,641             |
| Operating grants and contributions | 1,452,921                      | 1,175,415           | 277,506               |
| General revenues                   |                                |                     |                       |
| Property taxes                     | 1,630,983                      | 1,561,966           | 69,017                |
| Unrestricted federal and state aid | 6,370,423                      | 5,926,227           | 444,196               |
| Other                              | 168,079                        | 384,365             | (216,286)             |
| <b>Total Revenues</b>              | <b>9,671,724</b>               | <b>9,080,650</b>    | <b>591,074</b>        |
| <b>EXPENSES</b>                    |                                |                     |                       |
| Instruction                        | 5,971,168                      | 5,062,754           | 908,414               |
| Instruction-related services       | 1,343,398                      | 1,245,189           | 98,209                |
| Pupil services                     | 1,222,649                      | 961,545             | 261,104               |
| General administration             | 796,973                        | 743,046             | 53,927                |
| Plant services                     | 969,560                        | 938,943             | 30,617                |
| Debt service                       | 58,010                         | 21,639              | 36,371                |
| Other outgo                        | 1,034,742                      | 641,497             | 393,245               |
| <b>Total Expenses</b>              | <b>11,396,500</b>              | <b>9,614,613</b>    | <b>1,781,887</b>      |
| <b>Change in net position</b>      | <b>(1,724,776)</b>             | <b>(533,963)</b>    | <b>(1,190,813)</b>    |
| <b>Net Position - Beginning</b>    | <b>1,588,288</b>               | <b>2,122,251</b>    | <b>(533,963)</b>      |
| <b>Net Position - Ending</b>       | <b>\$ (136,488)</b>            | <b>\$ 1,588,288</b> | <b>\$ (1,724,776)</b> |

**HAMILTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2019**

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**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position (continued)**

The total cost of all our governmental activities this year was \$11,396,500, while net cost of services was only \$9,894,261 (refer to the table below). The amount that our taxpayers ultimately financed for these activities through taxes was only \$1,630,983 because the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

|                              | <b>Net Cost of Services</b> |                     |
|------------------------------|-----------------------------|---------------------|
|                              | <b>2019</b>                 | <b>2018</b>         |
| Instruction                  | \$ 5,277,344                | \$ 4,634,749        |
| Instruction-related services | 1,185,121                   | 1,061,306           |
| Pupil services               | 675,348                     | 477,497             |
| General administration       | 751,285                     | 711,259             |
| Plant services               | 942,651                     | 858,874             |
| Debt service                 | 58,010                      | 21,639              |
| Transfers to other agencies  | 1,004,502                   | 641,497             |
| <b>Total Expenses</b>        | <b>\$ 9,894,261</b>         | <b>\$ 8,406,821</b> |

**FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$4,203,601, which is more than last year's ending fund balance of \$3,128,176. The District's General Fund had \$1,055,452 less in operating revenues than expenditures for the year ended June 30, 2019. The District's Building Fund had \$264,337 less in operating revenues than expenditures for the year ended June 30, 2019, along with sources related to the new bond issuance of \$2,200,000 and transfers out of \$350,000.

**CURRENT YEAR BUDGET 2018-2019**

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

By the end of 2018-2019 the District had invested \$6,369,309 in capital assets, net of accumulated depreciation.

|                             | <b>Governmental Activities</b> |                     |                   |
|-----------------------------|--------------------------------|---------------------|-------------------|
|                             | <b>2019</b>                    | <b>2018</b>         | <b>Net Change</b> |
| <b>CAPITAL ASSETS</b>       |                                |                     |                   |
| Land                        | \$ 293,887                     | \$ 293,887          | \$ -              |
| Construction in progress    | 1,150,401                      | 439,471             | 710,930           |
| Land improvements           | 604,362                        | 604,362             | -                 |
| Buildings & improvements    | 9,278,697                      | 9,278,697           | -                 |
| Furniture & equipment       | 1,629,370                      | 1,629,370           | -                 |
| Accumulated depreciation    | (6,587,408)                    | (6,293,860)         | (293,548)         |
| <b>Total Capital Assets</b> | <b>\$ 6,369,309</b>            | <b>\$ 5,951,927</b> | <b>\$ 417,382</b> |

**Long-Term Liabilities**

At year-end, the District had \$12,844,025 in long-term liabilities, a 35.59% increase from last year – as shown in the table below. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

|  | <b>Governmental Activities</b> |                     |                     |
|--|--------------------------------|---------------------|---------------------|
|  | <b>2019</b>                    | <b>2018</b>         | <b>Net Change</b>   |
| <b>LONG-TERM LIABILITIES</b>                   |                                |                     |                     |
| Total general obligation bonds                 | \$ 2,768,326                   | \$ 497,200          | \$ 2,271,126        |
| Early retirement incentive                     | 525,610                        | 141,220             | 384,390             |
| Compensated absences                           | 34,918                         | 30,882              | 4,036               |
| Total OPEB liability                           | 1,139,051                      | 1,147,101           | (8,050)             |
| Net pension liability                          | 8,534,686                      | 7,772,718           | 761,968             |
| Less: current portion of long-term liabilities | (158,566)                      | (116,312)           | (42,254)            |
| <b>Total Long-term Liabilities</b>             | <b>\$ 12,844,025</b>           | <b>\$ 9,472,809</b> | <b>\$ 3,371,216</b> |

**HAMILTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2019**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

The US economy continues to grow slowly, but the State economic growth is slowing down due to low levels of available employees. However, the State is still experiencing overall economic prosperity. The State Budget for Education contained an increase of 3.26% in fiscal year 2019-20, plus \$3.15 billion in non-Proposition 98 funding for school employer pension relief.

The fiscal policy for the funding of public education changes annually, based on fluctuations in State revenues. The UCLA Anderson Forecast (June 2019) noted that the risk of recession is about 50% within the next 5-8 quarters depending on the model, the biggest economic threat being from the escalating trade war with China and Mexico. If a recession were to happen, State revenues for public education would be negatively impacted.

Landmark legislation passed in Year 2013 reformed California school district finance by creating the Local Control Funding Formula (LCFF). The LCFF is designed to provide a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low income brackets, those that are English language learners and foster youth.

Factors related to LCFF that the District is monitoring include: (1) estimates of funding in the next budget year and beyond; (2) the Local Control and Accountability Plan (LCAP) that aims to link student accountability measurements to funding allocations; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADs); and, (4) meeting annual compliance and audit requirements.

The District participates in state employee pensions plans, PERS and STRS, and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2019. The amount of the liability is material to the financial position of the District. To address the underfunding issues, the pension plans received a one-time funding allocation from the 2019-20 State Budget and continue to raise employer rates in future years. The projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2019-20 fiscal year.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District's Business Office, Hamilton Unified School District, 620 Canal Street, PO Box 488; Hamilton City, CA 95951.

**HAMILTON UNIFIED SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                                   |                                    |
| Cash and investments                            | \$ 4,091,383                       |
| Accounts receivable                             | 474,898                            |
| Inventory                                       | 9,835                              |
| Prepaid expenses                                | 12,049                             |
| Capital assets, not depreciated                 | 1,444,288                          |
| Capital assets, net of accumulated depreciation | <u>4,925,021</u>                   |
| <b>Total Assets</b>                             | <u>10,957,474</u>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                                    |
| Deferred outflows related to pensions           | 2,734,908                          |
| Deferred outflows related to OPEB               | <u>95,313</u>                      |
| <b>Total Deferred Outflows of Resources</b>     | <u>2,830,221</u>                   |
| <b>LIABILITIES</b>                              |                                    |
| Accrued liabilities                             | 400,938                            |
| Unearned revenue                                | 30,715                             |
| Long-term liabilities, current portion          | 158,566                            |
| Long-term liabilities, non-current portion      | <u>12,844,025</u>                  |
| <b>Total Liabilities</b>                        | <u>13,434,244</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                                    |
| Deferred inflows related to pensions            | <u>489,939</u>                     |
| <b>Total Deferred Inflows of Resources</b>      | <u>489,939</u>                     |
| <b>NET POSITION</b>                             |                                    |
| Net investment in capital assets                | 5,186,646                          |
| Restricted:                                     |                                    |
| Capital projects                                | 163,459                            |
| Debt service                                    | 234,420                            |
| Educational programs                            | 471,091                            |
| All others                                      | 112,725                            |
| Unrestricted                                    | <u>(6,304,829)</u>                 |
| <b>Total Net Position</b>                       | <u>\$ (136,488)</u>                |

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



**HAMILTON UNIFIED SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

| Function/Programs  | Expenses             | Program Revenues        |  | Net (Expenses)<br>Revenues and<br>Changes in<br>Net Position |
|--|----------------------|-------------------------|--|--|
|  |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions |  |
| <b>GOVERNMENTAL ACTIVITIES</b>                             |                      |                         |  |  |
| Instruction  | \$ 5,971,168         | \$ 2,605                | \$ 691,219                               | \$ (5,277,344)   |
| Instruction-related services                               |                      |                         |  |  |
| Instructional supervision and administration               | 444                  | -                       | -  | (444)  |
| Instructional library, media, and technology               | 226,122              | 4,643                   | 14,271                                   | (207,208)  |
| School site administration                                 | 1,116,832            | 747                     | 138,616                                  | (977,469)  |
| Pupil services   |                      |                         |  |  |
| Home-to-school transportation                              | 162,230              | -                       | 2,421                                    | (159,809)  |
| Food services  | 619,696              | 32,084                  | 464,385                                  | (123,227)  |
| All other pupil services                                   | 440,723              | 38                      | 48,373                                   | (392,312)  |
| General administration                                     |                      |                         |  |  |
| All other general administration                           | 796,973              | 55                      | 45,633                                   | (751,285)  |
| Plant services   | 969,560              | 8,932                   | 17,977                                   | (942,651)  |
| Interest on long-term debt                                 | 58,010               | -                       | -  | (58,010)   |
| Other outgo  | 1,034,742            | 214                     | 30,026                                   | (1,004,502)  |
| <b>Total Governmental Activities</b>                       | <b>\$ 11,396,500</b> | <b>\$ 49,318</b>        | <b>\$ 1,452,921</b>                      | <b>(9,894,261)</b>   |
| General revenues   |                      |                         |  |  |
| Taxes and subventions                                      |                      |                         |  |  |
| Property taxes, levied for general purposes                |                      |                         |  | 1,558,948  |
| Property taxes, levied for debt service                    |                      |                         |  | 72,035   |
| Federal and state aid not restricted for specific purposes |                      |                         |  | 6,370,423  |
| Interest and investment earnings                           |                      |                         |  | 42,425   |
| Miscellaneous  |                      |                         |  | 125,654  |
| <b>Subtotal, General Revenue</b>                           |                      |                         |  | <b>8,169,485</b>   |
| <b>CHANGE IN NET POSITION</b>                              |                      |                         |  | <b>(1,724,776)</b>   |
| <b>Net Position - Beginning</b>                            |                      |                         |  | <b>1,588,288</b>   |
| <b>Net Position - Ending</b>                               |                      |                         |  | <b>\$ (136,488)</b>  |

