

AGENDA

REGULAR BOARD MEETING

Tuesday, January 12, 2016
7:00 p.m. District Conference Room

1. **Call to order- Flag Salute**

In compliance with the Americans with Disabilities Act and the Brown Act, if you need special assistance to participate in the meeting, including the receipt of the agenda and documents in the agenda package in an alternate format, please contact the Tipton Elementary School District office at (559) 752-4213. Notification 48 hours prior to the meeting will enable the district to make reasonable arrangements to ensure accessibility to this meeting (28CFR35.102-35, 104 ADA Title II), and allow for the preparation of documents in appropriate alternate format

2. **Public Input:**

In order to ensure that Members of the public are provided a meaningful opportunity to address the board on agenda items that are within the Board's jurisdiction, agenda items may be addressed either at the public input portion of the agenda, or at the time the matter is taken up by the Board. Presentations are limited to 3 minutes per person and 15 minutes per topic.

- 2.1 Community Relations/Citizen Comments
- 2.2 Reports by Employee Units CTA/CSEA
- 2.3 Recognize Spelling Bee Participants

3. **CONSENT CALENDAR: Action items:**

- 3.1 Minutes of December 8, 2015 Board Meeting
- 3.2 Agreement between Tipton ESD and 1 IPAD Gratis LLC for 2015-2016 Supplemental Educational Services
- 3.3 Agreement between Tipton ESD and 5 Star Tutors LLC for 2015-2016 Supplemental Educational Services
- 3.4 Agreement between Tipton ESD and #1 Acedemia de Servicio de Tutoria for 2015-2016 Supplemental Educational Services
- 3.5 Agreement between Tipton ESD and Datamatics for 2015-2016 Supplemental Educational Services
- 3.6 Agreement between Tipton ESD and Carter, Reddy & Associates for 2015-2016 Supplemental Educational Services
- 3.7 Field Trip Requests

4. **ADMINISTRATIVE: Action items:**

- 4.1 Annual Report of Developer Fees 2014-2015
- 4.2 Consulting Services Agreement with Isom Advisors for Continuing Disclosure

5. **FINANCE: Action items:**

- 5.1 Vendor Payments
- 5.2 Budget Revisions
- 5.3 Audit Report for Year Ended June 30, 2015 (*Document will be available during the audit report presentation*)

6. INFORMATION: (Verbal Reports & Presentations)

6.1 MOT--FOOD SERVICE—PROJECTS

P-1 Attendance Report

Multi-Purpose Building Update

7. Adjourn to Closed Session: The Board will consider and may act upon any of the following items in closed session. Any action taken will be reported publicly at the end of closed session as required by law.

7.1 Personnel items: Employment, Resignations, Transfers, Leaves etc. of Certificated and Classified Personnel.

7.2 Student transfers, expulsion, reinstatements, suspensions, inter District request, etc.

7.3 Discussion on Certificated/Classified Negotiation

7.4 Management Negotiation and Discussion.

8. Reconvene to open session

9. Report out from Closed Session

10. Adjournment

Notice: If documents are distributed to Board Members concerning an agenda item within 72 hours of a regular board meeting, at the same time the documents will be made available for public inspection at the District Office located at 370 N. Evans Road, Tipton CA. 93272, telephone 752-4213.

Agenda Posted: Thursday, January 7, 2016

3. CONSENT CALENDAR: Action items:

3.1 Minutes of December 8, 2015 Board Meeting

Minutes

REGULAR BOARD MEETING

Tuesday, December 8, 2015
7:00 p.m. District Conference Room

1. Call to order- Flag Salute

Board Clerk Greg Rice called the meeting to order at 7:03 pm and led the flag salute. Board Members present: Iva Sousa, Shelley Heeger, Greg Rice and John Cardoza. Tony Macedo was absent.

Guest: Laura Cisneros, Andrew Cisneros, Isabel Cisneros, Luis Mendez, Alejandra Cisneros, Brenda Mendez, Jose Mendez, Leslie Mendez, Jose Mendez, Kevin Sandoval, Vanessa Sandoval, Benjamin Ambriz, Jimena Martin, Lidia Rocha, Stacey Bettencourt, Fausto Martin and Anthony Hernandez.

2. Annual Organizational Meeting: Action items:

2.1 Nominate and Elect President of the Tipton Board of Education

Motion to Elect Tony Macedo as Board President was made by Iva Sousa and second by John Cardoza.

Vote Yea 4/ No 0/ Abstain 0/ Absent 1

Yea- John Cardoza, Shelley Heeger, Iva Sousa and Greg Rice

No – 0

Abstain – 0

Absent - Tony Macedo

2.2 Nominate and Elect Clerk of the Tipton Board of Education

Motion to Elect Greg Rice as Board Clerk was made by John Cardoza and second by Iva Sousa.

Vote Yea 4/ No 0/ Abstain 0/ Absent 1

Yea- Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No- 0

Abstain-0

Absent - Tony Macedo

2.3 Appoint Secretary of the Board

Motion to Appoint Superintendent, Miguel A. Guerrero as Board Secretary was made by Iva Sousa and second by John Cardoza.

Vote Yea 4/ No 0/ Abstain 0/ Absent 1

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

2.4 Authorized Signatures to Sign Orders - Superintendent, Business Manager, and Principal

Motion to Authorize Signatures to Sign Orders was made by Shelley Heeger and second by John Cardoza.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea- Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

2.5 Board representatives to vote on 2016 Election of County Committee

Motion to Elect John Cardoza to the Election of County Committee was made by Shelley Heeger and second by Iva Sousa.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

3. Public Input:

3.1 Community Relations/Citizen Comments - No comments made

3.2 Reports by Employee Units CTA/CSEA – No comments made

3.3 Student Recognition

Several students were recognized from Mr. Marroquin's and Mr. Starling's elective classes for their exceptional projects.

3.4 Correspondence

School Board Appreciation Dinner – February 11, 2015 at 6:00 pm

4. CONSENT CALENDAR: Action items:

4.1 Minutes of Board Meeting, November 3, 2015

4.2 Board Meeting Dates for 2016

4.3 Approval of Board Policies and Administrative Regulations

Motion to approve the consent calendar was made by Iva Sousa and second by John Cardoza.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

5. ADMINISTRATIVE: Action items:

5.1 Approval of the Division of the State Architect Application for the Multi-Purpose Building

Motion to approve the State Architect application for the Multi-Purpose Building was made by John Cardoza and second by Iva Sousa.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0
Abstain – 0
Absent – Tony Macedo

5.2 Tulare County Interdistrict Attendance Agreement

Motion to approve Tulare County Interdistrict Attendance Agreement was made by Shelley Heeger and second by Iva Sousa.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

5.3 Board Resolution #2015-2016-11, For State Building Funds Application

Motion to approve Board Resolution #2015-2016-11, for State Building Funds Application was made by Shelley Heeger and second by Iva Sousa.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

6. **FINANCE: Action items:**

6.1 Vendor Payments

Motion to approve vendor payments was made by Shelley Heeger and second by John Cardoza.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

6.2 Budget Revisions

Motion to approve budget revisions was made by Shelley Heeger and second by Iva Sousa.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

6.3 First Interim Report

Motion to approve First Interim Report was made by Shelley Heeger and second by John Cardoza.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

7. INFORMATION: (Verbal Reports & presentations)

7.1 MOT--FOOD SERVICE—PROJECTS

8. Adjourn to Closed Session: 8:02 p.m.

9. Reconvene to open session 8:47 p.m.

10. Report out from Closed Session

8.1 Personnel items: Employment, Resignations, Transfers, Leaves etc. of Certificated and Classified Personnel

Approve Lidia Rocha's resignation effective June 30, 2016.

Motion to approve Lidia Rocha's resignation, Food Service Manager, was made by Shelley Heeger and second by John Cardoza.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

8.2 Student transfers, expulsion, reinstatements, suspensions, inter District request, etc.

Motion to approve student transfers was made by Shelley Heeger and second by Iva Sousa.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

8.3 Discussion on Certificated/Classified Negotiation

Approve Memorandum of Understanding with the Associated Teachers of Tipton regarding out of pocket health expenses.

Motion to approve Memorandum of Understanding with the Associated Teachers of Tipton was made by Shelley Heeger and second by Iva Sousa.

Vote Yea 4/ No 0/ Abstain 0/ Absent 0

Yea - Shelley Heeger, Iva Sousa, John Cardoza and Greg Rice

No – 0

Abstain – 0

Absent – Tony Macedo

8.4 Management Negotiation and Discussion

No action taken

11. **Adjournment 8:48 p.m.**

Minutes approved January 12, 2016

Tony Macedo, President

Greg Rice, Clerk

Miguel A. Guerrero Ed.D., Secretary

3. CONSENT CALENDAR: Action items:

3.2 Agreement between Tipton ESD and 1 IPAD Gratis LLC for 2015-2016 Supplemental Educational Services



**TIPTON ELEMENTARY SCHOOL DISTRICT
MASTER CONTRACT
TITLE I - SUPPLEMENTARY SERVICE PROVIDERS
2015-16**

THIS MASTER CONTRACT ("Contract") is made and entered into on January 12, 2016, between the Tipton Elementary School District (hereinafter referred to as "LEA" [Local Educational Agency] or "District"), a public school district duly operating under the laws of the state of California, and 1 iPad Gratis LLC/ 1976 S La Cienega Blvd C# 238 LA CA 90034 / 1-800-697-6591, the supplementary service provider (hereinafter referred to as "PROVIDER") for the purpose of providing supplementary services to eligible LEA students. "Eligible students" are those students identified by the District who meet specific requirements under Title I.

WHEREAS, the LEA is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, the LEA is in need of such special services and advice;

WHEREAS, PROVIDER is specially trained and experienced and competent to perform the special services required by the LEA, and such services are needed on a limited basis;

WHEREAS, the No Child Left Behind Act, 20 U.S.C. Section 6316(e) outlines the requirements for supplemental educational services;

WHEREAS, Section 6316(e)(3) contains the following requirements:

- a. Requires the LEA to develop, in consultation with parents (and the provider chosen by parents), a statement of specific achievement goals for the student, how the student's progress will be measured, and a timetable for improving achievement, in the case of a student with disabilities, is consistent with the student's IEP;
- b. Requires a description of how the student's parents and teacher or teachers will be regularly informed of the student's progress;
- c. Requires a provision for the termination of the Agreement if the PROVIDER is unable to meet the goals and timetables required;
- d. Requires provisions with respect to the making payment to the PROVIDER by the LEA;
- e. Prohibits the PROVIDER from disclosing to the public the identity of any student eligible for, or receiving supplemental services without the written permission of the parent of such student;

WHEREAS, PROVIDER has been approved by the California State Department of Education and has met the qualifications to be certified as a supplementary service provider; and

WHEREAS, PROVIDER is willing to provide such services to LEA's eligible students if selected by the parents/guardians of eligible students.

THEREFORE, IN CONSIDERATION OF THE MUTAL PROMISES CONTAINED HEREIN, it is agreed between the parties as follows:

1. Individual Academic Plan

An Individual Academic Plan (IAP) shall be developed by LEA in consultation with parents/guardians and PROVIDER for each LEA eligible student whose parent/guardian elects to receive supplementary services from PROVIDER. The IAP will describe how progress will be measured, as well as how the student, parent and teachers will be regularly informed of that progress. Changes in any student's IAP may only be made with the written consent of LEA in consultation with parents/guardians. PROVIDER, LEA or the parents/guardians may request a review of a student's IAP. Provider shall administer a standards based pre and post-test assessment. PROVIDER shall not unilaterally terminate any IAP. PROVIDER shall obtain written authorization from LEA before terminating any IAP. Parents/guardians shall not be charged for any services rendered under the IAP unless such services and charges are clearly identified in writing and agreed upon in advance in a writing signed by the parents/guardians. In no event shall the agreed upon charges obligate the LEA financially, nor shall the LEA incur any obligation or expense in excess of the state/federal reimbursement amount. The IAP will be consistent with the IEP of Students with Disabilities.

2. Parents/Guardianship

For the purpose of the Contract, a parent is the natural or adoptive parent, legal guardian, or a surrogate parent appointed by LEA.

3. Student Records

All student records shall be kept in a secure location, preventing access by unauthorized individuals. PROVIDER will maintain an access log delineating date, time, agency, and identity of any individual accessing student records who is not in the direct employ of the PROVIDER. PROVIDER agrees to provide access to and copies of student records to LEA and/or the parents/guardians of LEA's student. PROVIDER shall not forward to any other person other than parents/guardians or LEA any student record without the written consent of the parent/guardian or LEA. Upon completion or termination of the IAP or termination of this Contract, PROVIDER shall turn over to LEA all student records for LEA's eligible students to whom PROVIDER has provided services under this Contract.

4. Access by LEA

PROVIDER shall notify LEA of the location and/or any change in location at which it is providing services to LEA's eligible students. It shall allow access to its facilities for periodic monitoring of each student's instructional program by LEA and shall be invited to participate in the review of each student's progress by LEA. LEA representatives shall have access to observe each student at work, observe the instructional setting, interview PROVIDER, and review each student's progress including the behavior intervention plan, if any.

5. Fingerprints

In accordance with Education Code Section 45125.1, PROVIDER shall conduct a criminal background check of its employees and, upon receipt of those checks, certify to the LEA that no employee of PROVIDER working with students of the school district has been convicted of a violent or serious felony as defined by statutes. (See attached form.) PROVIDER shall supply LEA with a list of names of those employees who are cleared to work with students of the LEA. A fingerprint certification form will be submitted with monthly invoices and attendance registers.

6. Independent Contractor Status

This Agreement is by and between two independent agents and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association. PROVIDER understands and agrees that it shall be responsible for providing its own salaries, payroll taxes, withholding, insurance, workers compensation coverage and all other benefits of any kind, as required by law for its own employees, and assumes the full responsibility for the acts and/or omissions of his/her employees or agents as they relate to the services to be provided under this Agreement.

7. Conflict of Interest

PROVIDER agrees to furnish to LEA (upon request) a valid copy of the most recently adopted partnership agreements or bylaws of the corporation and also a complete and accurate list of the Governing Board of Trustees (Directors/Partners) and to timely update said information as changes in such governance occur. PROVIDER shall avoid any actual or potential conflict of interest on behalf of itself or its employees providing services hereunder, including, but not limited to, employment with LEA.

8. Accident/Incident Report

PROVIDER agrees to submit a written accident report to LEA within five (5) days of an accident or incident when a pupil has suffered an injury, injured another individual, or has been involved in an activity requiring notification of law enforcement or emergency personnel.

9. Discrimination

PROVIDER shall not discriminate on the basis of race, religion, sex, national origin, age, handicap, or sexual orientation in employment or operation of its programs.

10. Child Abuse Reporting

PROVIDER assures LEA that all staff members, including volunteers, are familiar with and agree to adhere to child abuse and/or missing children reporting obligations and procedures under California law, including but not limited to, California Education Code Section 49370 and California Penal Code Section 1166 et seq. PROVIDER agrees to provide annual training to all its employees regarding mandated reporting of child abuse and missing children. PROVIDER agrees that all staff members will abide by such laws in a timely manner. PROVIDER shall submit immediately by facsimile and mail, within twenty-four (24) hours an accident or incident report to LEA when it becomes aware of circumstances including, but not limited to, allegations of molestation, child abuse, missing children under PROVIDER's supervision.

11. Supplies, Equipment and Facilities

PROVIDER shall be solely responsible for the provision of all supplies, equipment, and facilities for a pupil as required in his/her IAP. A PROVIDER who desires to use District facilities must make a separate application for use of facilities through the District's Use of Facilities procedures.

12. Inspections and Audit

PROVIDER shall provide access to records or reports, or other matter relating to the Contract, upon request by LEA. Fiscal records shall be maintained by PROVIDER for five (5) years and shall be available for audit. At the end of each school year, student records will be submitted to the LEA.

13. Indemnification

PROVIDER shall defend, hold harmless, and indemnify LEA and its governing board, officers, agents, and employees from and against all liabilities and claims for damage for death, sickness, or

injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever arising from or connected with its service hereunder, resulting from the negligence or intentional acts of PROVIDER, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement. LEA shall defend, hold harmless and indemnify PROVIDER and its governing board, offices, agents, and employees from all liabilities and claims for damage for death, sickness, or injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever resulting from the negligence or intentional acts of LEA, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement.