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

**HAMILTON UNIFIED SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

|  | General Fund        | Building Fund       | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|---------------------|------------------------------------|--------------------------------|
| <b>ASSETS</b>                              |                     |                     |                                    |                                |
| Cash and investments                       | \$ 1,819,401        | \$ 1,663,729        | \$ 608,253                         | \$ 4,091,383                   |
| Accounts receivable                        | 328,904             | 1,592               | 144,402                            | 474,898                        |
| Due from other funds                       | 110,797             | -                   | 6,741                              | 117,538                        |
| Stores inventory                           | -                   | -                   | 9,835                              | 9,835                          |
| Prepaid expenditures                       | 12,049              | -                   | -                                  | 12,049                         |
| <b>Total Assets</b>                        | <b>\$ 2,271,151</b> | <b>\$ 1,665,321</b> | <b>\$ 769,231</b>                  | <b>\$ 4,705,703</b>            |
| <b>LIABILITIES</b>                         |                     |                     |                                    |                                |
| Accrued liabilities                        | \$ 336,848          | \$ -                | \$ 17,001                          | \$ 353,849                     |
| Due to other funds                         | 6,231               | 79,658              | 31,649                             | 117,538                        |
| Unearned revenue                           | 30,715              | -                   | -                                  | 30,715                         |
| <b>Total Liabilities</b>                   | <b>373,794</b>      | <b>79,658</b>       | <b>48,650</b>                      | <b>502,102</b>                 |
| <b>FUND BALANCES</b>                       |                     |                     |                                    |                                |
| Nonspendable                               | 22,049              | -                   | 9,835                              | 31,884                         |
| Restricted                                 | 355,546             | 1,585,663           | 673,238                            | 2,614,447                      |
| Committed                                  | -                   | -                   | 37,508                             | 37,508                         |
| Assigned                                   | 211,395             | -                   | -                                  | 211,395                        |
| Unassigned                                 | 1,308,367           | -                   | -                                  | 1,308,367                      |
| <b>Total Fund Balances</b>                 | <b>1,897,357</b>    | <b>1,585,663</b>    | <b>720,581</b>                     | <b>4,203,601</b>               |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 2,271,151</b> | <b>\$ 1,665,321</b> | <b>\$ 769,231</b>                  | <b>\$ 4,705,703</b>            |

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

**HAMILTON UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET  
POSITION  
JUNE 30, 2019**

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**Total Fund Balance - Governmental Funds** \$ 4,203,601

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

|                          |                    |           |
|--------------------------|--------------------|-----------|
| Capital assets           | \$ 12,956,717      |           |
| Accumulated depreciation | <u>(6,587,408)</u> | 6,369,309 |

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(47,089)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

|                                |                  |              |
|--------------------------------|------------------|--------------|
| Total general obligation bonds | \$ 2,768,326     |              |
| Early retirement incentive     | 525,610          |              |
| Compensated absences           | 34,918           |              |
| Total OPEB liability           | 1,139,051        |              |
| Net pension liability          | <u>8,534,686</u> | (13,002,591) |

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

|  |                  |           |
|--|------------------|-----------|
| Deferred outflows of resources related to pensions | \$ 2,734,908     |           |
| Deferred inflows of resources related to pensions  | <u>(489,939)</u> | 2,244,969 |

Deferred outflows and inflows of resources relating to OPEB:

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

|  |  |        |
|--|--|--------|
| Deferred outflows of resources related to OPEB |  | 95,313 |
|--|--|--------|

|   |                     |
|---|---------------------|
| <b>Total Net Position - Governmental Activities</b> | <u>\$ (136,488)</u> |
|---|---------------------|

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

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

|  | General Fund        | Building Fund       | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|---------------------|------------------------------------|--------------------------------|
| <b>REVENUES</b>  |                     |                     |                                    |                                |
| LCFF sources   | \$ 7,585,746        | \$ -                | \$ 53,000                          | \$ 7,638,746                   |
| Federal sources  | 312,481             | -                   | 467,227                            | 779,708                        |
| Other state sources  | 1,004,724           | -                   | 367,551                            | 1,372,275                      |
| Other local sources  | 116,763             | 1,592               | 173,423                            | 291,778                        |
| <b>Total Revenues</b>  | <b>9,019,714</b>    | <b>1,592</b>        | <b>1,061,201</b>                   | <b>10,082,507</b>              |
| <b>EXPENDITURES</b>  |                     |                     |                                    |                                |
| Current  |                     |                     |                                    |                                |
| Instruction  | 5,341,488           | -                   | 199,061                            | 5,540,549                      |
| Instruction-related services                                 |                     |                     |                                    |                                |
| Instructional supervision and administration                 | 444                 | -                   | -                                  | 444                            |
| Instructional library, media, and technology                 | 192,869             | -                   | 6,978                              | 199,847                        |
| School site administration                                   | 970,392             | -                   | 101,507                            | 1,071,899                      |
| Pupil services   |                     |                     |                                    |                                |
| Home-to-school transportation                                | 99,198              | -                   | -                                  | 99,198                         |
| Food services  | 10,539              | -                   | 548,566                            | 559,105                        |
| All other pupil services                                     | 422,903             | -                   | 4,985                              | 427,888                        |
| General administration                                       |                     |                     |                                    |                                |
| All other general administration                             | 729,301             | -                   | 7,130                              | 736,431                        |
| Plant services   | 828,289             | -                   | 49,057                             | 877,346                        |
| Facilities acquisition and maintenance                       | 631,272             | 79,658              | -                                  | 710,930                        |
| Transfers to other agencies                                  | 848,471             | -                   | -                                  | 848,471                        |
| Debt service   |                     |                     |                                    |                                |
| Principal  | -                   | -                   | 72,100                             | 72,100                         |
| Interest and other   | -                   | 186,271             | 19,829                             | 206,100                        |
| <b>Total Expenditures</b>                                    | <b>10,075,166</b>   | <b>265,929</b>      | <b>1,009,213</b>                   | <b>11,350,308</b>              |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>(1,055,452)</b>  | <b>(264,337)</b>    | <b>51,988</b>                      | <b>(1,267,801)</b>             |
| <b>Other Financing Sources (Uses)</b>                        |                     |                     |                                    |                                |
| Transfers in   | 377,972             | -                   | -                                  | 377,972                        |
| Other sources  | -                   | 2,200,000           | 143,226                            | 2,343,226                      |
| Transfers out  | -                   | (350,000)           | (27,972)                           | (377,972)                      |
| <b>Net Financing Sources (Uses)</b>                          | <b>377,972</b>      | <b>1,850,000</b>    | <b>115,254</b>                     | <b>2,343,226</b>               |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>(677,480)</b>    | <b>1,585,663</b>    | <b>167,242</b>                     | <b>1,075,425</b>               |
| <b>Fund Balance - Beginning</b>                              | <b>2,574,837</b>    | <b>-</b>            | <b>553,339</b>                     | <b>3,128,176</b>               |
| <b>Fund Balance - Ending</b>                                 | <b>\$ 1,897,357</b> | <b>\$ 1,585,663</b> | <b>\$ 720,581</b>                  | <b>\$ 4,203,601</b>            |

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

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

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**Net Change in Fund Balances - Governmental Funds** \$ 1,075,425

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

|                                  |    |                  |         |
|----------------------------------|----|------------------|---------|
| Expenditures for capital outlay: | \$ | 710,930          |         |
| Depreciation expense:            |    | <u>(293,548)</u> | 417,382 |

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

72,100

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(2,343,226)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

(38,181)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(4,036)

*(continued on next page)*

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

**HAMILTON UNIFIED SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES, continued  
 FOR THE YEAR ENDED JUNE 30, 2019**

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Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: (11,054)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made, in the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: (508,796)

Other liabilities not normally liquidated with current financial resources:

In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were: (384,390)

**Change in Net Position of Governmental Activities** \$ (1,724,776)

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

**HAMILTON UNIFIED SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019**

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|                           | <u>Trust Funds</u>     | <u>Agency Funds</u> |
|---------------------------|------------------------|---------------------|
|                           | <u>Private-Purpose</u> | <u>Student Body</u> |
|                           | <u>Trust Fund</u>      | <u>Fund</u>         |
| <b>ASSETS</b>             |                        |                     |
| Cash and investments      | \$ 31,096              | \$ 146,162          |
| <b>Total Assets</b>       | <u>31,096</u>          | <u>\$ 146,162</u>   |
| <b>LIABILITIES</b>        |                        |                     |
| Due to student groups     | -                      | \$ 146,162          |
| <b>Total Liabilities</b>  | <u>-</u>               | <u>\$ 146,162</u>   |
| <b>NET POSITION</b>       |                        |                     |
| Restricted                | 31,096                 |                     |
| <b>Total Net Position</b> | <u>\$ 31,096</u>       |                     |

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

**HAMILTON UNIFIED SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2019**

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|                                 | <u>Trust Funds</u>     |
|---------------------------------|------------------------|
|                                 | <u>Private-Purpose</u> |
|                                 | <u>Trust Fund</u>      |
| <b>ADDITIONS</b>                |                        |
| Contributions                   | \$ 7,210               |
| <b>Total Additions</b>          | <u>7,210</u>           |
| <b>DEDUCTIONS</b>               |                        |
| Other trust activities          | <u>8,750</u>           |
| <b>Total Deductions</b>         | <u>8,750</u>           |
| <b>CHANGE IN NET POSITION</b>   | (1,540)                |
| <b>Net Position - Beginning</b> | <u>32,636</u>          |
| <b>Net Position - Ending</b>    | <u>\$ 31,096</u>       |



**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Hamilton Unified School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, 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 and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no such component units.

**C. Basis of Presentation**

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. 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 of 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.

HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

**Fund Financial Statements.** The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the District's own programs.

Major Governmental Funds

**General Fund:** The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

**Building Fund:** This 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. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

Non-Major Governmental Funds

**Special Revenue Funds:** Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

**Child Development Fund:** This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section 8200 et seq.*) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section 8328*).

**Adult Education Fund:** This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (*Education Code Sections 52616[b]* and *52501.5[a]*).

HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

**Special Revenue Funds (continued):**

**Cafeteria Special Revenue Fund:** This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Special Revenue Fund shall be 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:** This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code Sections 17582–17587*). In addition, whenever the state funds provided pursuant to *Education Code Sections 17584 and 17585* (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the District (*Education Code Sections 17582 and 17583*).

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

**Capital Facilities Fund:** This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

**Debt Service Funds:** Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

**Bond Interest and Redemption Fund:** This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fiduciary Funds

**Trust and Agency Funds:** Trust and agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

**Private-Purpose Trust Fund:** The Private-Purpose Trust Fund is a scholarship trust fund, and consists only of accounts such as cash and balancing net position accounts.

**Student Body Fund:** The Student Body Fund is an agency fund and, therefore, consists only of accounts such as cash and balancing liability accounts, such as due to student groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code Sections 48930–48938*).

D. Basis of Accounting – Measurement Focus

**Government-Wide and Fiduciary Financial Statements**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net 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. The net position should be reported as restricted when constraints placed on its use 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 results from special revenue funds and the restrictions on their use.

**Governmental Funds**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus (continued)**

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursements grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Unearned Revenue**

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

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

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position**

**Cash and Cash Equivalents**

The District’s cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**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 and State investment pools are determined by the program sponsor.

**Inventories**

Inventories are valued at historical cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

**Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. 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. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

| <b><u>Asset Class</u></b>  | <b><u>Estimated Useful Life</u></b> |
|----------------------------|-------------------------------------|
| Buildings and Improvements | 25 – 50 years                       |
| Furniture and Equipment    | 15 – 20 years                       |
| Vehicles                   | 8 years                             |

**Interfund Balances**

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

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

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

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | July 1, 2017                  |
| Measurement Date   | June 30, 2018                 |
| Measurement Period | July 1, 2017 to June 30, 2018 |

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Premiums and Discounts**

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

**Deferred Outflows/Deferred Inflows of Resources**

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**Pensions**

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

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

*Restricted* - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.