14. Insurance

During the entire term of this Agreement and any extension or modification thereof, PROVIDER shall keep in effect a policy or policies of liability insurance, including coverage of owned and non-owned vehicles used in relation to the performance of service(s) by PROVIDER, of at least one million dollars (\$1,000,000.00) for each person and one million dollars (\$1,000,000.00) for all accidents or occurrences for all damages arising out of death, bodily injury, sickness or disease from any one accident or occurrence, and one million dollars (\$1,000,000.00) for all damages and liability arising out of injury to or destruction of property for each accident or occurrence. Not later than the effective date of this Agreement, PROVIDER shall provide LEA with satisfactory evidence of insurance, naming LEA as additional certificate holder, including a provision for a twenty (20) calendar day written notice to LEA before cancellation or material change, evidencing the above-specific coverage. The PROVIDER shall at its own cost and expense procure and maintain insurance under the Worker’s Compensation Law of California, if applicable. LEA reserves the right to revise the requirements of this provision at any time. If LEA determines that additional insurance coverage is necessary, LEA will reopen negotiations with PROVIDER to modify the terms of this Agreement.

15. Monthly Invoices

PROVIDER shall submit to LEA monthly invoices itemized by name/address of student, service provided and actual number of hours for which services were provided, and amount owed. LEA shall not pay for non-attendance of students. Such invoices shall be submitted within thirty (30) days of the rendering of services. LEA shall process payments to PROVIDER within forty-five (45) days of submission of such invoices. PROVIDER will be paid according to the fee cap set forth below. The total amount payable to the PROVIDER will not exceed the maximum rate per student and is limited to the number of students for which Exhibit A is executed by DISTRICT, PROVIDER, and parents/guardians, as this is the maximum rate allowable by law. DISTRICT will not pay the PROVIDER for religious worship or instruction.

FEE CAP		
RATE PER STUDENT PER SESSION	MAXIMUM NUMBER OF SESSIONS PER STUDENT	MAXIMUM PER STUDENT RATE
\$ 60 per hour	14	\$856.25
3 STUDENTS x \$856.25 = NOT TO EXCEED \$2,568.75		

PROVIDER agrees that this Agreement is subject to and limited by the availability of DISTRICT'S Title I funding allocations. DISTRICT'S obligation to make payments to the PROVIDER is contingent upon receipt of funds for this program, which is subject to change/adjustment.

16. Records of Attendance

PROVIDER shall maintain daily records of student service provided, including the name/address of student, the name of PROVIDER's employee who rendered the service, and the amount of time of such service. PROVIDER shall permit access to and/or a copy of such records to LEA upon request.

17. Right to Withhold

LEA may withhold payment to PROVIDER, on ten (10) working days written notice of such withholding, when in the opinion of the LEA:

- a. PROVIDER's performance, in whole or in part, either has not been carried out or is insufficiently documented.
- b. PROVIDER has neglected, failed, or refused to furnish information or to cooperate with the inspection, review, or audit of its program, work, or records.
- c. PROVIDER has failed to submit the invoice in a timely manner.

If LEA gives notice of intent to withhold, PROVIDER shall have fourteen (14) days from the date of receipt of said notice to correct such deficiency and/or may invoke the dispute resolution provision herein.

18. Modifications and Amendments

This Contract may be modified or amended only by a written document signed by authorized representatives of PROVIDER and LEA. No change in this Contract or in the IAP shall result in a LEA financial obligation to PROVIDER in excess of the State/Federal reimbursement rate per student per year to the LEA.

19. Disputes

Disputes between LEA and PROVIDER concerning the meaning, requirements or performance of this contract shall be submitted to the Superintendent of the Tipton Elementary School District. The determination of the LEA Superintendent shall be made in writing and shall be binding on both parties.

20. Subcontracts and Assignment

PROVIDER shall not subcontract or assign any of the work contemplated under this Contract without first obtaining written approval from the LEA. Such approval shall be made part of this Contract. Subcontracts or assignments may be entered into only with providers certified by the California Department of Education. Any sub-contractor or assignee shall be bound by all of the terms of this Contract, including the insurance and indemnification provisions.

21. Termination

- a. This Agreement may be terminated by LEA or PROVIDER at any time. PROVIDER's exercise of its right to terminate this Contract shall not alleviate its responsibilities to complete any existing IAP's. To terminate this Contract, either party shall give twenty (20) calendar days written notice as provided herein prior to the date of the termination. Upon termination without default of PROVIDER, LEA shall pay, without duplication, for all services satisfactorily performed to date of termination.

- b. In consideration of this payment, PROVIDER waives all rights to any further payment or damage. Upon termination, PROVIDER shall turn over to LEA all student records in its possession generated as a result of services rendered under this Contract, possessed by PROVIDER or under its control at the time of termination.
- c. An Individual Academic Plan may be terminated by PROVIDER only upon consent of the LEA. An IAP shall terminate if the student ceases to be enrolled in the District. Upon termination under this paragraph, final payment from LEA will be calculated based upon a pro-rata calculation of total services agreed-upon in the IAP for which the LEA is responsible for payment, divided by that portion of services actually rendered.

22. Compliance with Laws

During the term of this Agreement, PROVIDER shall comply with all applicable federal, State Board of Education, and local statutes, laws ordinances, rules and regulations relating to the provision of supplementary services, including securing and maintaining in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Contract.

23. Entire Agreement

This Contract constitutes the entire Agreement between LEA and PROVIDER and supersedes any prior or contemporaneous understanding or agreement with respect to the services contemplated.

24. Governing Law

The laws of the state of California shall govern the terms and conditions of this Agreement with venue in Tulare County, California.

25. Severability Clause

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement shall be severable and remain in effect.

26. Notices

Notices required under this Contract shall be valid when mailed first class postage or personally delivered to the following representatives, as indicated below:

For the LEA: Miguel A. Guerrero Ed.D., Superintendent
 Tipton Elementary School District
 370 N. Evans Road
 Tipton, CA 93272

For PROVIDER: Julie Weeks, Manager
 (Name/Title)

1976 S La Cienega Blvd C # 238
 (Address)

Los Angeles, CA 90034
 (City/State/Zip Code)

27. Authorized Representative

The persons signing this Contract certify they are the authorized representatives of the respective parties, and are authorized to sign this document.

The parties hereto have executed this Agreement by and through their duly authorized agents or representatives. This contract is effective January 12, 2016, and terminates at 5:00 p.m. on **June 30, 2016**, unless sooner terminated as provided herein.

LEA: TIPTON ELEMENTARY SCHOOL DISTRICT

Miguel A. Guerrero Ed.D., Superintendent
Tipton Elementary School District

Federal I.D. # _____

PROVIDER: 1 iPad Gratis LLC

Company Name

Julie Weeks

Signature of Representative

Federal I.D. # 47-3480295

Julie Weeks

Name of Representative

3. CONSENT CALENDAR: Action items:

3.3 Agreement between Tipton ESD and 5 Star Tutors LLC for 2015-2016 Supplemental Educational Services



**TIPTON ELEMENTARY SCHOOL DISTRICT
MASTER CONTRACT
TITLE I – SUPPLEMENTARY SERVICE PROVIDERS
2015-16**

THIS MASTER CONTRACT (“Contract”) is made and entered into on January 12, 2016, between the Tipton Elementary School District (hereinafter referred to as “LEA” [Local Educational Agency] or “District”), a public school district duly operating under the laws of the state of California, and 5 Star Tutors LLC/ 3940 Laurel Canyon Blvd #1298 Studio City, CA 91604/ 844-581-5357, the supplementary service provider (hereinafter referred to as “PROVIDER”) for the purpose of providing supplementary services to eligible LEA students. “Eligible students” are those students identified by the District who meet specific requirements under Title I.

WHEREAS, the LEA is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, the LEA is in need of such special services and advice;

WHEREAS, PROVIDER is specially trained and experienced and competent to perform the special services required by the LEA, and such services are needed on a limited basis;

WHEREAS, the No Child Left Behind Act, 20 U.S.C. Section 6316(e) outlines the requirements for supplemental educational services;

WHEREAS, Section 6316(e)(3) contains the following requirements:

- a. Requires the LEA to develop, in consultation with parents (and the provider chosen by parents), a statement of specific achievement goals for the student, how the student’s progress will be measured, and a timetable for improving achievement, in the case of a student with disabilities, is consistent with the student’s IEP;
- b. Requires a description of how the student’s parents and teacher or teachers will be regularly informed of the student’s progress;
- c. Requires a provision for the termination of the Agreement if the PROVIDER is unable to meet the goals and timetables required;
- d. Requires provisions with respect to the making payment to the PROVIDER by the LEA;
- e. Prohibits the PROVIDER from disclosing to the public the identity of any student eligible for, or receiving supplemental services without the written permission of the parent of such student;

WHEREAS, PROVIDER has been approved by the California State Department of Education and has met the qualifications to be certified as a supplementary service provider; and

WHEREAS, PROVIDER is willing to provide such services to LEA’s eligible students if selected by the parents/guardians of eligible students.

THEREFORE, IN CONSIDERATION OF THE MUTAL PROMISES CONTAINED HEREIN, it is agreed between the parties as follows:

1. Individual Academic Plan

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2. Parents/Guardianship

For the purpose of the Contract, a parent is the natural or adoptive parent, legal guardian, or a surrogate parent appointed by LEA.

3. Student Records

All student records shall be kept in a secure location, preventing access by unauthorized individuals. PROVIDER will maintain an access log delineating date, time, agency, and identity of any individual accessing student records who is not in the direct employ of the PROVIDER. PROVIDER agrees to provide access to and copies of student records to LEA and/or the parents/guardians of LEA's student. PROVIDER shall not forward to any other person other than parents/guardians or LEA any student record without the written consent of the parent/guardian or LEA. Upon completion or termination of the IAP or termination of this Contract, PROVIDER shall turn over to LEA all student records for LEA's eligible students to whom PROVIDER has provided services under this Contract.

4. Access by LEA

PROVIDER shall notify LEA of the location and/or any change in location at which it is providing services to LEA's eligible students. It shall allow access to its facilities for periodic monitoring of each student's instructional program by LEA and shall be invited to participate in the review of each student's progress by LEA. LEA representatives shall have access to observe each student at work, observe the instructional setting, interview PROVIDER, and review each student's progress including the behavior intervention plan, if any.

5. Fingerprints

In accordance with Education Code Section 45125.1, PROVIDER shall conduct a criminal background check of its employees and, upon receipt of those checks, certify to the LEA that no employee of PROVIDER working with students of the school district has been convicted of a violent or serious felony as defined by statutes. (See attached form.) PROVIDER shall supply LEA with a list of names of those employees who are cleared to work with students of the LEA. A fingerprint certification form will be submitted with monthly invoices and attendance registers.

6. Independent Contractor Status

This Agreement is by and between two independent agents and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association. PROVIDER understands and agrees that it shall be responsible for providing its own salaries, payroll taxes, withholding, insurance, workers compensation coverage and all other benefits of any kind, as required by law for its own employees, and assumes the full responsibility for the acts and/or omissions of his/her employees or agents as they relate to the services to be provided under this Agreement.

7. Conflict of Interest

PROVIDER agrees to furnish to LEA (upon request) a valid copy of the most recently adopted partnership agreements or bylaws of the corporation and also a complete and accurate list of the Governing Board of Trustees (Directors/Partners) and to timely update said information as changes in such governance occur. PROVIDER shall avoid any actual or potential conflict of interest on behalf of itself or its employees providing services hereunder, including, but not limited to, employment with LEA.

8. Accident/Incident Report

PROVIDER agrees to submit a written accident report to LEA within five (5) days of an accident or incident when a pupil has suffered an injury, injured another individual, or has been involved in an activity requiring notification of law enforcement or emergency personnel.

9. Discrimination

PROVIDER shall not discriminate on the basis of race, religion, sex, national origin, age, handicap, or sexual orientation in employment or operation of its programs.

10. Child Abuse Reporting

PROVIDER assures LEA that all staff members, including volunteers, are familiar with and agree to adhere to child abuse and/or missing children reporting obligations and procedures under California law, including but not limited to, California Education Code Section 49370 and California Penal Code Section 1166 et seq. PROVIDER agrees to provide annual training to all its employees regarding mandated reporting of child abuse and missing children. PROVIDER agrees that all staff members will abide by such laws in a timely manner. PROVIDER shall submit immediately by facsimile and mail, within twenty-four (24) hours an accident or incident report to LEA when it becomes aware of circumstances including, but not limited to, allegations of molestation, child abuse, missing children under PROVIDER's supervision.

11. Supplies, Equipment and Facilities

PROVIDER shall be solely responsible for the provision of all supplies, equipment, and facilities for a pupil as required in his/her IAP. A PROVIDER who desires to use District facilities must make a separate application for use of facilities through the District's Use of Facilities procedures.

12. Inspections and Audit

PROVIDER shall provide access to records or reports, or other matter relating to the Contract, upon request by LEA. Fiscal records shall be maintained by PROVIDER for five (5) years and shall be available for audit. At the end of each school year, student records will be submitted to the LEA.

13. Indemnification

PROVIDER shall defend, hold harmless, and indemnify LEA and its governing board, officers, agents, and employees from and against all liabilities and claims for damage for death, sickness, or

injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever arising from or connected with its service hereunder, resulting from the negligence or intentional acts of PROVIDER, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement. LEA shall defend, hold harmless and indemnify PROVIDER and its governing board, offices, agents, and employees from all liabilities and claims for damage for death, sickness, or injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever resulting from the negligence or intentional acts of LEA, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement.

14. Insurance

During the entire term of this Agreement and any extension or modification thereof, PROVIDER shall keep in effect a policy or policies of liability insurance, including coverage of owned and non-owned vehicles used in relation to the performance of service(s) by PROVIDER, of at least one million dollars (\$1,000,000.00) for each person and one million dollars (\$1,000,000.00) for all accidents or occurrences for all damages arising out of death, bodily injury, sickness or disease from any one accident or occurrence, and one million dollars (\$1,000,000.00) for all damages and liability arising out of injury to or destruction of property for each accident or occurrence. Not later than the effective date of this Agreement, PROVIDER shall provide LEA with satisfactory evidence of insurance, naming LEA as additional certificate holder, including a provision for a twenty (20) calendar day written notice to LEA before cancellation or material change, evidencing the above-specific coverage. The PROVIDER shall at its own cost and expense procure and maintain insurance under the Worker’s Compensation Law of California, if applicable. LEA reserves the right to revise the requirements of this provision at any time. If LEA determines that additional insurance coverage is necessary, LEA will reopen negotiations with PROVIDER to modify the terms of this Agreement.

15. Monthly Invoices

PROVIDER shall submit to LEA monthly invoices itemized by name/address of student, service provided and actual number of hours for which services were provided, and amount owed. LEA shall not pay for non-attendance of students. Such invoices shall be submitted within thirty (30) days of the rendering of services. LEA shall process payments to PROVIDER within forty-five (45) days of submission of such invoices. PROVIDER will be paid according to the fee cap set forth below. The total amount payable to the PROVIDER will not exceed the maximum rate per student and is limited to the number of students for which Exhibit A is executed by DISTRICT, PROVIDER, and parents/guardians, as this is the maximum rate allowable by law. DISTRICT will not pay the PROVIDER for religious worship or instruction.

FEE CAP		
RATE PER STUDENT PER SESSION	MAXIMUM NUMBER OF SESSIONS PER STUDENT	MAXIMUM PER STUDENT RATE
\$ 50 per hour	17	\$856.25
1 STUDENTS x \$856.25 = NOT TO EXCEED \$856.25		

PROVIDER agrees that this Agreement is subject to and limited by the availability of DISTRICT'S Title I funding allocations. DISTRICT'S obligation to make payments to the PROVIDER is contingent upon receipt of funds for this program, which is subject to change/adjustment.

16. Records of Attendance

PROVIDER shall maintain daily records of student service provided, including the name/address of student, the name of PROVIDER's employee who rendered the service, and the amount of time of such service. PROVIDER shall permit access to and/or a copy of such records to LEA upon request.

17. Right to Withhold

LEA may withhold payment to PROVIDER, on ten (10) working days written notice of such withholding, when in the opinion of the LEA:

- a. PROVIDER's performance, in whole or in part, either has not been carried out or is insufficiently documented.
- b. PROVIDER has neglected, failed, or refused to furnish information or to cooperate with the inspection, review, or audit of its program, work, or records.
- c. PROVIDER has failed to submit the invoice in a timely manner.

If LEA gives notice of intent to withhold, PROVIDER shall have fourteen (14) days from the date of receipt of said notice to correct such deficiency and/or may invoke the dispute resolution provision herein.

18. Modifications and Amendments

This Contract may be modified or amended only by a written document signed by authorized representatives of PROVIDER and LEA. No change in this Contract or in the IAP shall result in a LEA financial obligation to PROVIDER in excess of the State/Federal reimbursement rate per student per year to the LEA.

19. Disputes

Disputes between LEA and PROVIDER concerning the meaning, requirements or performance of this contract shall be submitted to the Superintendent of the Tipton Elementary School District. The determination of the LEA Superintendent shall be made in writing and shall be binding on both parties.

20. Subcontracts and Assignment

PROVIDER shall not subcontract or assign any of the work contemplated under this Contract without first obtaining written approval from the LEA. Such approval shall be made part of this Contract. Subcontracts or assignments may be entered into only with providers certified by the California Department of Education. Any sub-contractor or assignee shall be bound by all of the terms of this Contract, including the insurance and indemnification provisions.

21. Termination

- a. This Agreement may be terminated by LEA or PROVIDER at any time. PROVIDER's exercise of its right to terminate this Contract shall not alleviate its responsibilities to complete any existing IAP's. To terminate this Contract, either party shall give twenty (20) calendar days written notice as provided herein prior to the date of the termination. Upon termination without default of PROVIDER, LEA shall pay, without duplication, for all services satisfactorily performed to date of termination.

- b. In consideration of this payment, PROVIDER waives all rights to any further payment or damage. Upon termination, PROVIDER shall turn over to LEA all student records in its possession generated as a result of services rendered under this Contract, possessed by PROVIDER or under its control at the time of termination.
- c. An Individual Academic Plan may be terminated by PROVIDER only upon consent of the LEA. An IAP shall terminate if the student ceases to be enrolled in the District. Upon termination under this paragraph, final payment from LEA will be calculated based upon a pro-rata calculation of total services agreed-upon in the IAP for which the LEA is responsible for payment, divided by that portion of services actually rendered.

22. Compliance with Laws

During the term of this Agreement, PROVIDER shall comply with all applicable federal, State Board of Education, and local statutes, laws ordinances, rules and regulations relating to the provision of supplementary services, including securing and maintaining in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Contract.

23. Entire Agreement

This Contract constitutes the entire Agreement between LEA and PROVIDER and supersedes any prior or contemporaneous understanding or agreement with respect to the services contemplated.

24. Governing Law

The laws of the state of California shall govern the terms and conditions of this Agreement with venue in Tulare County, California.

25. Severability Clause

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement shall be severable and remain in effect.

26. Notices

Notices required under this Contract shall be valid when mailed first class postage or personally delivered to the following representatives, as indicated below:

For the LEA: Miguel A. Guerrero Ed.D., Superintendent
 Tipton Elementary School District
 370 N. Evans Road
 Tipton, CA 93272

For PROVIDER: Margaret Dillon , Manager

 (Name/Title)
 3940 Laurel Canyon Blvd #1298

 (Address)
 Studio City, CA 916042

 (City/State/Zip Code)

27. Authorized Representative

The persons signing this Contract certify they are the authorized representatives of the respective parties, and are authorized to sign this document.

The parties hereto have executed this Agreement by and through their duly authorized agents or representatives. This contract is effective January 12, 2016, and terminates at 5:00 p.m. on **June 30, 2016**, unless sooner terminated as provided herein.

LEA: **TIPTON ELEMENTARY SCHOOL DISTRICT**

Miguel A. Guerrero Ed.D., Superintendent
Tipton Elementary School District

Federal I.D. # _____

PROVIDER:

5 Star Tutors LLC (CA)

Company Name

Margaret P.

Signature of Representative

Federal I.D. # 99-0377501

Margaret Dillon

Name of Representative

3. CONSENT CALENDAR: Action items:

3.4 Agreement between Tipton ESD and #1 Acedemia de Servicio de Tutoria for 2015-2016 Supplemental Educational Services



**TIPTON ELEMENTARY SCHOOL DISTRICT
MASTER CONTRACT
TITLE I - SUPPLEMENTARY SERVICE PROVIDERS
2015-16**

THIS MASTER CONTRACT ("Contract") is made and entered into on January 12, 2016, between the Tipton Elementary School District (hereinafter referred to as "LEA" [Local Educational Agency] or "District"), a public school district duly operating under the laws of the state of California, and #1 Academia de Servicio de Tutoria/ 2550 Corporate Place C108, Monterey Park CA 90265 / 800-293-3091, the supplementary service provider (hereinafter referred to as "PROVIDER") for the purpose of providing supplementary services to eligible LEA students. "Eligible students" are those students identified by the District who meet specific requirements under Title I.

WHEREAS, the LEA is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, the LEA is in need of such special services and advice;

WHEREAS, PROVIDER is specially trained and experienced and competent to perform the special services required by the LEA, and such services are needed on a limited basis;

WHEREAS, the No Child Left Behind Act, 20 U.S.C. Section 6316(e) outlines the requirements for supplemental educational services;

WHEREAS, Section 6316(e)(3) contains the following requirements:

- a. Requires the LEA to develop, in consultation with parents (and the provider chosen by parents), a statement of specific achievement goals for the student, how the student's progress will be measured, and a timetable for improving achievement, in the case of a student with disabilities, is consistent with the student's IEP;
- b. Requires a description of how the student's parents and teacher or teachers will be regularly informed of the student's progress;
- c. Requires a provision for the termination of the Agreement if the PROVIDER is unable to meet the goals and timetables required;
- d. Requires provisions with respect to the making payment to the PROVIDER by the LEA;
- e. Prohibits the PROVIDER from disclosing to the public the identity of any student eligible for, or receiving supplemental services without the written permission of the parent of such student;

WHEREAS, PROVIDER has been approved by the California State Department of Education and has met the qualifications to be certified as a supplementary service provider; and

WHEREAS, PROVIDER is willing to provide such services to LEA's eligible students if selected by the parents/guardians of eligible students.

THEREFORE, IN CONSIDERATION OF THE MUTAL PROMISES CONTAINED HEREIN, it is agreed between the parties as follows:

1. Individual Academic Plan

An Individual Academic Plan (IAP) shall be developed by LEA in consultation with parents/guardians and PROVIDER for each LEA eligible student whose parent/guardian elects to receive supplementary services from PROVIDER. The IAP will describe how progress will be measured, as well as how the student, parent and teachers will be regularly informed of that progress. Changes in any student's IAP may only be made with the written consent of LEA in consultation with parents/guardians. PROVIDER, LEA or the parents/guardians may request a review of a student's IAP. Provider shall administer a standards based pre and post-test assessment. PROVIDER shall not unilaterally terminate any IAP. PROVIDER shall obtain written authorization from LEA before terminating any IAP. Parents/guardians shall not be charged for any services rendered under the IAP unless such services and charges are clearly identified in writing and agreed upon in advance in a writing signed by the parents/guardians. In no event shall the agreed upon charges obligate the LEA financially, nor shall the LEA incur any obligation or expense in excess of the state/federal reimbursement amount. The IAP will be consistent with the IEP of Students with Disabilities.

2. Parents/Guardianship

For the purpose of the Contract, a parent is the natural or adoptive parent, legal guardian, or a surrogate parent appointed by LEA.

3. Student Records

All student records shall be kept in a secure location, preventing access by unauthorized individuals. PROVIDER will maintain an access log delineating date, time, agency, and identity of any individual accessing student records who is not in the direct employ of the PROVIDER. PROVIDER agrees to provide access to and copies of student records to LEA and/or the parents/guardians of LEA's student. PROVIDER shall not forward to any other person other than parents/guardians or LEA any student record without the written consent of the parent/guardian or LEA. Upon completion or termination of the IAP or termination of this Contract, PROVIDER shall turn over to LEA all student records for LEA's eligible students to whom PROVIDER has provided services under this Contract.

4. Access by LEA

PROVIDER shall notify LEA of the location and/or any change in location at which it is providing services to LEA's eligible students. It shall allow access to its facilities for periodic monitoring of each student's instructional program by LEA and shall be invited to participate in the review of each student's progress by LEA. LEA representatives shall have access to observe each student at work, observe the instructional setting, interview PROVIDER, and review each student's progress including the behavior intervention plan, if any.

5. Fingerprints

In accordance with Education Code Section 45125.1, PROVIDER shall conduct a criminal background check of its employees and, upon receipt of those checks, certify to the LEA that no employee of PROVIDER working with students of the school district has been convicted of a violent or serious felony as defined by statutes. (See attached form.) PROVIDER shall supply LEA with a list of names of those employees who are cleared to work with students of the LEA. A fingerprint certification form will be submitted with monthly invoices and attendance registers.

6. Independent Contractor Status

This Agreement is by and between two independent agents and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association. PROVIDER understands and agrees that it shall be responsible for providing its own salaries, payroll taxes, withholding, insurance, workers compensation coverage and all other benefits of any kind, as required by law for its own employees, and assumes the full responsibility for the acts and/or omissions of his/her employees or agents as they relate to the services to be provided under this Agreement.

7. Conflict of Interest

PROVIDER agrees to furnish to LEA (upon request) a valid copy of the most recently adopted partnership agreements or bylaws of the corporation and also a complete and accurate list of the Governing Board of Trustees (Directors/Partners) and to timely update said information as changes in such governance occur. PROVIDER shall avoid any actual or potential conflict of interest on behalf of itself or its employees providing services hereunder, including, but not limited to, employment with LEA.

8. Accident/Incident Report

PROVIDER agrees to submit a written accident report to LEA within five (5) days of an accident or incident when a pupil has suffered an injury, injured another individual, or has been involved in an activity requiring notification of law enforcement or emergency personnel.

9. Discrimination

PROVIDER shall not discriminate on the basis of race, religion, sex, national origin, age, handicap, or sexual orientation in employment or operation of its programs.

10. Child Abuse Reporting

PROVIDER assures LEA that all staff members, including volunteers, are familiar with and agree to adhere to child abuse and/or missing children reporting obligations and procedures under California law, including but not limited to, California Education Code Section 49370 and California Penal Code Section 1166 et seq. PROVIDER agrees to provide annual training to all its employees regarding mandated reporting of child abuse and missing children. PROVIDER agrees that all staff members will abide by such laws in a timely manner. PROVIDER shall submit immediately by facsimile and mail, within twenty-four (24) hours an accident or incident report to LEA when it becomes aware of circumstances including, but not limited to, allegations of molestation, child abuse, missing children under PROVIDER's supervision.

11. Supplies, Equipment and Facilities

PROVIDER shall be solely responsible for the provision of all supplies, equipment, and facilities for a pupil as required in his/her IAP. A PROVIDER who desires to use District facilities must make a separate application for use of facilities through the District's Use of Facilities procedures.

12. Inspections and Audit

PROVIDER shall provide access to records or reports, or other matter relating to the Contract, upon request by LEA. Fiscal records shall be maintained by PROVIDER for five (5) years and shall be available for audit. At the end of each school year, student records will be submitted to the LEA.

13. Indemnification

PROVIDER shall defend, hold harmless, and indemnify LEA and its governing board, officers, agents, and employees from and against all liabilities and claims for damage for death, sickness, or

injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever arising from or connected with its service hereunder, resulting from the negligence or intentional acts of PROVIDER, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement. LEA shall defend, hold harmless and indemnify PROVIDER and its governing board, offices, agents, and employees from all liabilities and claims for damage for death, sickness, or injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever resulting from the negligence or intentional acts of LEA, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement.

14. Insurance

During the entire term of this Agreement and any extension or modification thereof, PROVIDER shall keep in effect a policy or policies of liability insurance, including coverage of owned and non-owned vehicles used in relation to the performance of service(s) by PROVIDER, of at least one million dollars (\$1,000,000.00) for each person and one million dollars (\$1,000,000.00) for all accidents or occurrences for all damages arising out of death, bodily injury, sickness or disease from any one accident or occurrence, and one million dollars (\$1,000,000.00) for all damages and liability arising out of injury to or destruction of property for each accident or occurrence. Not later than the effective date of this Agreement, PROVIDER shall provide LEA with satisfactory evidence of insurance, naming LEA as additional certificate holder, including a provision for a twenty (20) calendar day written notice to LEA before cancellation or material change, evidencing the above-specific coverage. The PROVIDER shall at its own cost and expense procure and maintain insurance under the Worker's Compensation Law of California, if applicable. LEA reserves the right to revise the requirements of this provision at any time. If LEA determines that additional insurance coverage is necessary, LEA will reopen negotiations with PROVIDER to modify the terms of this Agreement.

15. Monthly Invoices

PROVIDER shall submit to LEA monthly invoices itemized by name/address of student, service provided and actual number of hours for which services were provided, and amount owed. LEA shall not pay for non-attendance of students. Such invoices shall be submitted within thirty (30) days of the rendering of services. LEA shall process payments to PROVIDER within forty-five (45) days of submission of such invoices. PROVIDER will be paid according to the fee cap set forth below. The total amount payable to the PROVIDER will not exceed the maximum rate per student and is limited to the number of students for which Exhibit A is executed by DISTRICT, PROVIDER, and parents/guardians, as this is the maximum rate allowable by law. DISTRICT will not pay the PROVIDER for religious worship or instruction.

FEE CAP		
RATE PER STUDENT PER SESSION	MAXIMUM NUMBER OF SESSIONS PER STUDENT	MAXIMUM PER STUDENT RATE
\$ 50 per hour	17	\$856.25
6 STUDENTS x \$856.25 = NOT TO EXCEED \$ 5,137.50		

PROVIDER agrees that this Agreement is subject to and limited by the availability of DISTRICT'S Title I funding allocations. DISTRICT'S obligation to make payments to the PROVIDER is contingent upon receipt of funds for this program, which is subject to change/adjustment.

16. Records of Attendance

PROVIDER shall maintain daily records of student service provided, including the name/address of student, the name of PROVIDER's employee who rendered the service, and the amount of time of such service. PROVIDER shall permit access to and/or a copy of such records to LEA upon request.

17. Right to Withhold

LEA may withhold payment to PROVIDER, on ten (10) working days written notice of such withholding, when in the opinion of the LEA:

- a. PROVIDER's performance, in whole or in part, either has not been carried out or is insufficiently documented.
- b. PROVIDER has neglected, failed, or refused to furnish information or to cooperate with the inspection, review, or audit of its program, work, or records.
- c. PROVIDER has failed to submit the invoice in a timely manner.

If LEA gives notice of intent to withhold, PROVIDER shall have fourteen (14) days from the date of receipt of said notice to correct such deficiency and/or may invoke the dispute resolution provision herein.

18. Modifications and Amendments

This Contract may be modified or amended only by a written document signed by authorized representatives of PROVIDER and LEA. No change in this Contract or in the IAP shall result in a LEA financial obligation to PROVIDER in excess of the State/Federal reimbursement rate per student per year to the LEA.

19. Disputes

Disputes between LEA and PROVIDER concerning the meaning, requirements or performance of this contract shall be submitted to the Superintendent of the Tipton Elementary School District. The determination of the LEA Superintendent shall be made in writing and shall be binding on both parties.

20. Subcontracts and Assignment

PROVIDER shall not subcontract or assign any of the work contemplated under this Contract without first obtaining written approval from the LEA. Such approval shall be made part of this Contract. Subcontracts or assignments may be entered into only with providers certified by the California Department of Education. Any sub-contractor or assignee shall be bound by all of the terms of this Contract, including the insurance and indemnification provisions.