**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Fund Balance (continued)**

*Assigned* - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

*Unassigned* - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**F. Interfund Activity**

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

**G. 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.

**H. Budgetary Data**

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. 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.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Budgetary Data (continued)**

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. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

**I. 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 Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**J. New Accounting Pronouncements**

**GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard’s primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement is effective for periods beginning after December 15, 2018. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. This standard’s primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement is effective for periods beginning after December 15, 2019. The District has not determined the impact on the financial statements.

**GASB Statement No. 88** – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This standard’s primary objective is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The statement is effective for periods beginning after June 15, 2018. The District has implemented GASB Statement No. 88 for the year ended June 30, 2019.

**NOTE 2 – CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

|                                   | <b>Governmental<br/>Activities</b> | <b>Fiduciary<br/>Funds</b> |
|-----------------------------------|------------------------------------|----------------------------|
| Investment in county treasury     | \$ 4,076,383                       | \$ -                       |
| Cash on hand and in banks         | 5,000                              | 177,258                    |
| Cash in revolving fund            | 10,000                             | -                          |
| <b>Total cash and investments</b> | <b>\$ 4,091,383</b>                | <b>\$ 177,258</b>          |

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

**B. 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; collateralized mortgage obligations; and the County Investment Pool.

**Investment in County Treasury** – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Glenn County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is 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.

**C. General Authorizations**

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

| <u>Authorized Investment Type</u>       | <u>Maximum Remaining Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|---|-----------------------------------|--|---|
| 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                                    |

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

**D. 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 manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$4,064,559 and an amortized book value of \$4,076,383.

**E. 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 investments in the County Treasury are not required to be rated. As of June 30, 2019, the pooled investments in the County Treasury were not rated.

**F. Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2019, the District's bank balance was not exposed to custodial credit risk.

**G. Fair Value**

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

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

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

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**G. Fair Value (continued)**

The District's fair value measurements at June 30, 2019 were as follows:

|   |                      |
|---|----------------------|
|   | <u>Uncategorized</u> |
| Investment in county treasury                 | \$ 4,064,559         |
| <b>Total fair market value of investments</b> | <u>\$ 4,064,559</u>  |

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2019 consisted of the following:

|                     | <u>General Fund</u> | <u>Building Fund</u> | <u>Non-Major<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Activities</u> |
|---------------------|---------------------|----------------------|---|--|
| Federal Government  |                     |                      |   |  |
| Categorical aid     | \$ 100,580          | \$ -                 | \$ 89,028                                   | \$ 189,608                                   |
| State Government    |                     |                      |   |  |
| Categorical aid     | 12,070              | -                    | 14,291                                      | 26,361                                       |
| Lottery             | 34,041              | -                    | -   | 34,041                                       |
| Local Government    |                     |                      |   |  |
| Other local sources | 182,213             | 1,592                | 41,083                                      | 224,888                                      |
| <b>Total</b>        | <u>\$ 328,904</u>   | <u>\$ 1,592</u>      | <u>\$ 144,402</u>                           | <u>\$ 474,898</u>                            |

**NOTE 4 – CAPITAL ASSETS**

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

|  | <u>Balance<br/>July 01, 2018</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Balance<br/>June 30, 2019</u> |
|--|----------------------------------|-------------------|------------------|----------------------------------|
| <b>Governmental Activities</b>             |                                  |                   |                  |                                  |
| Capital assets not being depreciated       |                                  |                   |                  |                                  |
| Land                                       | \$ 293,887                       | \$ -              | \$ -             | \$ 293,887                       |
| Construction in progress                   | 439,471                          | 710,930           | -                | 1,150,401                        |
| Total Capital Assets not Being Depreciated | <u>733,358</u>                   | <u>710,930</u>    | <u>-</u>         | <u>1,444,288</u>                 |
| Capital assets being depreciated           |                                  |                   |                  |                                  |
| Land improvements                          | 604,362                          | -                 | -                | 604,362                          |
| Buildings & improvements                   | 9,278,697                        | -                 | -                | 9,278,697                        |
| Furniture & equipment                      | 1,629,370                        | -                 | -                | 1,629,370                        |
| Total Capital Assets Being Depreciated     | <u>11,512,429</u>                | <u>-</u>          | <u>-</u>         | <u>11,512,429</u>                |
| Less Accumulated Depreciation              |                                  |                   |                  |                                  |
| Land improvements                          | 457,543                          | 18,237            | -                | 475,780                          |
| Buildings & improvements                   | 4,676,600                        | 235,686           | -                | 4,912,286                        |
| Furniture & equipment                      | 1,159,717                        | 39,625            | -                | 1,199,342                        |
| Total Accumulated Depreciation             | <u>6,293,860</u>                 | <u>293,548</u>    | <u>-</u>         | <u>6,587,408</u>                 |
| <b>Governmental Activities</b>             |                                  |                   |                  |                                  |
| <b>Capital Assets, net</b>                 | <u>\$ 5,951,927</u>              | <u>\$ 417,382</u> | <u>\$ -</u>      | <u>\$ 6,369,309</u>              |

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

**NOTE 4 – CAPITAL ASSETS (continued)**

Depreciation expense is allocated to governmental functions as follows:

| <b>Governmental Activities</b>   |                   |
|----------------------------------|-------------------|
| Instruction                      | \$ 181,266        |
| Home-to-school transportation    | 53,591            |
| Food services                    | 21,057            |
| All other pupil services         | 6,189             |
| All other general administration | 9,066             |
| Plant services                   | 22,379            |
| Total depreciation expense       | <u>\$ 293,548</u> |

**NOTE 5 – INTERFUND TRANSACTIONS**

**A. Interfund Receivables/Payables (Due From/Due To)**

Individual interfund receivable and payable balances at June 30, 2019 were as follows:

|                                   | <u>Due To Other Funds</u> | <u>Due From Other Funds</u> |   |                   |
|-----------------------------------|---------------------------|-----------------------------|---|-------------------|
|                                   |                           | <u>General Fund</u>         | <u>Non-Major<br/>Governmental<br/>Funds</u> | <u>Total</u>      |
| General Fund                      | \$ -                      | \$ 6,231                    | \$ 6,231                                    | \$ 6,231          |
| Building Fund                     | 79,658                    | -                           | -   | 79,658            |
| Non-Major Governmental Funds      | 31,139                    | 510                         | -   | 31,649            |
| <b>Total Due From Other Funds</b> | <u>\$ 110,797</u>         | <u>\$ 6,741</u>             | <u>\$ -</u>                                 | <u>\$ 117,538</u> |

|  |                   |
|--|-------------------|
| The General Fund owed the Non-Major Child Development Fund for expenses incurred.              | \$ 6,231          |
| The Building Fund owed the General Fund for expenses incurred.                                 | 79,658            |
| The Non-Major Adult Education Fund owed the General Fund for expenses incurred.                | 20,653            |
| The Non-Major Child Development Fund owed the General Fund for salaries.                       | 10,486            |
| The Non-Major Child Development Fund owed the Non-Major Cafeteria Fund for deposit correction. | 510               |
| <b>Total</b>   | <u>\$ 117,538</u> |

**B. Operating Transfers**

Interfund transfers for the year ended June 30, 2019 consisted of the following:

|                                  | <u>Interfund Transfers Out</u> | <u>Interfund Transfers In</u> |                   |
|----------------------------------|--------------------------------|-------------------------------|-------------------|
|                                  |                                | <u>General Fund</u>           | <u>Total</u>      |
| Building Fund                    | \$ 350,000                     | \$ 350,000                    | \$ 350,000        |
| Non-Major Governmental Funds     | 27,972                         | -                             | 27,972            |
| <b>Total Interfund Transfers</b> | <u>\$ 377,972</u>              | <u>\$ -</u>                   | <u>\$ 377,972</u> |

|   |                   |
|---|-------------------|
| The Building Fund transferred to the General Fund for expenses incurred.                  | \$ 350,000        |
| The Non-Major Adult Education Fund transferred to the General Fund for expenses incurred. | 27,972            |
| <b>Total</b>  | <u>\$ 377,972</u> |

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

**NOTE 6 – ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2019 consisted of the following:

|                    | General Fund      | Non-Major<br>Governmental<br>Funds | District-Wide    | Total<br>Governmental<br>Activities |
|--------------------|-------------------|------------------------------------|------------------|-------------------------------------|
| Payroll            | \$ 181,138        | \$ -                               | \$ -             | \$ 181,138                          |
| Vendors payable    | 155,710           | 17,001                             | -                | 172,711                             |
| Unmatured interest | -                 | -                                  | 47,089           | 47,089                              |
| <b>Total</b>       | <b>\$ 336,848</b> | <b>\$ 17,001</b>                   | <b>\$ 47,089</b> | <b>\$ 400,938</b>                   |

**NOTE 7 – UNEARNED REVENUE**

Unearned revenue at June 30, 2019 consisted of \$30,715 in state categorical sources in the General Fund.

**NOTE 8 – LONG-TERM LIABILITIES**

A schedule of changes in long-term liabilities for the year ended June 30, 2019 consisted of the following:

|                                | Balance<br>July 01, 2018 | Additions           | Deductions        | Balance<br>June 30, 2019 | Balance Due<br>In One Year |
|--------------------------------|--------------------------|---------------------|-------------------|--------------------------|----------------------------|
| <b>Governmental Activities</b> |                          |                     |                   |                          |                            |
| General obligation bonds       | \$ 497,200               | \$ 2,200,000        | \$ 72,100         | \$ 2,625,100             | \$ 76,500                  |
| Unamortized premium            | -                        | 143,226             | -                 | 143,226                  | 4,092                      |
| Total general obligation bonds | 497,200                  | 2,343,226           | 72,100            | 2,768,326                | 80,592                     |
| Early retirement incentive     | 141,220                  | 428,602             | 44,212            | 525,610                  | 77,974                     |
| Compensated absences           | 30,882                   | 4,036               | -                 | 34,918                   | -                          |
| Total OPEB liability           | 1,147,101                | -                   | 8,050             | 1,139,051                | -                          |
| Net pension liability          | 7,772,718                | 761,968             | -                 | 8,534,686                | -                          |
| <b>Total</b>                   | <b>\$ 9,589,121</b>      | <b>\$ 3,537,832</b> | <b>\$ 124,362</b> | <b>\$ 13,002,591</b>     | <b>\$ 158,566</b>          |

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for early retirement incentive are made in the General Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

**A. Bonded Debt**

| Series                      | Issue Date      | Maturity Date  | Interest Rate | Original Issue | Bonds Outstanding July 01, 2018 | Additions           | Deductions       | Bonds Outstanding June 30, 2019 |
|-----------------------------|-----------------|----------------|---------------|----------------|---------------------------------|---------------------|------------------|---------------------------------|
| 2011 Refunding              | August 30, 2011 | August 1, 2023 | 4.30%         | \$ 886,200     | \$ 497,200                      | \$ -                | \$ 72,100        | \$ 425,100                      |
| Election 2018, Series 2019A | June 5, 2019    | August 1, 2053 | 4.00%         | 2,200,000      | -                               | 2,200,000           | -                | 2,200,000                       |
|                             |                 |                |               |                | <b>\$ 497,200</b>               | <b>\$ 2,200,000</b> | <b>\$ 72,100</b> | <b>\$ 2,625,100</b>             |

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**A. Bonded Debt (continued)**

**Election 1998**

In an election held April 14, 1998, the voters authorized the District to issue and sell \$1,340,000 of principal amount of general obligation bonds. These bonds were issued for the purpose of constructing and acquiring a new library and classrooms for Hamilton High School.