21. Termination

- a. This Agreement may be terminated by LEA or PROVIDER at any time. PROVIDER's exercise of its right to terminate this Contract shall not alleviate its responsibilities to complete any existing IAP's. To terminate this Contract, either party shall give twenty (20) calendar days written notice as provided herein prior to the date of the termination. Upon termination without default of PROVIDER, LEA shall pay, without duplication, for all services satisfactorily performed to date of termination.

- b. In consideration of this payment, PROVIDER waives all rights to any further payment or damage. Upon termination, PROVIDER shall turn over to LEA all student records in its possession generated as a result of services rendered under this Contract, possessed by PROVIDER or under its control at the time of termination.
- c. An Individual Academic Plan may be terminated by PROVIDER only upon consent of the LEA. An IAP shall terminate if the student ceases to be enrolled in the District. Upon termination under this paragraph, final payment from LEA will be calculated based upon a pro-rata calculation of total services agreed-upon in the IAP for which the LEA is responsible for payment, divided by that portion of services actually rendered.

22. Compliance with Laws

During the term of this Agreement, PROVIDER shall comply with all applicable federal, State Board of Education, and local statutes, laws ordinances, rules and regulations relating to the provision of supplementary services, including securing and maintaining in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Contract.

23. Entire Agreement

This Contract constitutes the entire Agreement between LEA and PROVIDER and supersedes any prior or contemporaneous understanding or agreement with respect to the services contemplated.

24. Governing Law

The laws of the state of California shall govern the terms and conditions of this Agreement with venue in Tulare County, California.

25. Severability Clause

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement shall be severable and remain in effect.

26. Notices

Notices required under this Contract shall be valid when mailed first class postage or personally delivered to the following representatives, as indicated below:

For the LEA: Miguel A. Guerrero Ed.D., Superintendent
 Tipton Elementary School District
 370 N. Evans Road
 Tipton, CA 93272

For PROVIDER: Mario Flores / National Program Coordinator
 (Name/Title)
2550 Corporate Place C108
 (Address)
Monterey Park, CA 91754
 (City/State/Zip Code)

27. Authorized Representative

The persons signing this Contract certify they are the authorized representatives of the respective parties, and are authorized to sign this document.

The parties hereto have executed this Agreement by and through their duly authorized agents or representatives. This contract is effective January 12, 2016, and terminates at 5:00 p.m. on June 30, 2016, unless sooner terminated as provided herein.

LEA:

TIPTON ELEMENTARY SCHOOL DISTRICT

Miguel A. Guerrero Ed.D., Superintendent
Tipton Elementary School District

Federal I.D. # _____

PROVIDER:

#1 Academia de Servicio de Tutoria
Company Name


Signature of Representative

Federal I.D. # 27-1332524

Mario Flores / National Program Coordinator
Name of Representative

3. CONSENT CALENDAR: Action items:

3.5 Agreement between Tipton ESD and Datamatics for
2015-2016 Supplemental Educational Services



**TIPTON ELEMENTARY SCHOOL DISTRICT
MASTER CONTRACT
TITLE I - SUPPLEMENTARY SERVICE PROVIDERS
2015-16**

THIS MASTER CONTRACT ("Contract") is made and entered into on January 13, 2016, between the Tipton Elementary School District (hereinafter referred to as "LEA" [Local Educational Agency] or "District"), a public school district duly operating under the laws of the state of California, and Datamatics, Inc. dba Achieve Reading, 4375 River Green Parkway, Ste. 200, Duluth, GA 30096, 888-286-5086, the supplementary service provider (hereinafter referred to as "PROVIDER") for the purpose of providing supplementary services to eligible LEA students. "Eligible students" are those students identified by the District who meet specific requirements under Title I.

WHEREAS, the LEA is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, the LEA is in need of such special services and advice;

WHEREAS, PROVIDER is specially trained and experienced and competent to perform the special services required by the LEA, and such services are needed on a limited basis;

WHEREAS, the No Child Left Behind Act, 20 U.S.C. Section 6316(e) outlines the requirements for supplemental educational services;

WHEREAS, Section 6316(e)(3) contains the following requirements:

- a. Requires the LEA to develop, in consultation with parents (and the provider chosen by parents), a statement of specific achievement goals for the student, how the student's progress will be measured, and a timetable for improving achievement, in the case of a student with disabilities, is consistent with the student's IEP;
- b. Requires a description of how the student's parents and teacher or teachers will be regularly informed of the student's progress;
- c. Requires a provision for the termination of the Agreement if the PROVIDER is unable to meet the goals and timetables required;
- d. Requires provisions with respect to the making payment to the PROVIDER by the LEA;
- e. Prohibits the PROVIDER from disclosing to the public the identity of any student eligible for, or receiving supplemental services without the written permission of the parent of such student;

WHEREAS, PROVIDER has been approved by the California State Department of Education and has met the qualifications to be certified as a supplementary service provider; and

WHEREAS, PROVIDER is willing to provide such services to LEA's eligible students if selected by the parents/guardians of eligible students.

THEREFORE, IN CONSIDERATION OF THE MUTAL PROMISES CONTAINED HEREIN, it is agreed between the parties as follows:

1. Individual Academic Plan

An Individual Academic Plan (IAP) shall be developed by LEA in consultation with parents/guardians and PROVIDER for each LEA eligible student whose parent/guardian elects to receive supplementary services from PROVIDER. The IAP will describe how progress will be measured, as well as how the student, parent and teachers will be regularly informed of that progress. Changes in any student's IAP may only be made with the written consent of LEA in consultation with parents/guardians. PROVIDER, LEA or the parents/guardians may request a review of a student's IAP. Provider shall administer a standards based pre and post-test assessment. PROVIDER shall not unilaterally terminate any IAP. PROVIDER shall obtain written authorization from LEA before terminating any IAP. Parents/guardians shall not be charged for any services rendered under the IAP unless such services and charges are clearly identified in writing and agreed upon in advance in a writing signed by the parents/guardians. In no event shall the agreed upon charges obligate the LEA financially, nor shall the LEA incur any obligation or expense in excess of the state/federal reimbursement amount. The IAP will be consistent with the IEP of Students with Disabilities.

2. Parents/Guardianship

For the purpose of the Contract, a parent is the natural or adoptive parent, legal guardian, or a surrogate parent appointed by LEA.

3. Student Records

All student records shall be kept in a secure location, preventing access by unauthorized individuals. PROVIDER will maintain an access log delineating date, time, agency, and identity of any individual accessing student records who is not in the direct employ of the PROVIDER. PROVIDER agrees to provide access to and copies of student records to LEA and/or the parents/guardians of LEA's student. PROVIDER shall not forward to any other person other than parents/guardians or LEA any student record without the written consent of the parent/guardian or LEA. Upon completion or termination of the IAP or termination of this Contract, PROVIDER shall turn over to LEA all student records for LEA's eligible students to whom PROVIDER has provided services under this Contract.

4. Access by LEA

PROVIDER shall notify LEA of the location and/or any change in location at which it is providing services to LEA's eligible students. It shall allow access to its facilities for periodic monitoring of each student's instructional program by LEA and shall be invited to participate in the review of each student's progress by LEA. LEA representatives shall have access to observe each student at work, observe the instructional setting, interview PROVIDER, and review each student's progress including the behavior intervention plan, if any.

5. Fingerprints

In accordance with Education Code Section 45125.1, PROVIDER shall conduct a criminal background check of its employees and, upon receipt of those checks, certify to the LEA that no employee of PROVIDER working with students of the school district has been convicted of a violent or serious felony as defined by statutes. (See attached form.) PROVIDER shall supply LEA with a list of names of those employees who are cleared to work with students of the LEA. A fingerprint certification form will be submitted with monthly invoices and attendance registers.

6. Independent Contractor Status

This Agreement is by and between two independent agents and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association. PROVIDER understands and agrees that it shall be responsible for providing its own salaries, payroll taxes, withholding, insurance, workers compensation coverage and all other benefits of any kind, as required by law for its own employees, and assumes the full responsibility for the acts and/or omissions of his/her employees or agents as they relate to the services to be provided under this Agreement.

7. Conflict of Interest

PROVIDER agrees to furnish to LEA (upon request) a valid copy of the most recently adopted partnership agreements or bylaws of the corporation and also a complete and accurate list of the Governing Board of Trustees (Directors/Partners) and to timely update said information as changes in such governance occur. PROVIDER shall avoid any actual or potential conflict of interest on behalf of itself or its employees providing services hereunder, including, but not limited to, employment with LEA.

8. Accident/Incident Report

PROVIDER agrees to submit a written accident report to LEA within five (5) days of an accident or incident when a pupil has suffered an injury, injured another individual, or has been involved in an activity requiring notification of law enforcement or emergency personnel.

9. Discrimination

PROVIDER shall not discriminate on the basis of race, religion, sex, national origin, age, handicap, or sexual orientation in employment or operation of its programs.

10. Child Abuse Reporting

PROVIDER assures LEA that all staff members, including volunteers, are familiar with and agree to adhere to child abuse and/or missing children reporting obligations and procedures under California law, including but not limited to, California Education Code Section 49370 and California Penal Code Section 1166 et seq. PROVIDER agrees to provide annual training to all its employees regarding mandated reporting of child abuse and missing children. PROVIDER agrees that all staff members will abide by such laws in a timely manner. PROVIDER shall submit immediately by facsimile and mail, within twenty-four (24) hours an accident or incident report to LEA when it becomes aware of circumstances including, but not limited to, allegations of molestation, child abuse, missing children under PROVIDER's supervision.

11. Supplies, Equipment and Facilities

PROVIDER shall be solely responsible for the provision of all supplies, equipment, and facilities for a pupil as required in his/her IAP. A PROVIDER who desires to use District facilities must make a separate application for use of facilities through the District's Use of Facilities procedures.

12. Inspections and Audit

PROVIDER shall provide access to records or reports, or other matter relating to the Contract, upon request by LEA. Fiscal records shall be maintained by PROVIDER for five (5) years and shall be available for audit. At the end of each school year, student records will be submitted to the LEA.

13. Indemnification

PROVIDER shall defend, hold harmless, and indemnify LEA and its governing board, officers, agents, and employees from and against all liabilities and claims for damage for death, sickness, or injury to any person(s) or damage to any property, including, without limitation, all consequential

damages and expenses (including attorney fees), from any cause whatsoever arising from or connected with its service hereunder, resulting from the negligence or intentional acts of PROVIDER, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement. LEA shall defend, hold harmless and indemnify PROVIDER and its governing board, offices, agents, and employees from all liabilities and claims for damage for death, sickness, or injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever resulting from the negligence or intentional acts of LEA, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement.

14. Insurance

During the entire term of this Agreement and any extension or modification thereof, PROVIDER shall keep in effect a policy or policies of liability insurance, including coverage of owned and non-owned vehicles used in relation to the performance of service(s) by PROVIDER, of at least one million dollars (\$1,000,000.00) for each person and one million dollars (\$1,000,000.00) for all accidents or occurrences for all damages arising out of death, bodily injury, sickness or disease from any one accident or occurrence, and one million dollars (\$1,000,000.00) for all damages and liability arising out of injury to or destruction of property for each accident or occurrence. Not later than the effective date of this Agreement, PROVIDER shall provide LEA with satisfactory evidence of insurance, naming LEA as additional certificate holder, including a provision for a twenty (20) calendar day written notice to LEA before cancellation or material change, evidencing the above-specific coverage. The PROVIDER shall at its own cost and expense procure and maintain insurance under the Worker's Compensation Law of California, if applicable. LEA reserves the right to revise the requirements of this provision at any time. If LEA determines that additional insurance coverage is necessary, LEA will reopen negotiations with PROVIDER to modify the terms of this Agreement.

15. Monthly Invoices

PROVIDER shall submit to LEA monthly invoices itemized by name/address of student, service provided and actual number of hours for which services were provided, and amount owed. LEA shall not pay for non-attendance of students. Such invoices shall be submitted within thirty (30) days of the rendering of services. LEA shall process payments to PROVIDER within forty-five (45) days of submission of such invoices. PROVIDER will be paid according to the fee cap set forth below. The total amount payable to the PROVIDER will not exceed the maximum rate per student and is limited to the number of students for which Exhibit A is executed by DISTRICT, PROVIDER, and parents/guardians, as this is the maximum rate allowable by law. DISTRICT will not pay the PROVIDER for religious worship or instruction.

FEE CAP		
RATE PER STUDENT PER SESSION	MAXIMUM NUMBER OF SESSIONS PER STUDENT	MAXIMUM PER STUDENT RATE
\$ 85.00 per hour	10	\$856.25
12 STUDENTS x \$856.25 = NOT TO EXCEED \$ 10,275		

PROVIDER agrees that this Agreement is subject to and limited by the availability of DISTRICT'S Title I funding allocations. DISTRICT'S obligation to make payments to the PROVIDER is contingent upon receipt of funds for this program, which is subject to change/adjustment.

16. Records of Attendance

PROVIDER shall maintain daily records of student service provided, including the name/address of student, the name of PROVIDER's employee who rendered the service, and the amount of time of such service. PROVIDER shall permit access to and/or a copy of such records to LEA upon request.

17. Right to Withhold

LEA may withhold payment to PROVIDER, on ten (10) working days written notice of such withholding, when in the opinion of the LEA:

- a. PROVIDER's performance, in whole or in part, either has not been carried out or is insufficiently documented.
- b. PROVIDER has neglected, failed, or refused to furnish information or to cooperate with the inspection, review, or audit of its program, work, or records.
- c. PROVIDER has failed to submit the invoice in a timely manner.

If LEA gives notice of intent to withhold, PROVIDER shall have fourteen (14) days from the date of receipt of said notice to correct such deficiency and/or may invoke the dispute resolution provision herein.

18. Modifications and Amendments

This Contract may be modified or amended only by a written document signed by authorized representatives of PROVIDER and LEA. No change in this Contract or in the IAP shall result in a LEA financial obligation to PROVIDER in excess of the State/Federal reimbursement rate per student per year to the LEA.

19. Disputes

Disputes between LEA and PROVIDER concerning the meaning, requirements or performance of this contract shall be submitted to the Superintendent of the Tipton Elementary School District. The determination of the LEA Superintendent shall be made in writing and shall be binding on both parties.

20. Subcontracts and Assignment

PROVIDER shall not subcontract or assign any of the work contemplated under this Contract without first obtaining written approval from the LEA. Such approval shall be made part of this Contract. Subcontracts or assignments may be entered into only with providers certified by the California Department of Education. Any sub-contractor or assignee shall be bound by all of the terms of this Contract, including the insurance and indemnification provisions.

21. Termination

- a. This Agreement may be terminated by LEA or PROVIDER at any time. PROVIDER's exercise of its right to terminate this Contract shall not alleviate its responsibilities to complete any existing IAP's. To terminate this Contract, either party shall give twenty (20) calendar days written notice as provided herein prior to the date of the termination. Upon termination without default of PROVIDER, LEA shall pay, without duplication, for all services satisfactorily performed to date of termination.
- b. In consideration of this payment, PROVIDER waives all rights to any further payment or damage. Upon termination, PROVIDER shall turn over to LEA all student records in its possession generated as a result of services rendered under this Contract, possessed by PROVIDER or under its control at the time of termination.

- c. An Individual Academic Plan may be terminated by PROVIDER only upon consent of the LEA. An IAP shall terminate if the student ceases to be enrolled in the District. Upon termination under this paragraph, final payment from LEA will be calculated based upon a pro-rata calculation of total services agreed-upon in the IAP for which the LEA is responsible for payment, divided by that portion of services actually rendered.

22. Compliance with Laws

During the term of this Agreement, PROVIDER shall comply with all applicable federal, State Board of Education, and local statutes, laws ordinances, rules and regulations relating to the provision of supplementary services, including securing and maintaining in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Contract.

23. Entire Agreement

This Contract constitutes the entire Agreement between LEA and PROVIDER and supersedes any prior or contemporaneous understanding or agreement with respect to the services contemplated.

24. Governing Law

The laws of the state of California shall govern the terms and conditions of this Agreement with venue in Tulare County, California.

25. Severability Clause

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement shall be severable and remain in effect.