There was one issuance under this election, Series 1998, which was issued on August 6, 1998 with interest rates ranging from 3.90% to 4.70%. The original issuance consisted of \$430,000 in current interest serial bonds and \$910,000 in current interest term bonds. Interest accrues from August 1, 1998 and is payable semi-annually on February 1 and August 1 of each year, commencing February 1, 1999. Principal is payable annually on August 1, commencing August 1, 2000 through the final maturity date of August 1, 2023. On August 30, 2011, the District issued Refunding Notes to redeem the outstanding bonds.

**2011 Refunding Notes**

On August 30, 2011, the District issued \$886,200 of refunding notes. The notes were issued to redeem the outstanding Election 1998, Series 1998 bonds. The bonds were issued as current interest serial bonds and carry interest of 4.30%. The transaction resulted in an economic gain (difference between the present value of debt service on the old bonds and the new notes) of \$30,720. The principal balance outstanding on June 30, 2019 amounted to \$425,100.

**Election 2018**

In an election held November 6, 2018, the voters authorized the District to issue and sell \$7,000,000 of principal amount of general obligation bonds. These bonds were issued to finance the acquisition, construction, furnishing and equipping of District facilities.

There has been one issuance under this election, Series 2019A, which was issued on June 5, 2019 with a stated interest rate of 4.00%. The original issuance consisted of \$645,000 in current interest serial bonds and \$1,555,000 in current interest term bonds. Interest on the bonds is payable on February 1 and August 1 of each year, commencing February 1, 2020. Principal is payable annually on August 1, commencing August 1, 2020 through the final maturity date of August 1, 2053.

**B. Debt Service Requirements to Maturity – Bonds**

The bonds mature through 2054 as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|------------------|-----------------|--------------|
| 2020                       | \$ 76,500        | \$ 65,646       | \$ 142,146   |
| 2021                       | 285,800          | 102,164         | 387,964      |
| 2022                       | 235,100          | 86,486          | 321,586      |
| 2023                       | 89,300           | 79,736          | 169,036      |
| 2024                       | 93,400           | 75,808          | 169,208      |
| 2025 - 2029                | -                | 369,000         | 369,000      |
| 2030 - 2034                | 65,000           | 364,500         | 429,500      |
| 2035 - 2039                | 175,000          | 340,500         | 515,500      |
| 2040 - 2044                | 320,000          | 292,000         | 612,000      |
| 2045 - 2049                | 510,000          | 209,400         | 719,400      |
| 2050 - 2054                | 775,000          | 82,300          | 857,300      |
| Total                      | \$ 2,625,100     | \$ 2,067,540    | \$ 4,692,640 |



**HAMILTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2019**

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**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**C. Early Retirement Incentives**

The District entered into a supplementary retirement plan with the California State Teachers' Retirement System (CalSTRS) whereby 10 employees (2 in the 2010-11 fiscal year, 2 in the 2011-12 fiscal year, 4 in the 2014-15 fiscal year, and 2 in the 2018-19 fiscal year) of the District elected to take early retirement in exchange for supplementary retirement benefits.

The District entered into a supplementary retirement plan with the California Public Employees' Retirement System (CalPERS) whereby 7 employees (1 in the 2014-15 fiscal year and 6 in the 2018-19 fiscal year) of the District elected to take early retirement in exchange for supplementary retirement benefits.

Future payments for the early retirement plans are as follows:

| <u>Year Ended June 30,</u>              | <u>Payment</u> |
|---|----------------|
| 2020                                    | \$ 95,981      |
| 2021                                    | 84,694         |
| 2022                                    | 81,987         |
| 2023                                    | 79,279         |
| 2024                                    | 57,028         |
| 2025 - 2029                             | 234,636        |
| Total minimum lease payments            | 633,605        |
| Less amount representing interest       | (107,995)      |
| Present value of minimum lease payments | \$ 525,610     |

**D. Compensated Absences**

Total unpaid employee compensated absences as of June 30, 2019 amounted to \$34,918. This amount is included as part of long-term liabilities in the government-wide financial statements.

**E. Other Postemployment Benefits**

The District's beginning total OPEB liability was \$1,147,101 and decreased by \$8,050 during the year ended June 30, 2019. The ending total OPEB liability at June 30, 2019 was \$1,139,051. See Note 10 for additional information regarding the total OPEB liability.

**F. Net Pension Liability**

The District's beginning net pension liability was \$7,772,718 and increased by \$761,968 during the year ended June 30, 2019. The ending net pension liability at June 30, 2019 was \$8,534,686. See Note 11 for additional information regarding the net pension liability.

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

**NOTE 9 – FUND BALANCES**

Fund balances were composed of the following elements at June 30, 2019:

|                         | General Fund        | Building Fund       | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------|---------------------|---------------------|------------------------------------|--------------------------------|
| Non-spendable           |                     |                     |                                    |                                |
| Revolving cash          | \$ 10,000           | \$ -                | \$ -                               | \$ 10,000                      |
| Stores inventory        | -                   | -                   | 9,835                              | 9,835                          |
| Prepaid expenditures    | 12,049              | -                   | -                                  | 12,049                         |
| Total non-spendable     | <u>22,049</u>       | <u>-</u>            | <u>9,835</u>                       | <u>31,884</u>                  |
| Restricted              |                     |                     |                                    |                                |
| Educational programs    | 355,546             | -                   | 115,545                            | 471,091                        |
| Capital projects        | -                   | 1,585,663           | 163,459                            | 1,749,122                      |
| Debt service            | -                   | -                   | 281,509                            | 281,509                        |
| All others              | -                   | -                   | 112,725                            | 112,725                        |
| Total restricted        | <u>355,546</u>      | <u>1,585,663</u>    | <u>673,238</u>                     | <u>2,614,447</u>               |
| Committed               |                     |                     |                                    |                                |
| Other commitments       | -                   | -                   | 37,508                             | 37,508                         |
| Total committed         | <u>-</u>            | <u>-</u>            | <u>37,508</u>                      | <u>37,508</u>                  |
| Assigned                |                     |                     |                                    |                                |
| Postemployment benefits | 211,395             | -                   | -                                  | 211,395                        |
| Total assigned          | <u>211,395</u>      | <u>-</u>            | <u>-</u>                           | <u>211,395</u>                 |
| Unassigned              |                     |                     |                                    |                                |
| Remaining unassigned    | 1,308,367           | -                   | -                                  | 1,308,367                      |
| Total unassigned        | <u>1,308,367</u>    | <u>-</u>            | <u>-</u>                           | <u>1,308,367</u>               |
| <b>Total</b>            | <u>\$ 1,897,357</u> | <u>\$ 1,585,663</u> | <u>\$ 720,581</u>                  | <u>\$ 4,203,601</u>            |

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 4 percent of General Fund expenditures and other financing uses.

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**A. Plan Description**

The Hamilton Unified School District administers a single employer defined benefit OPEB plan that provides medical, dental and vision insurance benefits to eligible retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2019**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**B. Benefits Provided**

The District provides postemployment health care benefits based on the age and the years of service. District-paid benefits are subject to a cap and paid until age 65.

| <b>Employee Group</b>                  | <b>Age for Eligibility</b> | <b>Years for Eligibility</b> |
|--|----------------------------|------------------------------|
| Certificated                           | 55                         | 15                           |
| Classified and Confidential Management | 55                         | 15                           |
| Classified Confidential                | 50                         | 10                           |
| Superintendent                         | 55                         | 5                            |

**C. Contributions**

The contribution requirements of Plan members and the Hamilton Unified School District are established and may be amended by the Hamilton Unified School District. For fiscal year 2018-19, the District contributed \$65,379 to the Plan, all of which was used for current premiums.

**D. Plan Membership**

Membership of the Plan consisted of the following:

|  | <b><u>Number of<br/>participants</u></b> |
|--|--|
| Inactive employees receiving benefits                      | 7  |
| Inactive employees entitled to but not receiving benefits* | -  |
| Participating active employees                             | <u>64</u>                                |
| <b>Total number of participants**</b>                      | <b><u>71</u></b>                         |

\*Information not provided

\*\*As of the July 1, 2017 valuation date

**E. Total OPEB Liability**

The Hamilton Unified School District's total OPEB liability of \$1,139,051 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**F. Actuarial Assumptions and Other Inputs**

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of July 1, 2017 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

**Assumptions:**

|                         |                                |
|-------------------------|--------------------------------|
| Salary increases        | 3.00%                          |
| Medical cost trend rate | 5.00% for 2018 and later years |
| Employer cap adjustment | 0.00%                          |
| Age adjustment factor   | 0.30%                          |
| Percent married         | 50.0%                          |

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 or Females, as appropriate, without projection.

The actuarial assumptions used in the June 30, 2017 valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2017.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

**G. Changes in Total OPEB Liability**

|   | <u>June 30, 2019</u> |
|---|----------------------|
| <b>Total OPEB Liability</b>   |                      |
| Service Cost  | \$ 59,372            |
| Interest on total OPEB liability  | 34,889               |
| Difference between expected and actual experience                           | (36,932)             |
| Benefits payments   | <u>(65,379)</u>      |
| Net change in total OPEB liability  | (8,050)              |
| Total OPEB liability - beginning  | <u>1,147,101</u>     |
| Total OPEB liability - ending   | <u>\$ 1,139,051</u>  |
| <br>  |                      |
| Covered-employee payroll  | \$ 4,907,547         |
| <br>  |                      |
| District's total OPEB liability as a percentage of covered-employee payroll | 23.2%                |

**HAMILTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2019**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

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

The following presents the total OPEB liability of the Hamilton Unified School District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.62 percent) or one percentage point higher (4.62 percent) than the current discount rate:

|                      | <b>1% Decrease</b> | <b>Valuation<br/>Discount Rate</b> | <b>1% Increase</b> |
|----------------------|--------------------|------------------------------------|--------------------|
|                      | <b>(2.62%)</b>     | <b>(3.62%)</b>                     | <b>(4.62%)</b>     |
| Total OPEB liability | \$ 1,215,859       | \$ 1,139,051                       | \$ 1,067,840       |

**I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the Hamilton Unified School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (5.00 percent) or one percentage point higher (7.00 percent) than the current healthcare cost trend rate:

|                      | <b>1% Decrease</b> | <b>Valuation Trend<br/>Rate</b> | <b>1% Increase</b> |
|----------------------|--------------------|---------------------------------|--------------------|
|                      | <b>(4.00%)</b>     | <b>(5.00%)</b>                  | <b>(6.00%)</b>     |
| Total OPEB liability | \$ 1,036,493       | \$ 1,139,051                    | \$ 1,256,872       |

**J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the Hamilton Unified School District recognized OPEB expense of \$106,367. At June 30, 2019, the Hamilton Unified School District reported deferred outflows of resources related to OPEB from the following sources:

|  | <b>Deferred Outflows<br/>of Resources</b> |
|--|---|
| District contributions subsequent<br>to the measurement date | \$ 95,313                                 |
|  | <u>\$ 95,313</u>                          |

The \$95,313 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020.

**HAMILTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2019**

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**NOTE 11 – PENSION PLANS**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

|              | <u>Net pension liability</u> | <u>Deferred outflows related to pensions</u> | <u>Deferred inflows related to pensions</u> | <u>Pension expense</u> |
|--------------|------------------------------|--|---|------------------------|
| STRS Pension | \$ 5,724,627                 | \$ 1,800,510                                 | \$ 486,221                                  | \$ 708,528             |
| PERS Pension | 2,810,059                    | 934,398                                      | 3,718                                       | 642,446                |
| <b>Total</b> | <u>\$ 8,534,686</u>          | <u>\$ 2,734,908</u>                          | <u>\$ 489,939</u>                           | <u>\$ 1,350,974</u>    |

**A. California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

**Benefits Provided**

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2019**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS) (continued)**

**Contributions**

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2019, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2019 was 16.28% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$568,939 for the year ended June 30, 2019.

**On-Behalf Payments**

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$522,549 to CalSTRS, which included a supplemental contribution for fiscal year 2019 due to California Senate Bill No. 90.

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

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

|   |                     |
|---|---------------------|
| District's proportionate share of the net pension liability                           | \$ 5,724,627        |
| State's proportionate share of the net pension liability associated with the District | 3,277,633           |
| Total   | <u>\$ 9,002,260</u> |

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2017 and rolling forward the total pension liability to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2018, the District's proportion was 0.006 percent, which did not change from its proportion measured as of June 30, 2017.

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS) (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

For the year ended June 30, 2019, the District recognized pension expense of \$708,528. In addition, the District recognized pension expense and revenue of \$111,766 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between projected and actual earnings on plan investments   | \$ -                                      | \$ 220,434                               |
| Differences between expected and actual experience  | 17,752                                    | 83,153                                   |
| Changes in assumptions  | 889,305                                   | -  |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 324,514                                   | 182,634                                  |
| District contributions subsequent to the measurement date   | 568,939                                   | -  |
|   | <u>\$ 1,800,510</u>                       | <u>\$ 486,221</u>                        |

The \$568,939 reported as 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 year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|----------------------------|---|--|
| 2020                       | \$ 259,474                                | \$ 17,589                                |
| 2021                       | 259,474                                   | 100,341                                  |
| 2022                       | 259,474                                   | 250,709                                  |
| 2023                       | 211,520                                   | 102,387                                  |
| 2024                       | 211,522                                   | 14,344                                   |
| 2025                       | 30,107                                    | 851                                      |
|                            | <u>\$ 1,231,571</u>                       | <u>\$ 486,221</u>                        |



**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS) (continued)**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

|                            |       |
|----------------------------|-------|
| Consumer Price Inflation   | 2.75% |
| Investment Rate of Return* | 7.10% |
| Wage Inflation             | 3.50% |

\* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010–June 30, 2015.

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

| <b>Asset Class</b>         | <b>Assumed Asset Allocation</b> | <b>Long-Term Expected Real Rate of Return*</b> |
|----------------------------|---------------------------------|--|
| Global Equity              | 47%                             | 6.30%  |
| Fixed Income               | 12%                             | 0.30%  |
| Real Estate                | 13%                             | 5.20%  |
| Private Equity             | 13%                             | 9.30%  |
| Risk Mitigating Strategies | 9%                              | 2.90%  |
| Inflation Sensitive        | 4%                              | 3.80%  |
| Cash/Liquidity             | 2%                              | -1.00%   |
|                            | 100%                            |  |

\*20-year geometric average

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS) (continued)**

**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 that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. 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 occur midyear. Based on those assumptions, the Plan'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 the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

|   | <b>1%<br/>Decrease<br/>(6.10%)</b> | <b>Current<br/>Discount Rate<br/>(7.10%)</b> | <b>1%<br/>Increase<br/>(8.10%)</b> |
|---|------------------------------------|--|------------------------------------|
| District's proportionate share of the net pension liability | \$ 8,385,909                       | \$ 5,724,627                                 | \$ 3,518,166                       |

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

**B. California Public Employees' Retirement System (CalPERS)**

**Plan Description**

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

**Benefits Provided**

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS) (continued)**

**Contributions**

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2019 was 18.062% of annual payroll. Contributions to the plan from the District were \$273,239 for the year ended June 30, 2019.

**On-Behalf Payments**

The District was the recipient of on-behalf payments made by the State of California to CalPERS for K-12 education. These payments consisted of state general fund contributions of approximately \$95,282 to CalPERS for fiscal year 2019 due to California Senate Bill No. 90.

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

At June 30, 2019, the District reported a liability of \$2,810,059 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2017 and rolling forward the total pension liability to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2018, the District's proportion was 0.011 percent, which was an increase of 0.002 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$642,446. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between projected and actual earnings on plan investments   | \$ 23,049                                 | \$ -                                     |
| Differences between expected and actual experience  | 184,217                                   | -  |
| Changes in assumptions  | 280,572                                   | -  |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 173,321                                   | 3,718                                    |
| District contributions subsequent to the measurement date   | 273,239                                   | -  |
|   | <u>\$ 934,398</u>                         | <u>\$ 3,718</u>                          |

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS) (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The \$273.239 reported as 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 year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|----------------------------|---|--|
| 2020                       | \$ 362,967                                | \$ 3,718                                 |
| 2021                       | 270,453                                   | -  |
| 2022                       | 44,325                                    | -  |
| 2023                       | (16,586)                                  | -  |
|                            | <u>\$ 661,159</u>                         | <u>\$ 3,718</u>                          |

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

|                  |                                 |
|------------------|---------------------------------|
| Inflation        | 2.50%                           |
| Discount Rate    | 7.15%                           |
| Salary Increases | Varies by Entry Age and Service |

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

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. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS) (continued)**

**Actuarial Assumptions (continued)**

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class      | Assumed Asset Allocation | Real Return Years 1 – 10* | Real Return Years 11+** |
|------------------|--------------------------|---------------------------|-------------------------|
| Global Equity    | 50.0%                    | 4.80%                     | 5.98%                   |
| Fixed Income     | 28.0%                    | 1.00%                     | 2.62%                   |
| Inflation Assets | 0.0%                     | 0.77%                     | 1.81%                   |
| Private Equity   | 8.0%                     | 6.30%                     | 7.23%                   |
| Real Estate      | 13.0%                    | 3.75%                     | 4.93%                   |
| Liquidity        | 1.0%                     | 0.0%                      | -0.92%                  |
|                  | <u>100.0%</u>            |                           |                         |

\*An expected inflation of 2.00% used for this period.

\*\*An expected inflation of 2.92% used for this period.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

|   | 1% Decrease<br>(6.15%) | Current Discount Rate<br>(7.15%) | 1% Increase<br>(8.15%) |
|---|------------------------|----------------------------------|------------------------|
| District's proportionate share of the net pension liability | \$ 4,091,312           | \$ 2,810,059                     | \$ 1,747,077           |

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2019**

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**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all other litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2019.

**NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES**

The District is a member of two joint powers authorities (JPAs). The first is the California's Valued Trust to provide health and welfare benefits, and the other is the Golden State Risk Management Authority to provide property and liability insurance and workers' compensation insurance. The relationship is such that the JPAs are not component units of the District for financial reporting purposes.

**NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

**A. Pension Plans**

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2019, total deferred outflows related to pensions was \$2,734,908 and total deferred inflows related to pensions was \$489,939.

**B. Other Postemployment Benefits**

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2019, total deferred outflows related to other postemployment benefits was \$95,313.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2019**

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**NOTE 15 – CALSTRS EARLY RETIREMENT INCENTIVE**

In 2018-19, the District offered an early retirement incentive from the California State Teachers' Retirement System (CalSTRS) in anticipation of net salary savings of approximately \$41,614. Two employees opted into the program. The District has completed its certification required by Education Code Sections 22714, 22714.5, and 44929 as summarized below:

| Type of Position | Age   | Service Credit | Admin Fee, Present Value Plus Any Interest | Retiree Salary and Benefits | Replacement Employee Salary and Benefits | Years to Cost Savings | Salary and Benefit Savings |
|------------------|-------|----------------|--|-----------------------------|--|-----------------------|----------------------------|
| 1 Teacher        | 67.58 | 20.21          | \$ 60,691                                  | \$ 94,894                   | \$ -                                     | 1                     | \$ 94,894                  |
| 2 Superintendent | 60.42 | 20.91          | \$ 117,653                                 | \$ 287,634                  | \$ 162,570                               | 1                     | \$ 125,064                 |
|                  |       |                |  |                             |  | Savings               | \$ 219,958                 |
|                  |       |                |  |                             |  | Total Costs           | \$ (178,344)               |
|                  |       |                |  |                             |  | Net Savings           | \$ 41,614                  |

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**HAMILTON UNIFIED SCHOOL DISTRICT  
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2019**

|  | Budgeted Amounts    |                     | Actual*<br>(Budgetary Basis) | Variances -<br>Final to Actual |
|--|---------------------|---------------------|------------------------------|--------------------------------|
|  | Original            | Final               |                              |                                |
| <b>REVENUES</b>  |                     |                     |                              |                                |
| LCFF sources   | \$ 7,548,255        | \$ 7,695,895        | \$ 7,585,746                 | \$ (110,149)                   |
| Federal sources  | 260,002             | 269,983             | 312,481                      | 42,498                         |
| Other state sources  | 467,224             | 513,194             | 386,893                      | (126,301)                      |
| Other local sources  | 35,500              | 35,500              | 105,703                      | 70,203                         |
| <b>Total Revenues</b>  | <b>8,310,981</b>    | <b>8,514,572</b>    | <b>8,390,823</b>             | <b>(123,749)</b>               |
| <b>EXPENDITURES</b>  |                     |                     |                              |                                |
| Certificated salaries  | 3,476,900           | 3,514,169           | 3,606,836                    | (92,667)                       |
| Classified salaries  | 1,146,053           | 1,146,553           | 1,194,119                    | (47,566)                       |
| Employee benefits  | 1,893,035           | 1,893,319           | 1,894,721                    | (1,402)                        |
| Books and supplies   | 312,945             | 509,271             | 406,435                      | 102,836                        |
| Services and other operating expenditures                    | 808,593             | 872,059             | 944,941                      | (72,882)                       |
| Capital outlay   | 236,000             | 569,030             | 568,942                      | 88                             |
| Other outgo  |                     |                     |                              |                                |
| Excluding transfers of indirect costs                        | 565,616             | 773,732             | 848,471                      | (74,739)                       |
| Transfers of indirect costs                                  | -                   | (7,800)             | (7,130)                      | (670)                          |
| <b>Total Expenditures</b>                                    | <b>8,439,142</b>    | <b>9,270,333</b>    | <b>9,457,335</b>             | <b>(187,002)</b>               |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>(128,161)</b>    | <b>(755,761)</b>    | <b>(1,066,512)</b>           | <b>(310,751)</b>               |
| <b>Other Financing Sources (Uses)</b>                        |                     |                     |                              |                                |
| Transfers in   | 27,972              | 27,972              | 377,972                      | 350,000                        |
| Transfers out  | (103,000)           | -                   | -                            | -                              |
| <b>Net Financing Sources (Uses)</b>                          | <b>(75,028)</b>     | <b>27,972</b>       | <b>377,972</b>               | <b>350,000</b>                 |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>(203,189)</b>    | <b>(727,789)</b>    | <b>(688,540)</b>             | <b>39,249</b>                  |
| <b>Fund Balance - Beginning</b>                              | <b>1,947,083</b>    | <b>1,947,083</b>    | <b>1,947,083</b>             | <b>-</b>                       |
| <b>Fund Balance - Ending</b>                                 | <b>\$ 1,743,894</b> | <b>\$ 1,219,294</b> | <b>\$ 1,258,543</b>          | <b>\$ 39,249</b>               |

\* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- On-behalf payments of \$617,831 are not included in the actual revenues and expenditures reported in this schedule.
- Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

See accompanying note to required supplementary information.