26. Notices

Notices required under this Contract shall be valid when mailed first class postage or personally delivered to the following representatives, as indicated below:

For the LEA: Miguel A. Guerrero Ed.D., Superintendent
Tipton Elementary School District
370 N. Evans Road
Tipton, CA 93272

For PROVIDER:

Tricia Gaffney, Executive Director
(Name/Title)

4375 River Green Parkway, Ste. 200
(Address)

Duluth, GA 30096
(City/State/Zip Code)

27. Authorized Representative

The persons signing this Contract certify they are the authorized representatives of the respective parties, and are authorized to sign this document.

The parties hereto have executed this Agreement by and through their duly authorized agents or representatives. This contract is effective January 13, 2016, and terminates at 5:00 p.m. on June 30, 2016, unless sooner terminated as provided herein.

6

LEA: **TIPTON ELEMENTARY SCHOOL DISTRICT**

Miguel A. Guerrero Ed.D., Superintendent
Tipton Elementary School District

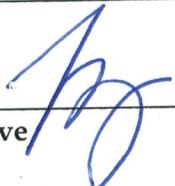
Federal I.D. # _____

PROVIDER:

Datamatics, Inc. dba Achieve Reading

Company Name

Signature of Representative



Federal I.D. # 58-2073834

Tricia Gaffney, Executive Director

Name of Representative

unless sooner terminated as provided herein.

3. CONSENT CALENDAR: Action items:

- 3.6** Agreement between Tipton ESD and Carter, Reddy & Associates for 2015-2016 Supplemental Educational Services



**TIPTON ELEMENTARY SCHOOL DISTRICT
MASTER CONTRACT
TITLE I - SUPPLEMENTARY SERVICE PROVIDERS
2015-16**

THIS MASTER CONTRACT ("Contract") is made and entered into on January 13, 2015, between the Tipton Elementary School District (hereinafter referred to as "LEA" [Local Educational Agency] or "District"), a public school district duly operating under the laws of the state of California, and Carter, Reddy, and Associates 2637 E Atlantic Blvd #20686 Pompano Beach, FL 33062 / 800-970-1796, the supplementary service provider (hereinafter referred to as "PROVIDER") for the purpose of providing supplementary services to eligible LEA students. "Eligible students" are those students identified by the District who meet specific requirements under Title I.

WHEREAS, the LEA is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required;

WHEREAS, the LEA is in need of such special services and advice;

WHEREAS, PROVIDER is specially trained and experienced and competent to perform the special services required by the LEA, and such services are needed on a limited basis;

WHEREAS, the No Child Left Behind Act, 20 U.S.C. Section 6316(e) outlines the requirements for supplemental educational services;

WHEREAS, Section 6316(e)(3) contains the following requirements:

- a. Requires the LEA to develop, in consultation with parents (and the provider chosen by parents), a statement of specific achievement goals for the student, how the student's progress will be measured, and a timetable for improving achievement, in the case of a student with disabilities, is consistent with the student's IEP;
- b. Requires a description of how the student's parents and teacher or teachers will be regularly informed of the student's progress;
- c. Requires a provision for the termination of the Agreement if the PROVIDER is unable to meet the goals and timetables required;
- d. Requires provisions with respect to the making payment to the PROVIDER by the LEA;
- e. Prohibits the PROVIDER from disclosing to the public the identity of any student eligible for, or receiving supplemental services without the written permission of the parent of such student;

WHEREAS, PROVIDER has been approved by the California State Department of Education and has met the qualifications to be certified as a supplementary service provider; and

WHEREAS, PROVIDER is willing to provide such services to LEA's eligible students if selected by the parents/guardians of eligible students.

THEREFORE, IN CONSIDERATION OF THE MUTAL PROMISES CONTAINED HEREIN, it is agreed between the parties as follows:

1. Individual Academic Plan

An Individual Academic Plan (IAP) shall be developed by LEA in consultation with parents/guardians and PROVIDER for each LEA eligible student whose parent/guardian elects to receive supplementary services from PROVIDER. The IAP will describe how progress will be measured, as well as how the student, parent and teachers will be regularly informed of that progress. Changes in any student's IAP may only be made with the written consent of LEA in consultation with parents/guardians. PROVIDER, LEA or the parents/guardians may request a review of a student's IAP. Provider shall administer a standards based pre and post-test assessment. PROVIDER shall not unilaterally terminate any IAP. PROVIDER shall obtain written authorization from LEA before terminating any IAP. Parents/guardians shall not be charged for any services rendered under the IAP unless such services and charges are clearly identified in writing and agreed upon in advance in a writing signed by the parents/guardians. In no event shall the agreed upon charges obligate the LEA financially, nor shall the LEA incur any obligation or expense in excess of the state/federal reimbursement amount. The IAP will be consistent with the IEP of Students with Disabilities.

2. Parents/Guardianship

For the purpose of the Contract, a parent is the natural or adoptive parent, legal guardian, or a surrogate parent appointed by LEA.

3. Student Records

All student records shall be kept in a secure location, preventing access by unauthorized individuals. PROVIDER will maintain an access log delineating date, time, agency, and identity of any individual accessing student records who is not in the direct employ of the PROVIDER. PROVIDER agrees to provide access to and copies of student records to LEA and/or the parents/guardians of LEA's student. PROVIDER shall not forward to any other person other than parents/guardians or LEA any student record without the written consent of the parent/guardian or LEA. Upon completion or termination of the IAP or termination of this Contract, PROVIDER shall turn over to LEA all student records for LEA's eligible students to whom PROVIDER has provided services under this Contract.

4. Access by LEA

PROVIDER shall notify LEA of the location and/or any change in location at which it is providing services to LEA's eligible students. It shall allow access to its facilities for periodic monitoring of each student's instructional program by LEA and shall be invited to participate in the review of each student's progress by LEA. LEA representatives shall have access to observe each student at work, observe the instructional setting, interview PROVIDER, and review each student's progress including the behavior intervention plan, if any.

5. Fingerprints

In accordance with Education Code Section 45125.1, PROVIDER shall conduct a criminal background check of its employees and, upon receipt of those checks, certify to the LEA that no employee of PROVIDER working with students of the school district has been convicted of a violent or serious felony as defined by statutes. (See attached form.) PROVIDER shall supply LEA with a list of names of those employees who are cleared to work with students of the LEA. A fingerprint certification form will be submitted with monthly invoices and attendance registers.

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This Agreement is by and between two independent agents and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association. PROVIDER understands and agrees that it shall be responsible for providing its own salaries, payroll taxes, withholding, insurance, workers compensation coverage and all other benefits of any kind, as required by law for its own employees, and assumes the full responsibility for the acts and/or omissions of his/her employees or agents as they relate to the services to be provided under this Agreement.

7. Conflict of Interest

PROVIDER agrees to furnish to LEA (upon request) a valid copy of the most recently adopted partnership agreements or bylaws of the corporation and also a complete and accurate list of the Governing Board of Trustees (Directors/Partners) and to timely update said information as changes in such governance occur. PROVIDER shall avoid any actual or potential conflict of interest on behalf of itself or its employees providing services hereunder, including, but not limited to, employment with LEA.

8. Accident/Incident Report

PROVIDER agrees to submit a written accident report to LEA within five (5) days of an accident or incident when a pupil has suffered an injury, injured another individual, or has been involved in an activity requiring notification of law enforcement or emergency personnel.

9. Discrimination

PROVIDER shall not discriminate on the basis of race, religion, sex, national origin, age, handicap, or sexual orientation in employment or operation of its programs.

10. Child Abuse Reporting

PROVIDER assures LEA that all staff members, including volunteers, are familiar with and agree to adhere to child abuse and/or missing children reporting obligations and procedures under California law, including but not limited to, California Education Code Section 49370 and California Penal Code Section 1166 et seq. PROVIDER agrees to provide annual training to all its employees regarding mandated reporting of child abuse and missing children. PROVIDER agrees that all staff members will abide by such laws in a timely manner. PROVIDER shall submit immediately by facsimile and mail, within twenty-four (24) hours an accident or incident report to LEA when it becomes aware of circumstances including, but not limited to, allegations of molestation, child abuse, missing children under PROVIDER's supervision.

11. Supplies, Equipment and Facilities

PROVIDER shall be solely responsible for the provision of all supplies, equipment, and facilities for a pupil as required in his/her IAP. A PROVIDER who desires to use District facilities must make a separate application for use of facilities through the District's Use of Facilities procedures.

12. Inspections and Audit

PROVIDER shall provide access to records or reports, or other matter relating to the Contract, upon request by LEA. Fiscal records shall be maintained by PROVIDER for five (5) years and shall be available for audit. At the end of each school year, student records will be submitted to the LEA.

13. Indemnification

PROVIDER shall defend, hold harmless, and indemnify LEA and its governing board, officers, agents, and employees from and against all liabilities and claims for damage for death, sickness, or

injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever arising from or connected with its service hereunder, resulting from the negligence or intentional acts of PROVIDER, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement. LEA shall defend, hold harmless and indemnify PROVIDER and its governing board, offices, agents, and employees from all liabilities and claims for damage for death, sickness, or injury to any person(s) or damage to any property, including, without limitation, all consequential damages and expenses (including attorney fees), from any cause whatsoever resulting from the negligence or intentional acts of LEA, its agents or employees. It is agreed that such indemnity shall survive the termination of this Agreement.

14. Insurance

During the entire term of this Agreement and any extension or modification thereof, PROVIDER shall keep in effect a policy or policies of liability insurance, including coverage of owned and non-owned vehicles used in relation to the performance of service(s) by PROVIDER, of at least one million dollars (\$1,000,000.00) for each person and one million dollars (\$1,000,000.00) for all accidents or occurrences for all damages arising out of death, bodily injury, sickness or disease from any one accident or occurrence, and one million dollars (\$1,000,000.00) for all damages and liability arising out of injury to or destruction of property for each accident or occurrence. Not later than the effective date of this Agreement, PROVIDER shall provide LEA with satisfactory evidence of insurance, naming LEA as additional certificate holder, including a provision for a twenty (20) calendar day written notice to LEA before cancellation or material change, evidencing the above-specific coverage. The PROVIDER shall at its own cost and expense procure and maintain insurance under the Worker’s Compensation Law of California, if applicable. LEA reserves the right to revise the requirements of this provision at any time. If LEA determines that additional insurance coverage is necessary, LEA will reopen negotiations with PROVIDER to modify the terms of this Agreement.

15. Monthly Invoices

PROVIDER shall submit to LEA monthly invoices itemized by name/address of student, service provided and actual number of hours for which services were provided, and amount owed. LEA shall not pay for non-attendance of students. Such invoices shall be submitted within thirty (30) days of the rendering of services. LEA shall process payments to PROVIDER within forty-five (45) days of submission of such invoices. PROVIDER will be paid according to the fee cap set forth below. The total amount payable to the PROVIDER will not exceed the maximum rate per student and is limited to the number of students for which Exhibit A is executed by DISTRICT, PROVIDER, and parents/guardians, as this is the maximum rate allowable by law. DISTRICT will not pay the PROVIDER for religious worship or instruction.

FEE CAP		
RATE PER STUDENT PER SESSION	MAXIMUM NUMBER OF SESSIONS PER STUDENT	MAXIMUM PER STUDENT RATE
\$ 65 per hour	12	\$856.25
<p>____2____ STUDENTS x \$856.25 = NOT TO EXCEED \$____1,712.50_____</p>		

PROVIDER agrees that this Agreement is subject to and limited by the availability of DISTRICT'S Title I funding allocations. DISTRICT'S obligation to make payments to the PROVIDER is contingent upon receipt of funds for this program, which is subject to change/adjustment.

16. Records of Attendance

PROVIDER shall maintain daily records of student service provided, including the name/address of student, the name of PROVIDER's employee who rendered the service, and the amount of time of such service. PROVIDER shall permit access to and/or a copy of such records to LEA upon request.

17. Right to Withhold

LEA may withhold payment to PROVIDER, on ten (10) working days written notice of such withholding, when in the opinion of the LEA:

- a. PROVIDER's performance, in whole or in part, either has not been carried out or is insufficiently documented.
- b. PROVIDER has neglected, failed, or refused to furnish information or to cooperate with the inspection, review, or audit of its program, work, or records.
- c. PROVIDER has failed to submit the invoice in a timely manner.

If LEA gives notice of intent to withhold, PROVIDER shall have fourteen (14) days from the date of receipt of said notice to correct such deficiency and/or may invoke the dispute resolution provision herein.

18. Modifications and Amendments

This Contract may be modified or amended only by a written document signed by authorized representatives of PROVIDER and LEA. No change in this Contract or in the IAP shall result in a LEA financial obligation to PROVIDER in excess of the State/Federal reimbursement rate per student per year to the LEA.

19. Disputes

Disputes between LEA and PROVIDER concerning the meaning, requirements or performance of this contract shall be submitted to the Superintendent of the Tipton Elementary School District. The determination of the LEA Superintendent shall be made in writing and shall be binding on both parties.

20. Subcontracts and Assignment

PROVIDER shall not subcontract or assign any of the work contemplated under this Contract without first obtaining written approval from the LEA. Such approval shall be made part of this Contract. Subcontracts or assignments may be entered into only with providers certified by the California Department of Education. Any sub-contractor or assignee shall be bound by all of the terms of this Contract, including the insurance and indemnification provisions.

21. Termination

- a. This Agreement may be terminated by LEA or PROVIDER at any time. PROVIDER's exercise of its right to terminate this Contract shall not alleviate its responsibilities to complete any existing IAP's. To terminate this Contract, either party shall give twenty (20) calendar days written notice as provided herein prior to the date of the termination. Upon termination without default of PROVIDER, LEA shall pay, without duplication, for all services satisfactorily performed to date of termination.

- b. In consideration of this payment, PROVIDER waives all rights to any further payment or damage. Upon termination, PROVIDER shall turn over to LEA all student records in its possession generated as a result of services rendered under this Contract, possessed by PROVIDER or under its control at the time of termination.
- c. An Individual Academic Plan may be terminated by PROVIDER only upon consent of the LEA. An IAP shall terminate if the student ceases to be enrolled in the District. Upon termination under this paragraph, final payment from LEA will be calculated based upon a pro-rata calculation of total services agreed-upon in the IAP for which the LEA is responsible for payment, divided by that portion of services actually rendered.

22. Compliance with Laws

During the term of this Agreement, PROVIDER shall comply with all applicable federal, State Board of Education, and local statutes, laws ordinances, rules and regulations relating to the provision of supplementary services, including securing and maintaining in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Contract.

23. Entire Agreement

This Contract constitutes the entire Agreement between LEA and PROVIDER and supersedes any prior or contemporaneous understanding or agreement with respect to the services contemplated.

24. Governing Law

The laws of the state of California shall govern the terms and conditions of this Agreement with venue in Tulare County, California.

25. Severability Clause

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement shall be severable and remain in effect.

26. Notices

Notices required under this Contract shall be valid when mailed first class postage or personally delivered to the following representatives, as indicated below:

For the LEA: Miguel A. Guerrero Ed.D., Superintendent
Tipton Elementary School District
370 N. Evans Road
Tipton, CA 93272

For PROVIDER: Carter, Reddy & Associates, Inc., Jack Wilson/ Manager
(Name/Title)

2637 E Atlantic Blvd #20686
(Address)

Pompano Beach, FL 33062
(City/State/Zip Code)

27. Authorized Representative

The persons signing this Contract certify they are the authorized representatives of the respective parties, and are authorized to sign this document.

The parties hereto have executed this Agreement by and through their duly authorized agents or representatives. This contract is effective January 12, 2016, and terminates at 5:00 p.m. on **June 30, 2016**, unless sooner terminated as provided herein.