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

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|   | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---|----------------------|----------------------|
| <b>Total OPEB Liability</b>   |                      |                      |
| Service Cost  | \$ 59,372            | \$ 57,643            |
| Interest on total OPEB liability  | 34,889               | 35,569               |
| Difference between expected and actual experience                           | (36,932)             | -                    |
| Benefits payments   | <u>(65,379)</u>      | <u>(163,783)</u>     |
| Net change in total OPEB liability  | (8,050)              | (70,571)             |
| Total OPEB liability - beginning  | <u>1,147,101</u>     | <u>1,217,672</u>     |
| Total OPEB liability - ending   | <u>\$ 1,139,051</u>  | <u>\$ 1,147,101</u>  |
| <br>  |                      |                      |
| Covered-employee payroll  | \$ 4,907,547         | \$ 4,720,386         |
| <br>  |                      |                      |
| District's total OPEB liability as a percentage of covered-employee payroll | 23.2%                | 24.3%                |

See accompanying note to required supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS  
 FOR THE YEAR ENDED JUNE 30, 2019**

|  | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability   | 0.006%        | 0.006%        | 0.006%        | 0.006%        | 0.006%        |
| District's proportionate share of the net pension liability  | \$ 5,724,627  | \$ 5,517,090  | \$ 4,929,244  | \$ 4,289,136  | \$ 3,454,068  |
| State's proportionate share of the net pension liability associated with the District              | 3,277,633     | 3,263,891     | 2,806,545     | 2,268,474     | 2,085,715     |
| Total  | \$ 9,002,260  | \$ 8,780,981  | \$ 7,735,789  | \$ 6,557,610  | \$ 5,539,783  |
| District's covered payroll   | \$ 3,327,082  | \$ 3,193,611  | \$ 3,041,124  | \$ 2,952,115  | \$ 2,632,667  |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 172.1%        | 172.8%        | 162.1%        | 145.3%        | 131.2%        |
| Plan fiduciary net position as a percentage of the total pension liability                         | 71.0%         | 69.5%         | 70.0%         | 74.0%         | 76.5%         |

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying note to required supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS  
 FOR THE YEAR ENDED JUNE 30, 2019**

|  | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability   | 0.011%        | 0.009%        | 0.009%        | 0.009%        | 0.009%        |
| District's proportionate share of the net pension liability  | \$ 2,810,059  | \$ 2,255,628  | \$ 1,829,810  | \$ 1,380,963  | \$ 1,064,892  |
| District's covered payroll   | \$ 1,393,304  | \$ 1,207,955  | \$ 1,113,685  | \$ 1,030,826  | \$ 984,697    |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 201.7%        | 186.7%        | 164.3%        | 134.0%        | 108.1%        |
| Plan fiduciary net position as a percentage of the total pension liability                         | 70.8%         | 71.9%         | 73.9%         | 79.4%         | 83.4%         |

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**HAMILTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2019**

|   | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution                                   | \$ 568,939    | \$ 480,098    | \$ 400,723    | \$ 327,759    | \$ 262,013    |
| Contributions in relation to the contractually required contribution* | (568,939)     | (480,098)     | (400,723)     | (327,759)     | (262,013)     |
| Contribution deficiency (excess)                                      | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| District's covered payroll  | \$ 3,394,579  | \$ 3,327,082  | \$ 3,193,611  | \$ 3,041,124  | \$ 2,952,115  |
| Contributions as a percentage of covered payroll                      | 16.76%        | 14.43%        | 12.55%        | 10.78%        | 8.88%         |

\*Amounts do not include on-behalf contributions

See accompanying note to required supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS  
 FOR THE YEAR ENDED JUNE 30, 2019**

|   | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contractually required contribution                                   | \$ 273,239           | \$ 216,394           | \$ 167,570           | \$ 131,477           | \$ 121,898           |
| Contributions in relation to the contractually required contribution* | (273,239)            | (216,394)            | (167,570)            | (131,477)            | (121,898)            |
| Contribution deficiency (excess)                                      | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| District's covered payroll  | \$ 1,512,968         | \$ 1,393,304         | \$ 1,207,955         | \$ 1,113,685         | \$ 1,030,826         |
| Contributions as a percentage of covered payroll                      | 18.06%               | 15.53%               | 13.87%               | 11.81%               | 11.83%               |

\*Amounts do not include on-behalf contributions

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Budgetary Comparison Schedule**

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

**Schedule of Changes in Total OPEB Liability and Related Ratios**

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuation for OPEB.

**Changes in Assumptions**

There were no changes in economic assumptions since the previous valuation for OPEB.

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

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

**Changes in Assumptions**

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

**Schedule of District Contributions**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued  
 FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2019, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code, as follows:

|   | <b>Expenditures and Other Uses</b> |               |               |
|---|------------------------------------|---------------|---------------|
|   | <b>Budget</b>                      | <b>Actual</b> | <b>Excess</b> |
| General Fund                              |                                    |               |               |
| Certificated salaries                     | \$ 3,514,169                       | \$ 3,606,836  | \$ 92,667     |
| Classified salaries                       | \$ 1,146,553                       | \$ 1,194,119  | \$ 47,566     |
| Employee benefits                         | \$ 1,893,319                       | \$ 1,894,721  | \$ 1,402      |
| Services and other operating expenditures | \$ 872,059                         | \$ 944,941    | \$ 72,882     |
| Other outgo                               |                                    |               |               |
| Excluding transfers of indirect costs     | \$ 773,732                         | \$ 848,471    | \$ 74,739     |
| Transfers of indirect costs               | \$ (7,800)                         | \$ (7,130)    | \$ 670        |



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## **SUPPLEMENTARY INFORMATION**

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

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>                  | <u>CFDA<br/>Number</u> | <u>Pass-Through Entity<br/>Identifying Number</u> | <u>Federal<br/>Expenditures</u> |
|---|------------------------|---|---------------------------------|
| U. S. DEPARTMENT OF EDUCATION:  |                        |   |                                 |
| <i>Passed through California Department of Education:</i>                       |                        |   |                                 |
| Title I, Part A, Basic Grants Low-Income and Neglected                          | 84.010                 | 14329   | \$ 185,918                      |
| Title II, Part A, Supporting Effective Instruction Local Grants                 | 84.367                 | 14341   | 25,478                          |
| Title III   |                        |   |                                 |
| Title III, English Learner Student Program                                      | 84.365                 | 14346   | 17,998                          |
| Title III, Immigrant Education Program  | 84.365                 | 15146   | 363                             |
| Subtotal Title III  |                        |   | <u>18,361</u>                   |
| Title IV, Part A  |                        |   |                                 |
| Title IV, Part A, Student Support and Academic Enrichment Grants                | 84.424                 | 15396   | 12,874                          |
| Title IV, Part A, Student Support and Academic Enrichment Grant Program (SSAE)  | 84.424                 | 15391   | 30,139                          |
| Subtotal Title IV, Part A   |                        |   | <u>43,013</u>                   |
| Title VI, Part B, Rural & Low Income School Program                             | 84.358B                | 14356   | 16,044                          |
| Adult Education   |                        |   |                                 |
| Adult Education: Adult Basic Education & ESL                                    | 84.002A                | 14508   | 7,515                           |
| Adult Education: Adult Secondary Education                                      | 84.002                 | 13978   | 4,400                           |
| Adult Education: English Literacy and Civics Education                          | 84.002A                | 14109   | 7,315                           |
| Subtotal Adult Education  |                        |   | <u>19,230</u>                   |
| Vocational Programs: Voc & Appl Tech Secondary II C, Sec 131 (Carl Perkins Act) | 84.048                 | 14893   | 6,836                           |
| <b>Total U. S. Department of Education</b>                                      |                        |   | <u><u>314,880</u></u>           |
| U. S. DEPARTMENT OF AGRICULTURE:  |                        |   |                                 |
| <i>Passed through California Department of Education:</i>                       |                        |   |                                 |
| Child Nutrition Cluster   |                        |   |                                 |
| School Breakfast Program - Needy  | 10.553                 | 13526   | 90,404                          |
| National School Lunch Program   | 10.555                 | 13391   | 239,822                         |
| Meal Supplements  | 10.555                 | *   | 6,017                           |
| USDA Commodities  | 10.555                 | *   | 25,966                          |
| Summer Food Service Program for Children  | 10.559                 | 13004   | 11,992                          |
| Subtotal Child Nutrition Cluster  |                        |   | <u>374,201</u>                  |
| CACFP Claims - Centers and Family Day Care                                      | 10.558                 | 13393   | 73,796                          |
| Forest Reserve Funds  | 10.665                 | 10044   | 2,047                           |
| <b>Total U. S. Department of Agriculture</b>                                    |                        |   | <u><u>450,044</u></u>           |
| U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:                                  |                        |   |                                 |
| <i>Passed through California Department of Health Services:</i>                 |                        |   |                                 |
| Medi-Cal Administrative Activities  | 93.778                 | 10060   | 14,784                          |
| <b>Total U. S. Department of Health &amp; Human Services</b>                    |                        |   | <u>14,784</u>                   |
| <b>Total Federal Expenditures</b>   |                        |   | <u><u>\$ 779,708</u></u>        |

\* - Pass-Through Entity Identifying Number not available or not applicable

See accompanying note to supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
 FOR THE YEAR ENDED JUNE 30, 2019**

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|                                       | <b>Second<br/>Period<br/>Report</b> | <b>Annual<br/>Report</b>            |
|---------------------------------------|-------------------------------------|-------------------------------------|
|                                       | <b>Certificate No.<br/>E6B5C587</b> | <b>Certificate No.<br/>20BD0E28</b> |
| SCHOOL DISTRICT                       |                                     |                                     |
| TK/K through Third<br>Regular ADA     | 184.88                              | 184.55                              |
| Fourth through Sixth<br>Regular ADA   | 138.82                              | 138.73                              |
| Seventh through Eighth<br>Regular ADA | 79.75                               | 79.60                               |
| Ninth through Twelfth<br>Regular ADA  | 284.42                              | 284.91                              |
| TOTAL SCHOOL DISTRICT                 | <u>687.87</u>                       | <u>687.79</u>                       |

See accompanying note to supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2019**

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| <b>Grade Level</b> | <b>Minutes Requirement</b> | <b>2018-19 Actual Minutes</b> | <b>Number of Days</b> | <b>Status</b> |
|--------------------|----------------------------|-------------------------------|-----------------------|---------------|
| Kindergarten       | 36,000                     | 58,900                        | 180                   | Complied      |
| Grade 1            | 50,400                     | 52,100                        | 180                   | Complied      |
| Grade 2            | 50,400                     | 52,300                        | 180                   | Complied      |
| Grade 3            | 50,400                     | 52,300                        | 180                   | Complied      |
| Grade 4            | 54,000                     | 56,200                        | 180                   | Complied      |
| Grade 5            | 54,000                     | 56,200                        | 180                   | Complied      |
| Grade 6            | 54,000                     | 62,136                        | 180                   | Complied      |
| Grade 7            | 54,000                     | 62,136                        | 180                   | Complied      |
| Grade 8            | 54,000                     | 62,136                        | 180                   | Complied      |
| Grade 9            | 64,800                     | 65,360                        | 180                   | Complied      |
| Grade 10           | 64,800                     | 65,360                        | 180                   | Complied      |
| Grade 11           | 64,800                     | 65,360                        | 180                   | Complied      |
| Grade 12           | 64,800                     | 65,360                        | 180                   | Complied      |

See accompanying note to supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

|  | <b>2020 (Budget)</b> | <b>2019</b>          | <b>2018</b>         | <b>2017</b>         |
|--|----------------------|----------------------|---------------------|---------------------|
| General Fund - Budgetary Basis**               |                      |                      |                     |                     |
| Revenues And Other Financing Sources           | \$ 8,500,450         | \$ 8,768,795         | \$ 7,991,664        | \$ 7,982,174        |
| Expenditures And Other Financing Uses          | 8,735,699            | 9,457,335            | 8,713,858           | 8,052,990           |
| Net change in Fund Balance                     | <u>\$ (235,249)</u>  | <u>\$ (688,540)</u>  | <u>\$ (722,194)</u> | <u>\$ (70,816)</u>  |
| Ending Fund Balance                            | <u>\$ 1,023,294</u>  | <u>\$ 1,258,543</u>  | <u>\$ 1,947,083</u> | <u>\$ 2,669,277</u> |
| Available Reserves*                            | <u>\$ 667,748</u>    | <u>\$ 1,308,367</u>  | <u>\$ 1,532,032</u> | <u>\$ 2,231,952</u> |
| Available Reserves As A<br>Percentage Of Outgo | <u>7.64%</u>         | <u>13.83%</u>        | <u>17.58%</u>       | <u>27.72%</u>       |
| Long-term Liabilities                          | <u>\$ 12,844,025</u> | <u>\$ 13,002,591</u> | <u>\$ 9,589,121</u> | <u>\$ 7,772,316</u> |
| Average Daily<br>Attendance At P-2             | <u>692</u>           | <u>688</u>           | <u>672</u>          | <u>669</u>          |

The General Fund balance has decreased by \$1,410,734 over the past two years. The fiscal year 2019-20 budget projects a decrease of \$235,249. For a District this size, the State recommends available reserves of at least 4% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in each of the past three years and anticipates incurring an operating deficit during the 2019-20 fiscal year. Total long-term obligations have increased by \$5,230,275 over the past two years.

Average daily attendance has increased by 19 ADA over the past two years. An additional increase of 4 ADA is anticipated during the 2019-20 fiscal year.

\*Available reserves consist of all unassigned fund balance within the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects.

\*\*The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54. On-behalf payments of \$617,831 are not included in the actual revenues and expenditures reported in this schedule.

See accompanying note to supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL  
 STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019**

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|  | <b>General<br/>Fund</b> | <b>Special Reserve<br/>Fund for Other<br/>Than Capital<br/>Outlay<br/>Projects</b> | <b>Special Reserve<br/>Fund for<br/>Postemployment<br/>Benefits</b> |
|--|-------------------------|--|---|
| June 30, 2019, annual financial and budget report fund balance | \$ 1,258,543            | \$ 427,419   | \$ 211,395  |
| Adjustments and reclassifications:                             |                         |  |   |
| Increase (decrease) in total fund balances:                    |                         |  |   |
| Fund balance transfer (GASB 54)                                | 638,814                 | (427,419)  | (211,395)   |
| Net adjustments and reclassifications                          | 638,814                 | (427,419)  | (211,395)   |
| June 30, 2019, audited financial statement fund balance        | <u>\$ 1,897,357</u>     | <u>\$ -</u>  | <u>\$ -</u>   |

See accompanying note to supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

|   | Adult Education Fund | Child Development Fund | Cafeteria Fund    | Deferred Maintenance Fund | Capital Facilities Fund | Bond Interest & Redemption Fund | Non-Major Governmental Funds |
|---|----------------------|------------------------|-------------------|---------------------------|-------------------------|---------------------------------|------------------------------|
| <b>ASSETS</b>                             |                      |                        |                   |                           |                         |                                 |                              |
| Cash and investments                      | \$ 117,770           | \$ 2,882               | \$ 45,162         | \$ 37,394                 | \$ 127,009              | \$ 278,036                      | \$ 608,253                   |
| Accounts receivable                       | 24,766               | 5,024                  | 74,573            | 114                       | 36,450                  | 3,475                           | 144,402                      |
| Due from other funds                      | -                    | 6,231                  | 510               | -                         | -                       | -                               | 6,741                        |
| Stores inventory                          | -                    | -                      | 9,835             | -                         | -                       | -                               | 9,835                        |
| <b>Total Assets</b>                       | <b>\$ 142,536</b>    | <b>\$ 14,137</b>       | <b>\$ 130,080</b> | <b>\$ 37,508</b>          | <b>\$ 163,459</b>       | <b>\$ 281,511</b>               | <b>\$ 769,231</b>            |
| <b>LIABILITIES</b>                        |                      |                        |                   |                           |                         |                                 |                              |
| Accrued liabilities                       | \$ 8,497             | \$ 982                 | \$ 7,520          | \$ -                      | \$ -                    | \$ 2                            | \$ 17,001                    |
| Due to other funds                        | 20,653               | 10,996                 | -                 | -                         | -                       | -                               | 31,649                       |
| <b>Total Liabilities</b>                  | <b>29,150</b>        | <b>11,978</b>          | <b>7,520</b>      | <b>-</b>                  | <b>-</b>                | <b>2</b>                        | <b>48,650</b>                |
| <b>FUND BALANCES</b>                      |                      |                        |                   |                           |                         |                                 |                              |
| Non-spendable                             | -                    | -                      | 9,835             | -                         | -                       | -                               | 9,835                        |
| Restricted                                | 113,386              | 2,159                  | 112,725           | -                         | 163,459                 | 281,509                         | 673,238                      |
| Committed                                 | -                    | -                      | -                 | 37,508                    | -                       | -                               | 37,508                       |
| <b>Total Fund Balances</b>                | <b>113,386</b>       | <b>2,159</b>           | <b>122,560</b>    | <b>37,508</b>             | <b>163,459</b>          | <b>281,509</b>                  | <b>720,581</b>               |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 142,536</b>    | <b>\$ 14,137</b>       | <b>\$ 130,080</b> | <b>\$ 37,508</b>          | <b>\$ 163,459</b>       | <b>\$ 281,511</b>               | <b>\$ 769,231</b>            |

See accompanying note to supplementary information.





**HAMILTON UNIFIED SCHOOL DISTRICT  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 JUNE 30, 2019**

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The Hamilton Unified School District was established on July 1, 2009 upon the unification of Hamilton High School District and Hamilton Elementary School District. The boundaries of the former districts changed in accordance with the approved plan of unification. The District is located in Glenn County and is currently operating one high school, one elementary school, two community day schools, one continuation high school, one preschool, and an adult education program.

**GOVERNING BOARD**

| <b>Member</b>          | <b>Office</b> | <b>Term Expires</b> |
|------------------------|---------------|---------------------|
| Gabriel Leal           | President     | December 2020       |
| Hubert "Wendall" Lower | Clerk         | December 2020       |
| Rod Boone              | Member        | December 2020       |
| Ray Odom               | Member        | December 2022       |
| Genaro Reyes           | Member        | December 2022       |

**DISTRICT ADMINISTRATORS**

Charles Tracy  
*Superintendent*

Diane Holliman  
*Chief Business Official*

See accompanying note to supplementary information.

**HAMILTON UNIFIED SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The District has not elected to use the 10 percent de minimis indirect cost rate.

**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**

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 46208. During the year ended June 30, 2019, the District participated in the Longer Day incentive funding program. As of June 30, 2019, the District had met its target funding.

**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.

**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 Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

**Combining Statements – Non-Major Funds**

These statements provide information on the District's non-major funds.

**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.

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## **OTHER INDEPENDENT AUDITORS' REPORTS**

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**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**

Independent Auditors' Report

Governing Board  
Hamilton Unified School District  
Hamilton City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton Unified School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Hamilton Unified School District's basic financial statements, and have issued our report thereon dated December 16, 2019.

**Internal Control over Financial Reporting**

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

348 Olive Street  
San Diego, CA  
92103

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## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Christy White, Inc.*

San Diego, California  
December 16, 2019

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board  
Hamilton Unified School District  
Hamilton City, California

**Report on Compliance for Each Major Federal Program**

We have audited Hamilton Unified 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 Hamilton Unified School District's major federal programs for the year ended June 30, 2019. Hamilton Unified 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 Hamilton Unified 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 Hamilton Unified 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 Hamilton Unified School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Hamilton Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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## Report on Internal Control Over Compliance

Management of Hamilton Unified 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 Hamilton Unified 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 Hamilton Unified 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 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.

*Christy White, Inc.*

San Diego, California  
December 16, 2019

**REPORT ON STATE COMPLIANCE**Independent Auditors' Report

Governing Board  
Hamilton Unified School District  
Hamilton City, California

**Report on State Compliance**

We have audited Hamilton Unified School District's compliance with the types of compliance requirements described in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, California Code of Regulations, section 19810, that could have a direct and material effect on each of Hamilton Unified School District's state programs for the fiscal year ended June 30, 2019, as identified below.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Hamilton Unified School District's state 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 *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, California Code of Regulations, section 19810. Those standards 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 the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Hamilton Unified 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 with the requirements referred to above. However, our audit does not provide a legal determination of Hamilton Unified School District's compliance with those requirements.

**Opinion on State Compliance**

In our opinion, Hamilton Unified School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2019.

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**Procedures Performed**

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

| <b>PROGRAM NAME</b>                                  | <b>PROCEDURES PERFORMED</b> |
|--|-----------------------------|
| Attendance   | Yes                         |
| Teacher Certification and Misassignments             | Yes                         |
| Kindergarten Continuance                             | Yes                         |
| Independent Study                                    | Not Applicable              |
| Continuation Education                               | No                          |
| Instructional Time                                   | Yes                         |
| Instructional Materials                              | Yes                         |
| Ratios of Administrative Employees to Teachers       | Yes                         |
| Classroom Teacher Salaries                           | Yes                         |
| Early Retirement Incentive                           | Yes                         |
| Gann Limit Calculation                               | Yes                         |
| School Accountability Report Card                    | Yes                         |
| Juvenile Court Schools                               | Not Applicable              |
| Middle or Early College High Schools                 | Not Applicable              |
| K-3 Grade Span Adjustment                            | Yes                         |
| Transportation Maintenance of Effort                 | Yes                         |
| Apprenticeship: Related and Supplemental Instruction | Not Applicable              |
| Comprehensive School Safety Plan                     | Yes                         |
| District of Choice                                   | Not Applicable              |
| California Clean Energy Jobs Act                     | Yes                         |

*(Continued on the next page)*

**Procedures Performed (continued)**

| <b>PROGRAM NAME</b>   | <b>PROCEDURES PERFORMED</b> |
|---|-----------------------------|
| After/Before School Education and Safety Program                                    | Not Applicable              |
| Proper Expenditure of Education Protection Account Funds                            | Yes                         |
| Unduplicated Local Control Funding Formula Pupil Counts                             | Yes                         |
| Local Control and Accountability Plan   | Yes                         |
| Independent Study-Course Based  | Not Applicable              |
| Attendance; for charter schools   | Not Applicable              |
| Mode of Instruction; for charter schools  | Not Applicable              |
| Nonclassroom-Based Instruction/Independent Study;<br>for charter schools            | Not Applicable              |
| Determination of Funding for Nonclassroom-Based<br>Instruction; for charter schools | Not Applicable              |
| Annual Instructional Minutes – Classroom Based; for<br>charter schools              | Not Applicable              |
| Charter School Facility Grant Program   | Not Applicable              |

We did not perform testing for Continuation Education because it was not material for the year ended June 30, 2019.