LEA: **TIPTON ELEMENTARY SCHOOL DISTRICT**

Miguel A. Guerrero Ed.D., Superintendent
Tipton Elementary School District

Federal I.D. # _____

PROVIDER: **Carter, Reddy & Associates, Inc.**
Company Name

J. Wilson

Signature of Representative

Federal I.D. # 46-5420838

Jack Wilson
Name of Representative

3. CONSENT CALENDAR: Action items:

3.7 Field Trip Requests

Field Trip Approval Form

(MUST BE SUBMITTED ONE MONTH PRIOR TO FIELD TRIP)

TEACHER(S) Heinks GRADE 6th-8th

CLASSES ATTENDING Spelling Bee participants

DATE OF TRIP 2/24/16 NUMBER OF PUPILS 4 ADULTS 1

DESTINATION Visalia Convention Center TCOE Spelling Bee

~~BUS~~ TO LEAVE SCHOOL AT 8:15 RETURN AT When Competition is over and after our lunch

BUS ROUTING AND STOPS

USE THE BACK OF THIS PAPER IF ROUTNING NEEDS MORE SPACE

PRELIMINARY STEPS: _____

TRIP RELEVENCY: Spelling Bee Competition

OTHER INFORMATION/STAFF CHAPARONE REQUEST:

COST \$ 10 entry fee & cost of lunch

CAFETERIA LUNCHES NEEDED FOR STUDENTS: YES _____ NO HOW MANY _____

CAFETERIA LUNCHES NEEDED FOR ADULTS: YES _____ NO HOW MANY _____

SIGNATURE OF TEACHER IN CHARGE [Signature]

TRIP AUTHORIZED BY SCHOOL BOARD YES _____ NO _____

SIGNATURE OF SUPERINTENDENT [Signature]

Field Trip Approval Form

(MUST BE SUBMITTED ONE MONTH PRIOR TO FIELD TRIP)

TEACHER(S) Gilbert / ? GRADE 4-8

CLASSES ATTENDING FNL

DATE OF TRIP May 25, 2016 NUMBER OF PUPILS 50 ADULTS 2

DESTINATION Fresno Grizzly

BUS TO LEAVE SCHOOL AT 8:45 RETURN AT 3:00

BUS ROUTING AND STOPS

USE THE BACK OF THIS PAPER IF ROUTNING NEEDS MORE SPACE

PRELIMINARY STEPS: _____

TRIP RELEVENCY: FNL

OTHER INFORMATION/STAFF CHAPARONE REQUEST:

COST \$ 0

CAFETERIA LUNCHES NEEDED FOR STUDENTS: YES _____ NO HOW MANY _____

CAFETERIA LUNCHES NEEDED FOR ADULTS: YES _____ NO HOW MANY _____

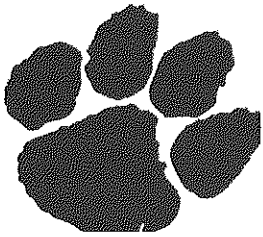
SIGNATURE OF TEACHER IN CHARGE Debbie Gilbert

TRIP AUTHORIZED BY SCHOOL BOARD YES _____ NO _____

SIGNATURE OF SUPERINTENDENT [Signature]

4. ADMINISTRATIVE: Action items:

4.1 Annual Report of Developer Fees 2014-2015



TIPTON ELEMENTARY SCHOOL

370 N. Evans Road • P.O. Box 787 • Tipton, CA 93272
559-752-4213 • FAX: 559-687-2221

Tiger Pride!

Miguel A. Guerrero Ed.D.
Superintendent

Stacey Bellencourt
Principal

Jacob Munoz
Vice Principal – Projects

Anthony Hernandez
Business Manager

Fausto Martin
MOT Supervisor

Lidia Rocha
Cafeteria Manager

December 8, 2015

Building Industry Association of Tulare/Kings County
P O Box 3930
Visalia, Ca 93278

Dear Mr. Lane,

Please accept our Annual Report of Developer Fees that will be presented to our board on January 12, 2016.

Please feel free to contact me if you require any further information.

Sincerely,

Anthony Hernandez
Business Manager

Board Members

Tony Macedo
President

Greg Rice
Clerk

Iva Sousa
Trustee

John Cardoza
Trustee

Shelley Heeger
Trustee

**ANNUAL REPORT OF DEVELOPER FEES
AS REQUIRED BY GOVERNMENT CODE SECTIONS 66001 AND 66006**

School District Name: Tipton Elementary School District
Reporting Period: July 1, 2014 to June 30,2015
Date Report Made Available to the Public: December 8, 2015
Date Report Presented to the Board: January 12, 2016

DESCRIPTION OF THE TYPE AND AMOUNT OF THE FEE

This District has levied school facilities fees pursuant to various resolutions, the most recent of which is dated 5/1/2012. These resolutions were adopted under the authority of Government Code Section 65995 for the purpose of funding the construction or reconstruction of school facilities.

The purpose of the fees imposed and collected on new residential, commercial and industrial development within the District is to fund additional school facilities required to serve the students of the District generated by that new development. There is a proportional, reasonable relationship between the new development upon which the fees are charged and the need for additional school facilities by reason of the fact that additional students will be generated by additional development within the District and the District does not have student capacity in the existing school facilities to accomodate these new students. The School Facilities Needs Assessment and Fee Justification Study dated 4/18/2008 establishes this relationship.

The amount collected by this District is \$3.20 per square foot of assessable space of residential construction: and \$0.51 per square foot of covered and enclosed space of commercial/industrial construction; but subject to the District's determination that a particular project is exempt from all or part of these fees.

Pursuant to Education Code Section 17623 and an agreement with the District(s) sharing territory with the District, generally only 66.7% of the maximum fee specified above is distributed to this District.

**ANNUAL DEVELOPER FEE REPORT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

DESCRIPTION	ACCOUNT CODE	TOTALS	PROJECT NO. 1	PROJECT NO. 2	PROJECT NO. 3	PROJECT NO. 4	PROJECT NO. 5
BEGINNING BALANCE		4,560.81	4,560.81	-	-	-	-
REVENUE							
Mitigation/Developer Fees (Schedule A)	8681	2,364.81	2,364.81	-	-	-	-
Interest Income	8660	68.79	68.79	-	-	-	-
Other Income	8699	750.00	750.00	-	-	-	-
TOTAL REVENUE		3,183.60	3,183.60	-	-	-	-
EXPENDITURES							
Salaries & Benefits Administration	1000-3999	-	-	-	-	-	-
Services, Other Operating Expenses Travel & Conference	5000-5999	-	-	-	-	-	-
Rentals, Leases and Repairs Other Services & Operating Expenses		-	-	-	-	-	-
Capital Outlay Sites & Improvements of Sites Buildings & Improvements	6000-6599	-	-	-	-	-	-
TOTAL EXPENDITURES		-	-	-	-	-	-
OTHER FINANCING SOURCES/USES							
Transfers Out (Schedule C) Uses	7610-7629 7630-7699	-	-	-	-	-	-
TOTAL OTHER SOURCES/USES		-	-	-	-	-	-
ENDING BALANCE		<u>\$ 7,744.41</u>	<u>\$ 7,744.41</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Annual Developer Fee Report
Project Status Report
Project Name: Multi-Purpose Room/Cafeteria
Project Number: 1**

Estimated Start Date:	May-16
Estimated Completion Date:	June-17
Estimated Cost:	5,000,000
Are funds currently available to complete the project? (Circle One)	YES
	NO

PROJECT DESCRIPTION - Describe in detail the nature and scope of the public improvement project (e.g., "construction of one new classroom of approximately 1000 square feet at Lincoln Elementary School').

Construction of New Multi-Purpose Building utilizing GO Bond, General Fund, and Developer Fees. State Funding if it becomes available.

FUNDING SOURCES/REQUIREMENTS - Indicate funding sources and requirements for the public improvement project.

Funding Sources	Estimated Amounts	%	Estimated to be Received by	Collections to Date
Developer Fees	10,000	0%	7/1/16	7,744
State Funds				
General Obligation Bonds	3,300,000	66%	10/1/15	
General Fund	1,690,000	34%	7/1/17	
Other:				
Other:				
Total	\$ 5,000,000	100%		\$ 7,744

Comments:

4. ADMINISTRATIVE: Action items:

4.2 Consulting Services Agreement with Isom Advisors for Continuing Disclosure

Consulting Services Agreement - Continuing Disclosure

This CONSULTING SERVICES AGREEMENT (this "Agreement") is dated as of the latest date set forth on the signature page hereto (the "Effective Date") and is entered into by and between Isom Advisors, a Division of Urban Futures Inc., a California corporation ("Advisor"), and Tipton Elementary School District ("District").

Advisor agrees to:

1. Review ongoing District's Continuing Disclosure ("CD") requirements.
2. Submit to MSRB the necessary filings and documentation to remain compliant with CD requirements including the annual report as well as other material event filings as disclosed in the Continuing Disclosure Certificate.

District agrees to:

1. Fully cooperate and assist Advisor in providing appropriate data for the development of the Annual Report on behalf of District.

Consideration:

1. In consideration for the above services, District agrees to pay Advisor pursuant to the following:
 - a. An annual fee of \$3,000 plus expenses incurred to prepare the Annual Report paid within 30 days of receipt of invoice.
 - b. In any future year, the District may, at its own discretion, choose not to have Advisor complete the Continuing Disclosure Services, and shall inform Advisor no later than February 1 of said year.
 - c. This agreement shall terminate with 30 days written notice from either party sent via certified mail; any outstanding expenses incurred shall be paid immediately by the District.

Arbitration:

In the event of a dispute between the parties regarding the terms or performance of this Agreement, the parties agree to decide this dispute under the rules of the American Arbitration Association.

Complete Agreement:

The parties agree that this Agreement is the complete agreement between the parties superseding all prior written or oral agreements between the parties. The parties further agree that this Agreement can be altered or modified only through a writing signed and dated by both parties.

Tipton Elementary School District

Isom Advisors, a Division of Urban Futures, Inc.

Dr. Miguel A. Guerrero
Superintendent

Date

Jon Isom
Managing Principal

Date

5. FINANCE: Action items:

5.1 Vendor Payments

APY Input List

12/10/2015-- 12/29/2015

Fiscal Year 2016

Items of Status: Finalized
Entered by: anthonyh

<u>Vendor</u>	<u>RefType</u>	<u>RefNo</u>	<u>InvoiceDate</u>	<u>InvoiceNo</u>	<u>AccountCode</u>	<u>Amount</u>
14215	PV	160600	12/04/2015	INV01184	010-07200-0-11100-10000-43000-0	\$1,144.80
13456	PV	160601	12/02/2015	12-2-2015	010-00000-0-00000-81000-56000-0	\$140.00
13971	PV	160659	12/29/2015	STC REIMB.	010-90336-0-11100-10000-43000-0	\$72.33
13971	PV	160660	12/29/2015	NOV STC TRAVEL	010-90336-0-11100-10000-52000-0	\$40.83
13036	PV	160639	12/10/2015	NOV 2015	010-00000-0-00000-00000-95024-0	\$346.24
13036	PV	160669	12/29/2015	MCP 23075 DEC 2015	010-00000-0-00000-00000-95024-0	\$346.24
14188	PV	160646	12/10/2015	FCOE REIMB.	010-00000-0-00000-72000-52000-0	\$51.75
14188	PV	160657	12/29/2015	HW Reimb.	010-00000-0-00000-72000-58000-0	\$500.00
12788	PV	160598	12/03/2015	503-0839990	010-00000-0-00000-81000-55000-0	\$200.02
12788	PV	160599	11/26/2015	503-0833780	010-00000-0-00000-81000-55000-0	\$204.71
12788	PV	160661	12/10/2015	503-0846368	010-00000-0-00000-81000-55000-0	\$203.74
12788	PV	160662	12/17/2015	503-0852553	010-00000-0-00000-81000-55000-0	\$195.04
13903	PV	160651	11/06/2015	01P605700	010-07230-0-00000-36000-58000-0	\$168.55
14101	PV	160602	11/25/2015	01-11-TIP	010-00000-0-00000-81000-55000-0	\$170.00
12548	PV	160665	12/08/2015	280099	010-81500-0-00000-81000-58000-0	\$237.60
12548	PV	160666	12/08/2015	280099	010-81500-0-00000-81000-58000-0	\$16.96
13619	PV	160667	12/15/2015	BMD0802	010-07200-0-11100-10000-43000-0	\$68.37
13592	PV	160668	11/19/2015	FY 15-16 JPA 23	010-00000-0-00000-72000-54500-0	\$9,488.00
13389	PV	160604	11/06/2015	113178	010-07200-0-11100-10000-58000-0	\$1,369.00
13247	PV	160664	12/15/2015	11/09 WK-24	010-00000-0-00000-71000-52000-0	\$261.00
12602	PV	160605	12/02/2015	794890	010-00000-0-00000-81000-43000-0	\$136.04
12602	PV	160663	12/10/2015	796054	010-00000-0-00000-81000-43000-0	\$46.40
13831	PV	160642	12/10/2015	4330811040007869	010-60100-0-11100-10000-43000-0	\$16.54
13831	PV	160642	12/10/2015	4330811040007869	010-60100-0-11100-10000-43000-0	\$31.64
13831	PV	160641	12/10/2015	4330811040007877	010-00000-0-00000-72000-43000-0	\$15.47
13831	PV	160642	12/10/2015	4330811040007869	010-00000-0-00000-71000-52000-0	\$3,988.74
13831	PV	160640	12/10/2015	12/27/15	010-00000-0-00000-72000-58000-0	\$25.00
13831	PV	160642	12/10/2015	4330811040007869	010-07200-0-11100-10000-43000-0	\$341.05
13831	PV	160641	12/10/2015	4330811040007877	010-07200-0-11100-10000-43000-0	\$159.87
14102	PV	160671	12/11/2015	793649-2	010-07200-0-11100-24203-43000-0	\$3,074.06
14102	PV	160672	12/29/2015	685918F	010-07200-0-11100-24203-43000-0	\$315.63
12614	PV	160606	11/25/2015	493	010-07200-0-11100-10000-58000-0	\$131.00
13943	PV	160645	12/10/2015	CSBA REIMB.	010-00000-0-00000-71000-52000-0	\$346.15
14164	PV	160676	12/04/2015	TESD-OM-INV11	010-99900-0-00000-81000-58000-0	\$2,317.50
14216	PV	160655	12/10/2015	SST REIMB.	010-00000-0-11100-10000-43000-0	\$22.65
13098	PV	160670	11/02/2015	179609,179841	010-07200-0-11100-10000-43000-0	\$407.35
13961	PV	160648	11/25/2015	08579	010-00000-0-00000-81000-43000-0	\$138.06
12270	PV	160647	12/10/2015	00416	010-00000-0-00000-72000-58000-0	\$525.65
3676	PV	160678	12/22/2015	31636	010-00000-0-00000-81000-56000-0	\$156.00

3676	MC ELMOYL REFRIGERATION	PV	160679	12/16/2015	31936	010-00000-0-00000-81000-56000-0	\$832.29
14092	MEDICAL BILLING TECH, INC.	PV	160650	11/30/2015	AR-17784	010-56400-0-11100-10000-58000-0	\$133.26
13882	MOBILE MODULAR MGT. CORP.	PV	160680	12/06/2015	884651-884692-88476	010-00000-0-00000-81000-56000-0	\$1,360.00
11531	MORRIS LEVIN & SON	PV	160677	12/08/2015	50060623	010-00000-0-00000-81000-56000-0	\$100.00
12836	OFFICE DEPOT, INC.	PV	160608	12/10/2015	MULTI-INV	010-07200-0-11100-10000-43000-0	\$458.42
12836	OFFICE DEPOT, INC.	PV	160715	12/29/2015	MULTI-INV	010-07200-0-11100-10000-43000-0	\$1,297.63
13214	PEARSON EDUCATION	PV	160682	12/02/2015	4024266637	010-07200-0-11100-10000-43000-0	\$1,121.39
14179	PITNEY BOWES	PV	160609	12/03/2015	371317	010-00000-0-00000-72000-59000-0	\$82.03
14111	SISC	PV	160619	12/10/2015	DEC 2015	010-00000-0-00000-00000-95024-0	\$58,989.51
14111	SISC	PV	160620	12/10/2015	DEC 2015	010-00000-0-00000-00000-95028-0	\$4,398.20
14111	SISC	PV	160621	12/10/2015	DEC 2015	010-00000-0-00000-71000-34020-0	\$6,567.40
5383	SOUTHERN CALIF EDISON CO	PV	160690	12/22/2015	2-01-784-2543	010-00000-0-00000-81000-55000-0	\$321.16
5383	SOUTHERN CALIF EDISON CO	PV	160691	12/22/2015	2-01-784-2345	010-00000-0-00000-81000-55000-0	\$2,416.01
5383	SOUTHERN CALIF EDISON CO	PV	160692	12/22/2015	2-01-784-2667	010-00000-0-00000-81000-55000-0	\$376.76
5383	SOUTHERN CALIF EDISON CO	PV	160693	12/22/2015	2-01-784-2188	010-00000-0-00000-81000-55000-0	\$94.91
13902	SOUTHWEST SCH. & OFFICE SUPPLY	PV	160694	12/22/2015	2-13-851-6737	010-00000-0-00000-81000-55000-0	\$776.62
13902	SOUTHWEST SCH. & OFFICE SUPPLY	PV	160615	12/03/2015	PINV0091478	010-11000-0-11100-10000-43000-0	\$103.35
13902	SOUTHWEST SCH. & OFFICE SUPPLY	PV	160616	12/07/2015	PINV0092499	010-11000-0-11100-10000-43000-0	\$48.38
13902	SOUTHWEST SCH. & OFFICE SUPPLY	PV	160687	12/03/2015	PINV0091472	010-11000-0-11100-10000-43000-0	\$22.46
13902	SOUTHWEST SCH. & OFFICE SUPPLY	PV	160688	12/03/2015	PINV0091469	010-11000-0-11100-10000-43000-0	\$56.70
14197	SOUTHWEST SCH. & OFFICE SUPPLY	PV	160689	11/20/2015	PINV0089116	010-11000-0-11100-10000-43000-0	\$94.50
14197	Stanton Office Machine Company	PV	160695	12/08/2015	INV240	010-00000-0-00000-72000-58000-0	\$40.37
14197	Stanton Office Machine Company	PV	160696	12/08/2015	INV241	010-00000-0-00000-72000-58000-0	\$45.31
13321	Staples	PV	160653	12/10/2015	1198775	010-00000-0-00000-72000-43000-0	\$70.35
14163	SUNDALE UNION ELEMENTARY	PV	160709	12/29/2015	BB TOURNAMENT	010-00000-0-11100-10000-58000-0	\$100.00
13267	Supplyworks	PV	160614	11/17/2015	5154206-00	010-00000-0-00000-81000-43000-0	\$216.27
13267	Supplyworks	PV	160699	12/11/2015	5156771-00	010-00000-0-00000-81000-43000-0	\$1,045.22
13267	Supplyworks	PV	160700	12/15/2015	5156771-01	010-00000-0-00000-81000-43000-0	\$3.57
13267	Supplyworks	PV	160701	12/01/2015	5155716-00	010-00000-0-00000-81000-43000-0	\$485.38
13130	SYSCO FOOD SERVICES	PV	160656	12/10/2015	512040664	010-00000-0-00000-37000-47000-0	\$270.66
13130	SYSCO FOOD SERVICES	PV	160712	11/17/2015	511170162	010-60100-0-00000-37000-47000-0	\$174.31
13130	SYSCO FOOD SERVICES	PV	160713	12/04/2015	512040665	010-60100-0-00000-37000-47000-0	\$109.56
13130	SYSCO FOOD SERVICES	PV	160714	12/01/2015	512010150	010-60100-0-00000-37000-47000-0	\$73.74
11541	TF TIRE & SERVICE	PV	160623	12/01/2015	956950	010-07230-0-00000-36000-56000-0	\$121.09
5388	THE GAS COMPANY	PV	160702	12/29/2015	DEC 108 416 9100 8	010-00000-0-00000-81000-55000-0	\$1,413.03
12264	TIPTON AUTO PARTS	PV	160627	10/27/2015	8444	010-81500-0-00000-81100-43000-0	\$27.58
12264	TIPTON AUTO PARTS	PV	160628	11/02/2015	8638	010-81500-0-00000-81100-43000-0	\$40.44
12264	TIPTON AUTO PARTS	PV	160629	11/04/2015	8703	010-81500-0-00000-81100-43000-0	\$33.92
12264	TIPTON AUTO PARTS	PV	160630	11/13/2015	9023	010-81500-0-00000-81100-43000-0	\$14.03
12264	TIPTON AUTO PARTS	PV	160631	11/20/2015	9241	010-81500-0-00000-81100-43000-0	\$19.42
5760	TIPTON COMMUNITY SERVICES DIST	PV	160624	11/30/2015	11-1-15/11-30-15	010-00000-0-00000-81000-55000-0	\$551.58
5763	TIPTON SCH REV CASH FUND	PV	160652	12/10/2015	FALL INSTITUTE	010-00000-0-00000-71000-52000-0	\$38.00
5763	TIPTON SCH REV CASH FUND	PV	160710	12/29/2015	POSTAGE	010-00000-0-00000-72000-59000-0	\$6.25
12777	TULARE CO. SMALL SCH. SUPER.	PV	160622	11/24/2015	2015-16 DUES	010-00000-0-00000-71000-53000-0	\$150.00
13463	TULARE COUNTY OFFICE OF EDUCAT	PV	160654	12/10/2015	ACSA CONF.	010-00000-0-00000-71000-52000-0	\$35.00
13463	TULARE COUNTY OFFICE OF EDUCAT	PV	160632	11/15/2015	160914	010-07200-0-11100-10000-43000-0	\$97.20

13463	TULARE COUNTY OFFICE OF EDUCAT	PV	160633	11/10/2015	160797	010-07200-0-11100-10000-58000-0	\$4,550.00
13463	TULARE COUNTY OFFICE OF EDUCAT	PV	160634	11/09/2015	160764	010-07200-0-11100-10000-58000-0	\$900.00
13463	TULARE COUNTY OFFICE OF EDUCAT	PV	160708	11/30/2015	160960	010-00000-0-00000-72000-58000-0	\$144.00
13463	TULARE COUNTY OFFICE OF EDUCAT	PV	160703	12/01/2015	160989	010-00000-0-11100-10000-43000-0	\$96.00
13463	TULARE COUNTY OFFICE OF EDUCAT	PV	160706	11/19/2015	160907	010-00000-0-11100-10000-58000-0	\$63.90
13463	TULARE COUNTY OFFICE OF EDUCAT	PV	160707	11/19/2015	160918	010-00000-0-11100-10000-58000-0	\$4.50
12324	TULE TRASH COMPANY	PV	160625	12/10/2015	12/1-12/31	010-00000-0-00000-81000-55000-0	\$985.90
13496	VALLEY PACIFIC PET. SERV., INC	PV	160637	12/03/2015	INV-407770	010-07230-0-00000-36000-43000-0	\$1,000.36
13496	VALLEY PACIFIC PET. SERV., INC	PV	160638	11/20/2015	INV-406125	010-07230-0-00000-36000-43000-0	\$713.50
13496	VALLEY PACIFIC PET. SERV., INC	PV	160705	12/17/2015	INV-410449	010-07230-0-00000-36000-43000-0	\$532.12
13333	VERIZON WIRELESS	PV	160635	11/19/2015	9755866184	010-00000-0-00000-81000-59000-0	\$651.32

GENERAL FUND TOTAL EXPENDITURES FOR APY DECEMBER 2015

13412	AUTO-CHLOR SYS.OF FRESNO, INC.	PV	160658	12/07/2015	274173	130-53100-0-00000-37000-43000-0	\$119.28
14101	B&B PEST CONTROL SERVICE	PV	160603	11/25/2015	01-11-TIP	130-53100-0-00000-81000-55000-0	\$40.00
14173	FLOWERS BAKING COMPANY	PV	160643	11/30/2015	4402,4071,3380	130-53100-0-00000-37000-47000-0	\$160.50
14173	FLOWERS BAKING COMPANY	PV	160644	11/06/2015	9643198,96462940	130-53100-0-00000-37000-47000-0	\$120.40
14173	FLOWERS BAKING COMPANY	PV	160673	12/14/2015	96465102	130-53100-0-00000-37000-47000-0	\$65.00
14173	FLOWERS BAKING COMPANY	PV	160674	12/15/2015	96465163	130-53100-0-00000-37000-47000-0	\$92.40
12907	FOCUS PACKAGING	PV	160607	12/02/2015	203516	130-53100-0-00000-37000-43000-0	\$1,064.35
12921	GOLD STAR FOODS INC.	PV	160675	12/10/2015	1537865	130-53100-0-00000-37000-47000-0	\$2,201.51
13191	PRODUCERS	PV	160610	11/23/2015	50148942	130-53100-0-00000-37000-47000-0	\$479.30
13191	PRODUCERS	PV	160611	11/25/2015	50164649	130-53100-0-00000-37000-47000-0	\$506.02
13191	PRODUCERS	PV	160612	11/30/2015	50188046	130-53100-0-00000-37000-47000-0	\$70.02
13191	PRODUCERS	PV	160613	12/03/2015	50211146	130-53100-0-00000-37000-47000-0	\$492.36
13191	PRODUCERS	PV	160683	12/07/2015	50234449	130-53100-0-00000-37000-47000-0	\$464.47
13191	PRODUCERS	PV	160684	12/10/2015	50249848	130-53100-0-00000-37000-47000-0	\$261.52
13191	PRODUCERS	PV	160685	12/14/2015	50272939	130-53100-0-00000-37000-47000-0	\$307.32
13191	PRODUCERS	PV	160686	12/17/2015	50303750	130-53100-0-00000-37000-47000-0	\$70.51
13130	SYSCO FOOD SERVICES	PV	160617	12/04/2015	512040663	130-53100-0-00000-37000-47000-0	\$1,807.48
13130	SYSCO FOOD SERVICES	PV	160618	12/01/2015	512010151	130-53100-0-00000-37000-47000-0	\$2,105.68
13130	SYSCO FOOD SERVICES	PV	160697	12/15/2015	512150194	130-53100-0-00000-37000-47000-0	\$172.24
13130	SYSCO FOOD SERVICES	PV	160698	12/15/2015	512150195	130-53100-0-00000-37000-47000-0	\$633.48
12324	TULE TRASH COMPANY	PV	160626	12/10/2015	12/1-12/31	010-07230-0-00000-81000-55000-0	\$702.12
12650	VALLEY FOOD SERVICE	PV	160636	11/30/2015	315496	130-53100-0-00000-37000-47000-0	\$1,687.72
12650	VALLEY FOOD SERVICE	PV	160704	12/07/2015	315804	130-53100-0-00000-37000-47000-0	\$723.00

CAFETERIA FUND TOTAL EXPENDITURES FOR APY DECEMBER 2015

12971	LANE ENGINEERS INC.	PV	160649	12/10/2015	39778	210-99900-0-00000-85000-62000-0	\$7,225.00
13607	MANGINI ASSOCIATES, INC.	PV	160711	11/30/2015	7637	210-99900-0-00000-85000-62000-0	\$17,524.36

BUILDING FUND TOTAL EXPENDITURES FOR APY DECEMBER 2015

Total Entered on 12/29/2015 2:22:00PM:							
							\$14,346.68
							\$24,749.36
							\$160,990.88
							\$160,990.88
							\$160,990.88
							\$160,990.88

Total Entered by UserId: anthonyh Finalized
Report Total for Payment Status:
Report Total:

5. FINANCE: Action items:

5.2 Budget Revisions

Budget Revision Report

Control Number: 10439847

Account Classification	Approved / Revised	Change Amount	Proposed Budget
Fund: 0100 General Fund Expenditures			
Classified Salaries			
010-81500-0-00000-81100-22000-0	\$0.00	\$2,000.00	\$2,000.00
010-00000-0-00000-37000-47000-0	\$0.00	\$1,200.00	\$1,200.00
010-00000-0-00000-71000-44000-0	\$700.00	(\$700.00)	\$0.00
010-81500-0-00000-81100-43000-0	\$112,039.68	(\$2,000.00)	\$110,039.68
Books and Supplies	\$112,739.68	(\$1,500.00)	\$111,239.68
010-00000-0-00000-71000-52000-0	\$5,000.00	\$3,000.00	\$8,000.00
010-00000-0-00000-71000-53000-0	\$3,000.00	(\$2,300.00)	\$700.00
Services, Other Operating Expenses	\$8,000.00	\$700.00	\$8,700.00
Total Expenditures	\$120,739.68	\$1,200.00	\$121,939.68
Budgeted Unappropriated Fund Balance before this adjustment:			
\$2,282,127.96			
Total Adjustment to Unappropriated Fund Balance:			
(\$1,200.00)			
Budgeted Unappropriated Fund Balance after this adjustment:			
\$2,280,927.96			

Budget Revision Report

BGR030
anthonyh

1/4/2016
11:04:23AM

Control Number: 10439847

Account Classification

Approved / Revised

Change Amount

Proposed Budget

At a meeting of the school board on _____, the board approved the above budget account lines change to those amounts indicated in the proposed budget column.

Authorized by: _____

(County Office Use Only)
Updated at County Office on ____/____/____ by _____

5. **FINANCE:** Action items:

5.3 Audit Report for Year Ended June 30, 2015 (*Document will be available during the audit report Presentation*)

**TIPTON ELEMENTARY
SCHOOL DISTRICT
COUNTY OF TULARE
TIPTON, CALIFORNIA
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

**M. GREEN AND COMPANY LLP
Certified Public Accountants
Visalia, CA 93277**

Introductory Section

Tipton Elementary School District
 Audit Report
 For the Year Ended June 30, 2015

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Tipton Elementary School District
 Audit Report
 For the Year Ended June 30, 2015

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Management's Discussion and Analysis

TIPTON ELEMENTARY SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2015

INTRODUCTION

Our discussion and analysis of Tipton Elementary School District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2015. It should be read in conjunction with the District's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999; and GASB Statement No. 37, *Basic Financial Statement – and Management Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and No. 34, issued in June 2001.

FINANCIAL HIGHLIGHTS

- Total net position was \$5,477,186 at June 30, 2015. This was a decrease of \$4,192,334 from the prior year.
- Overall revenues were \$6,496,393, which exceeded expenses of \$6,476,892 by \$19,501.
- Long-term debt has increased by \$3,523,133 due to the recognition of the net pension liability and the change in actuarial valuation for other postemployment benefit obligation (OPEB).

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. These 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 the District operations in more detail. The fund financial statements comprise the remaining statements.
 - **Governmental fund** statements tell how general government services were financed in the short term as well as what remains for future spending.
 - **Fiduciary fund** statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

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 supplementary information that further explains and supports 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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 out.

The two government-wide statements report the District's net position and how it has changed. Net position, assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, 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.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in enrollment, changes in the property tax base, and changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the District include government activities. Most of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local Control Funding Formula (LCFF) and Federal and State grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has two kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements 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. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government funds statements that explain the relationship (or differences) between them.
- Fiduciary funds – the District is the trustee, or fiduciary, for assets that belong to others; for the District, the student body activities fund is an agency fund. The District is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use the assets to finance its operations.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was \$5,477,186 at June 30, 2015. See Table 1. This is the first year of implementation of GASB Statement No.68 and No. 71. The District's proportionate share of the net pension liability (\$3,557,642) was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating school districts and the State, actuarially determined.

**Table 1:
Net Position**

	Governmental Activities		Total Percentage
	2015	2014	Change 2015-2014
Assets:			
Cash	\$ 3,807,438	\$ 2,812,075	35.40%
Accounts Receivable	222,515	820,617	-72.88%
Stores Inventories	1,072	1,072	0.00%
Net OPEB Asset	-	33,686	-100.00%
Capital Assets, Net of Accumulated Depreciation	7,427,851	7,695,398	-3.48%
TOTAL ASSETS	11,458,876	11,362,848	0.85%
Deferred Outflows of Resources	308,361	-	100.00%
Liabilities:			
Accounts Payable	119,551	39,977	199.05%
Unearned Revenue	58,745	28,351	107.21%
Net Pension Liability	3,557,642	-	100.00%
Net OPEB Obligation	6,038	-	100.00%
Short-Term Liabilities	88,781	43,895	102.21%
Long-Term Liabilities	1,495,672	1,581,105	-5.40%
TOTAL LIABILITIES	5,326,429	1,693,328	214.55%
Deferred Inflows of Resources	963,622	-	100.00%
Net Position:			
Net Investment in Capital Assets	5,846,746	6,144,478	-4.85%
Restricted	1,641,826	512,390	220.43%
Unrestricted	(2,011,386)	3,012,652	-166.76%
TOTAL NET POSITION	\$ 5,477,186	\$ 9,669,520	-43.36%

Changes in Net Position

The District's total revenues were \$6,496,393. A majority of the revenue comes from the LCFF and property taxes (79.5%). State aid for specific programs accounted for another 4.26% of total revenues.