*Christy White, Inc.*

San Diego, California  
December 16, 2019

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**SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

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**HAMILTON UNIFIED SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2019**

---

**FINANCIAL STATEMENTS**

|  |                      |
|--|----------------------|
| Type of auditors' report issued:                       | <u>Unmodified</u>    |
| Internal control over financial reporting:             |                      |
| Material weakness(es) identified?                      | <u>No</u>            |
| Significant deficiency(ies) identified?                | <u>None Reported</u> |
| Non-compliance material to financial statements noted? | <u>No</u>            |

**FEDERAL AWARDS**

|   |                      |
|---|----------------------|
| Internal control over major program:  |                      |
| Material weakness(es) identified?   | <u>No</u>            |
| Significant deficiency(ies) identified?   | <u>None Reported</u> |
| Type of auditors' report issued:  | <u>Unmodified</u>    |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)? | <u>No</u>            |
| Identification of major programs:   |                      |

| <u>CFDA Number(s)</u>  | <u>Name of Federal Program or Cluster</u> |            |
|--|---|------------|
| 10.553, 10.555, 10.559   | Child Nutrition Cluster                   |            |
| Dollar threshold used to distinguish between Type A and Type B programs: |   | \$ 750,000 |
| Auditee qualified as low-risk auditee?                                   |   | <u>No</u>  |

**STATE AWARDS**

|   |                      |
|---|----------------------|
| Internal control over state programs:                             |                      |
| Material weaknesses identified?                                   | <u>No</u>            |
| Significant deficiency(ies) identified?                           | <u>None Reported</u> |
| Type of auditors' report issued on compliance for state programs: | <u>Unmodified</u>    |

**HAMILTON UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**FIVE DIGIT CODE**

20000  
30000

**AB 3627 FINDING TYPE**

Inventory of Equipment  
Internal Control

*There were no financial statement findings for the year ended June 30, 2019.*

**HAMILTON UNIFIED SCHOOL DISTRICT  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

---

FIVE DIGIT CODE  
50000

AB 3627 FINDING TYPE  
Federal Compliance

*There were no federal award findings or questioned costs for the year ended June 30, 2019.*

**HAMILTON UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

---

**FIVE DIGIT CODE**

10000  
40000  
42000  
43000  
60000  
61000  
62000  
70000  
71000  
72000

**AB 3627 FINDING TYPE**

Attendance  
State Compliance  
Charter School Facilities Programs  
Apprenticeship: Related and Supplemental Instruction  
Miscellaneous  
Classroom Teacher Salaries  
Local Control Accountability Plan  
Instructional Materials  
Teacher Misassignments  
School Accountability Report Card

*There were no state award findings or questioned costs for the year ended June 30, 2019.*

**HAMILTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

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*There were no findings or questioned costs for the year ended June 30, 2018.*





## Glenn County Office of Education Educational Services

676 E. Walker Street, Orland, CA 95963  
(530) 865-1267 x 2107 • fax (530) 865-1282

December 12, 2019

Dear Dr. Powell and Hamilton Unified Governing Board members:

Based on a review of student group performance on the 2019 CA Dashboard state indicators, Hamilton Unified School District is eligible for Differentiated Assistance. The state indicators of Academic Performance and Conditions and Climate (Suspension) for Students with Disabilities are indicated as needing improvement.

Under California's Local Control Funding Formula (LCFF), County Offices of Education, the California Collaborative for Educational Excellence, and the California Department of Education have specific responsibilities within the Statewide System of Support to assist local educational agencies. Along with staff from the State Board of Education, we have been working to ensure that we have a consistent approach and that our efforts are responsive to locally identified needs.

The starting point will be talking with your district leadership team and stakeholders about the Dashboard data and other local data, identified strengths and challenges and what may be the cause of these challenges. Further, responding with specific actions related to challenges in your system, and consideration of ways to measure the effectiveness of changes within a continuous improvement process will be key to addressing performance issues brought to light by the Dashboard. Working alongside your district, county offices are prepared to facilitate these conversations. County Offices will use tools and strategies from improvement science to support your district. The California Collaborative for Educational Excellence is positioned to work directly with county offices to serve school districts as needed.

The focus will be on helping districts build internal capacity so that you can work with your own communities to develop and implement improvement strategies with guidance and support. For change to be sustainable, it must be developed and directed by the people within the districts who will be doing the hard work of continuous improvement.

The Glenn County Office of Education will work with you to identify underlying causes, possible solutions, helpful resources or expertise, and methods for measuring the effectiveness of possible solutions.

- There is no requirement to create a new improvement plan nor will the state dictate a specific set of interventions or establish top-down directives for improvement.
- You can leverage the Local Control and Accountability Plan process to engage local educators and communities and strengthen/change your LCAP through the annual update cycle.
- The assistance does not need to be limited only to the student group(s) and indicators that led to identification. Rather, assistance can and should focus on your actual needs, regardless of the reasons for your eligibility.

- The assistance is intended to help you identify your needs and to access expertise or resources to help you address them. While there is urgency to begin this work, there are no quick fixes for developing capacity; such efforts require long-term commitment so that improvement can be sustained over time.

We appreciate that you may have many more detailed questions about what to expect. Please feel free to contact Shirley Diaz, Assistant Superintendent Educational Services who will be leading the Differentiated Assistance process.

Sincerely,

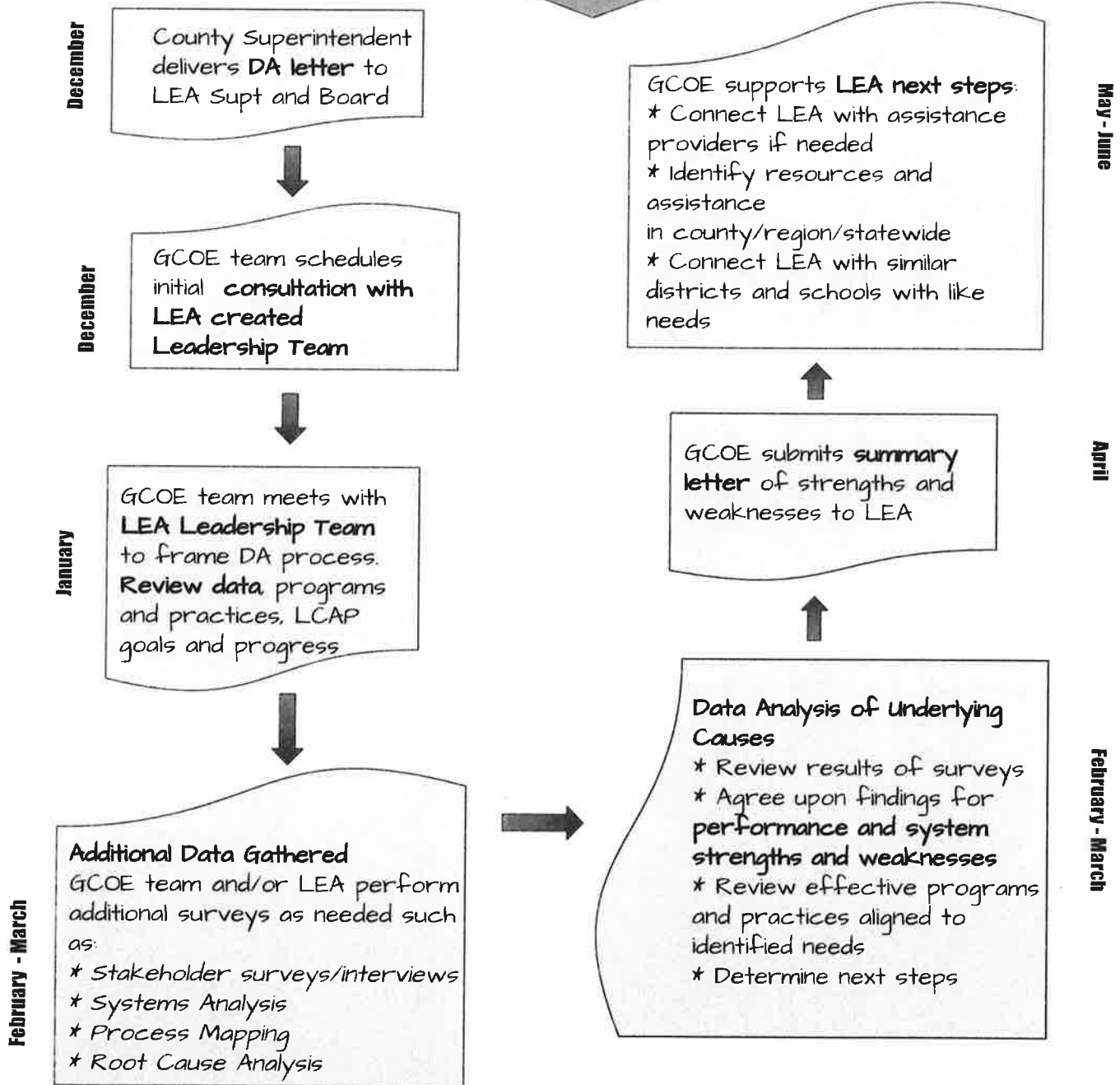
A handwritten signature in black ink, appearing to read "Tracey J. Quarne". The signature is written in a cursive, flowing style.

Tracey J. Quarne  
Glenn County Superintendent of Schools

# Glenn County Differentiated Assistance Process

## Guiding Principles

- ◆ Foster systemic collaboration to improve student outcomes
- ◆ Build a culture of reflective inquiry that leads to sustainable change
- ◆ Exhibit a growth mindset and improvement habits of mind through transparency, empathy, and humble inquiry



Questions? Contact  
Shirley Diaz - Educational Services  
sdiaz@glenncoe.org





**HAMILTON UNIFIED SCHOOL DISTRICT**  
**HAMILTON HIGH SCHOOL SITE EXPANSION-PERMITTING STATUS**  
**BOARD DISCUSSION ITEM**  
**JANUARY 22,2020**

**CURRENT SITE PURCHASE STATUS & TIMELINE-(Defer to Supt. & Legal Counsel)**

**CDE SITE PERMITTING REQUIREMENTS**

**DEPARTMENT OF TOXIC SUBSTANCES CONTROL (NV5)**

- Preliminary Environmental Assessment Scope; DTSC Comments returned to District-District & Consultant have made requested amendments. No apparent cost impacts for study.
- On site sampling completed by 11/15/2019; lab analysis now being completed.
- Draft PEA now being completed; due to be submitted to DTSC approximately 1/30/2020.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (PLACEWORKS)**

- Construction Data requests completed; will be incorporated in final Project Description and Air Quality sections.
- On site studies & sampling completed 11/13/2019.
- Consultant now drafting land use, noise, bio, cultural & air quality sections of report.
- Now analyzing Consultant's Additional Cost Proposal

**TITLE 5 REPORTS (PLACEWORKS)-**

- Pipeline Safety Study: Research & Report Complete. SUMMARY-No mitigation measures required.
- Railway Safety Study: Research & Report Complete. SUMMARY: No special risks or mitigation required.
- Dam Inundation Study: Research & Report Complete. SUMMARY: Dam Inundation: *"The school site is within the inundation zones of Black Butte Dam and Shasta Dam. It is highly unlikely that either the Black Butte Dam or Shasta Dam would experience a catastrophic failure, even in the case of a maximum credible earthquake. As flood depths would not reach the school site for 7 hours at the earliest, there would be adequate time for the safe evacuation of students and staff at Hamilton High School in the unlikely event of a dam failure. However, because the school site is located within the inundation zones for two dams, it is recommended that the District coordinate with the Glenn County Sheriff/Office of Emergency Services to ensure that they are notified via the SEMS and CodeRED in the case of an imminent dam failure or other natural disaster."*

## **EDUCATIONAL SPECIFICATIONS (iep2)**

- **Initial Scoping Meeting with Superintendent 7/2/2019; Sup't. now putting together Focus Group membership lists (i.e. Site Faculty, Parent Groups, District Support Staff, etc.). First meeting to be held in early February 2020.**

## **Geological Hazards Studies**

- **Now soliciting proposals for studies to meet the requirements of the California Department of Education (CDE), School Facilities Planning Division form 4.01, Division of the State Architect (DSA), the California Geological Survey (CGS) Note 48, and the 2016 California Building Code (CBC). Results expected the end of January 2020.**