The total cost of all programs and services was \$6,476,892. The District's expenses are predominately related to educating and caring for students (84.4%). Administrative activities accounted for just 7.7%. The remaining expenses were for plant services (maintenance and operations) and other outgo.

**Table 2:
Changes in Net Position**

	Governmental Activities		Total Percentage Change
	2015	2014	2015-2014
Revenues:			
Program Revenues:			
Charges for Services	\$ 6,661	\$ 6,797	-2.00%
Operating Grants & Contributions	909,958	1,091,571	-16.64%
Capital Grants & Contributions	2,076	22	9336.36%
General Revenues:			
LCFF	5,167,235	4,654,270	11.02%
State Sources	276,792	224,802	23.13%
Local Sources	133,671	56,127	138.16%
TOTAL REVENUES	<u>6,496,393</u>	<u>6,033,589</u>	7.67%
Program Expenses:			
Instruction	4,183,883	3,675,363	13.84%
Instruction-Related Services	569,726	360,528	58.03%
Pupil Services	713,977	666,692	7.09%
General Administration	501,705	480,518	4.41%
Plant Services	470,551	478,203	-1.60%
Other Outgo	37,050	115,302	-67.87%
TOTAL EXPENSES	<u>6,476,892</u>	<u>5,776,606</u>	12.12%
Excess (Deficiency)	19,501	256,983	-92.41%
Prior Period Adjustment	(4,211,835)	-	-100.00%
INCREASE (DECREASE) IN NET POSITION	<u>\$ (4,192,334)</u>	<u>\$ 256,983</u>	-1731.37%

Governmental Activities

The cost of all governmental activities this year was \$6,476,892.

Table 3 presents the cost of each of the District's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

**Table 3:
Net Cost of Governmental Activities**

	Total Cost of Services		Total Percentage Change	Net (Expense) Revenue		Total Percentage Change
	2015	2014	2015-2014	2015	2014	2015-2014
	Instruction	\$ 4,183,883	\$ 3,675,363	13.84%	\$ (3,812,243)	\$ (3,184,778)
Instruction-Related Services	569,726	360,528	58.03%	(525,859)	(313,590)	67.69%
Pupil Services	713,977	666,692	7.09%	(308,634)	(263,240)	17.24%
General Administration	501,705	480,518	4.41%	(468,430)	(450,751)	3.92%
Plant Services	470,551	478,203	-1.60%	(449,420)	(356,408)	26.10%
Other Outgo	37,050	115,302	-67.87%	6,389	(109,449)	-105.84%
TOTAL	\$ 6,476,892	\$ 5,776,606	12.12%	\$ (5,558,197)	\$ (4,678,216)	18.81%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$3,856,709, an increase from last year's ending fund balance of \$3,565,436. The District does not anticipate any other commitments, restrictions or limitations that would affect the availability of fund resources for future use.

General Fund Budgetary Highlights

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The final amendment to the budget was approved June 16, 2015. A schedule of the District's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had invested \$11,272,454 in a broad range of capital assets, including land, buildings, site improvements, equipment and vehicles. See Table 4. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table 4:
Capital Assets

	Governmental Activities		Total Percentage
	2015	2014	Change 2015-2014
Land	\$ 21,845	\$ 5,154	323.85%
Land Improvements	594,847	594,847	0.00%
Buildings and Improvements	9,810,033	9,769,453	0.42%
Machinery and Equipment	845,729	836,589	1.09%
Totals at Historical Cost	11,272,454	11,206,043	0.59%
Total Accumulated Depreciation	(3,844,603)	(3,510,645)	9.51%
NET CAPITAL ASSETS	\$ 7,427,851	\$ 7,695,398	-3.48%

Long-Term Debt

At year end, the District had \$5,148,133 in long term debt, consisting of a Qualified Zone Academy Bond, net pension liability and net OPEB liability as shown in Table 5.

Table 5:
Long-Term Debt

	Governmental Activities		Total Percentage
	2015	2014	Change 2015-2014
Net Pension Liability	\$ 3,557,642	\$ -	100.00%
Net OPEB Liability	6,038	-	100.00%
Qualified Zone Academy Bond	1,581,105	1,625,000	-2.50%
Compensated Absences	3,348	-	100.00%
TOTAL LONG-TERM DEBT	\$ 5,148,133	\$ 1,625,000	216.81%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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 uncertainty of federal and state funding can have a profound impact on the financial health of the District.
- ❑ The continuing increases in premiums for health care insurance and statutory benefits could have a significant effect on the future financial health of the District. For the 2014-2015 school year, the health and welfare cap was budgeted for an increase of 3%. Health care premiums are predicted to continue to increase into the foreseeable future. Other statutory benefits, including retirement benefits, have also seen increases in the 2014-2015 school year, with expectations to continue to increase in outlying years.
- ❑ The budget assumptions used to prepare the budget for 2015-16 included a 2% step and column increase for all units, a 2% increase in operating services as well as 5% increase in statutory and health care premiums.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office, Tipton Elementary School District, 370 N. Evans Road, Tipton, CA 93272, 559-752.4213.

Financial Section



Independent Auditors' Report

Board of Trustees
Tipton Elementary School District
370 N. Evans Road
Tipton, California 93272

Members of the Board of Trustees:

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 Tipton Elementary School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 Controller 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 auditors' 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 Tipton Elementary School District, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, Tipton Elementary School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* for the year ended June 30, 2015. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress for OPEB benefits, schedule of Tipton Elementary School District's proportionate share of the net pension liability and schedule of Tipton Elementary School District's contributions on pages 1–7 and 38–41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tipton Elementary School District's basic financial statements. The schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying other required supplementary schedules as other supplementary information as required by the State's audit guide, *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are not a required part of the basic financial statements.

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

The combining statements presented as other supplementary information on pages 42 through 49 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015, on our consideration of Tipton Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Tipton Elementary School District's internal control over financial reporting and compliance.

M Green and Company LLP

Visalia, California
December 4, 2015

Basic Financial Statements

TIPTON ELEMENTARY SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 JUNE 30, 2015

	<u>Governmental Activities</u>
ASSETS:	
Cash in County Treasury	\$ 3,804,638
Cash in Revolving Fund	2,800
Accounts Receivable	222,515
Stores Inventories	1,072
Capital Assets:	
Land	5,154
Land Improvements, Net	258,786
Buildings, Net	6,971,347
Equipment, Net	175,873
Work in Progress	16,691
Total Assets	<u>11,458,876</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows of Resources - Pensions	<u>308,361</u>
Total Deferred Outflows of Resources	<u>308,361</u>
LIABILITIES:	
Accounts Payable	119,551
Unearned Revenue	58,745
Noncurrent Liabilities:	
Net Pension Liability	3,557,642
Other Postemployment Benefit Obligation	6,038
Due within one year	88,781
Due in more than one year	<u>1,495,672</u>
Total Liabilities	<u>5,326,429</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows of Resources - Pensions	<u>963,622</u>
Total Deferred Inflows of Resources	<u>963,622</u>
NET POSITION:	
Net Investment in Capital Assets	5,846,746
Restricted For:	
Capital Projects	1,246,667
Legally Restricted Programs	105,640
Specific Programs	289,519
Unrestricted	<u>(2,011,386)</u>
Total Net Position	<u>\$ 5,477,186</u>

The accompanying notes are an integral part of this statement.

TIPTON ELEMENTARY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Government Activities:					
Instruction	\$ 4,183,883	\$ 1,120	\$ 368,444	\$ 2,076	\$ (3,812,243)
Instruction-Related Services	569,726	4	43,863	-	(525,859)
Pupil Services	713,977	4,005	401,338	-	(308,634)
General Administration	501,705	223	33,052	-	(468,430)
Plant Services	470,551	660	20,471	-	(449,420)
Other Outgo	37,050	649	42,790	-	6,389
Total Governmental Activities	<u>6,476,892</u>	<u>6,661</u>	<u>909,958</u>	<u>2,076</u>	<u>(5,558,197)</u>
Total Primary Government	<u>\$ 6,476,892</u>	<u>\$ 6,661</u>	<u>\$ 909,958</u>	<u>\$ 2,076</u>	<u>(5,558,197)</u>
General Revenues:					
LCFF Sources					5,167,235
State Revenues					276,792
Local Revenues					133,671
Total General Revenues					<u>5,577,698</u>
Change in Net Position					19,501
Net Position - Beginning					9,669,520
Prior Period Adjustment					<u>(4,211,835)</u>
Net Position - Ending					<u>\$ 5,477,186</u>

The accompanying notes are an integral part of this statement.

TIPTON ELEMENTARY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

	General Fund	County School Facilities Fund New Construction	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash in County Treasury	\$ 2,306,171	\$ 1,255,380	\$ 243,087	\$ 3,804,638
Cash in Revolving Fund	2,500	-	300	2,800
Accounts Receivable	167,503	-	55,012	222,515
Due from Other Funds	-	-	2,766	2,766
Stores Inventories	-	-	1,072	1,072
Total Assets	<u>\$ 2,476,174</u>	<u>\$ 1,255,380</u>	<u>\$ 302,237</u>	<u>\$ 4,033,791</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	\$ 95,941	\$ 16,691	\$ 2,939	\$ 115,571
Due to Other Funds	2,766	-	-	2,766
Unearned Revenue	58,745	-	-	58,745
Total Liabilities	<u>157,452</u>	<u>16,691</u>	<u>2,939</u>	<u>177,082</u>
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	2,500	-	300	2,800
Stores Inventories	-	-	1,072	1,072
Restricted Fund Balances	105,640	1,238,689	296,125	1,640,454
Committed Fund Balances	-	-	1,801	1,801
Assigned Fund Balances	68	-	-	68
Unassigned:				
Reserve for Economic Uncertainty	218,355	-	-	218,355
Other Unassigned	1,992,159	-	-	1,992,159
Total Fund Balance	<u>2,318,722</u>	<u>1,238,689</u>	<u>299,298</u>	<u>3,856,709</u>
Total Liabilities and Fund Balances	<u>\$ 2,476,174</u>	<u>\$ 1,255,380</u>	<u>\$ 302,237</u>	<u>\$ 4,033,791</u>

The accompanying notes are an integral part of this statement.

TIPTON ELEMENTARY SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2015

Total fund balances - governmental funds balance sheet	\$ 3,856,709
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	7,427,851
Payables for bond interest which are not due in the current period are not reported in the funds.	(3,980)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(3,348)
Payables for bonds which are not due in the current period are not reported in the funds.	(1,581,105)
Other postemployment benefit liabilities which are not due and payable in the current period are not reported in the funds.	(6,038)
Net pension liability which is not due in the current period is not reported in the funds.	(3,557,642)
Pension related deferred inflows which are not due in current period are not reported in the funds.	(963,622)
Pension related deferred outflows are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>308,361</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 5,477,186</u>

The accompanying notes are an integral part of this statement.

TIPTON ELEMENTARY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	County School Facilities Fund New Construction	Other Governmental Funds	Total Governmental Funds
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 3,817,914	\$ -	\$ -	\$ 3,817,914
Education Protection Account Funds	795,295	-	-	795,295
Local Sources	258,586	-	295,440	554,026
Federal Revenue	205,038	-	381,009	586,047
Other State Revenue	447,884	-	30,052	477,936
Other Local Revenue	216,540	4,469	20,777	241,786
Total Revenues	<u>5,741,257</u>	<u>4,469</u>	<u>727,278</u>	<u>6,473,004</u>
Expenditures:				
Instruction	3,905,866	-	-	3,905,866
Instruction - Related Services	529,447	-	-	529,447
Pupil Services	235,390	-	427,879	663,269
General Administration	465,601	-	23,225	488,826
Plant Services	436,645	16,847	63,866	517,358
Other Outgo	20,965	-	-	20,965
Debt Service:				
Principal	43,895	-	-	43,895
Interest	12,105	-	-	12,105
Total Expenditures	<u>5,649,914</u>	<u>16,847</u>	<u>514,970</u>	<u>6,181,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91,343</u>	<u>(12,378)</u>	<u>212,308</u>	<u>291,273</u>
Other Financing Sources (Uses):				
Transfers In	-	1,249,887	-	1,249,887
Transfers Out	(261,372)	-	(988,515)	(1,249,887)
Total Other Financing Sources (Uses)	<u>(261,372)</u>	<u>1,249,887</u>	<u>(988,515)</u>	<u>-</u>
Net Change in Fund Balance	(170,029)	1,237,509	(776,207)	291,273
Fund Balance, July 1	2,488,751	1,180	1,075,505	3,565,436
Fund Balance, June 30	<u>\$ 2,318,722</u>	<u>\$ 1,238,689</u>	<u>\$ 299,298</u>	<u>\$ 3,856,709</u>

The accompanying notes are an integral part of this statement.

TIPTON ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds	\$ 291,273
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	66,411
The depreciation of capital assets used in governmental activities is not reported in the funds.	(333,958)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(3,348)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	43,895
(Increase) in accrued interest from beginning of period to end of period.	(3,980)
Other postemployment benefit obligation in excess of the "pay as you go" amount are expenses in the SOA but not expenditures in the funds.	(39,724)
Cost of pension benefits earned net of employee contributions is reported as pension expense in the SOA.	
Pension contributions are reported as expenditures in the funds.	<u>(1,068)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 19,501</u>

The accompanying notes are an integral part of this statement.

TIPTON ELEMENTARY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

	Agency Fund
	Student Body Fund
ASSETS:	
Cash on Hand and in Banks	\$ 45,158
Total Assets	<u>45,158</u>
LIABILITIES:	
Due to Student Groups	<u>45,158</u>
Total Liabilities	<u>45,158</u>
NET POSITION:	
Total Net Position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

NOTE 1 - Summary of Significant Accounting Policies

Tipton Elementary School District (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 the accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Reporting Entity

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

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities 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 revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. 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.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are, therefore, not available to support District programs, these funds are not included in the government-wide statements.

The District reports the following major governmental funds:

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

Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, currently defined as a special revenue fund in the California School Accounting Manual (CSAM), does not meet the GASB Statement No. 54 special revenue fund definition because the fund is not substantially composed of restricted or committed revenue sources. While the fund is authorized by statute and will remain open for internal reporting purposes, the fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in the audited financial statements. A board resolution was passed on March 3, 2015, to close this fund.

The County School Facilities Fund – New Construction is used to receive apportionments from the State School Facilities Fund authorized by the State Allocation Board for new school facility construction projects and facility hardship grants.

Non-Major Governmental Funds:

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

The Cafeteria Fund is used to account separately for federal, state and local resources to operate the food service program and is to be used only for those expenditures as necessary for the operation of the District's food service program.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

The Deferred Maintenance Fund is used to account separately for State appointments, District contributions and expenditures made in accordance with the District's five year plan for deferred maintenance purposes. During 2009, legislation was passed that allowed the fund balance and State apportionments to be flexible for expenditure purposes until year 2012-2013, which was extended through 2014-2015 by Senate Bill 70. The District has elected to continue the use of the Deferred Maintenance Fund and has committed these resources for the purpose of deferred maintenance expenditures.

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

The Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from the proceeds of bond sales. A board resolution was passed on March 3, 2015 to close this fund. A new building fund was created on April 7, 2015, and will be used to account for the acquisition of major governmental capital facilities and buildings from the proceeds of bond sales.

The Capital Facilities Fund (Developer Fees) is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

The County School Facilities Fund – Modernization is used to receive apportionments from the State School Facilities Fund authorized by the State Allocation Board for the modernization of the District.

The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes. A board resolution was passed on March 3, 2015, to close this fund.

The District reports the following fiduciary fund:

Agency Funds are used to account for assets held for others in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The following agency funds are utilized by the District:

The Help A Child Fund exists to account separately for the purchasing and selling of pupil necessities.

The 8th Grade Savings Fund is used to account for income received for use by the 8th Grade.

Student Body Funds are used to account for the activities of student groups.

Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Financial Statements: These financial statements are reported using the economic resources measurement focus. They 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. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Encumbrances

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

Budgets and Budgetary Accounting

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

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and function and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code. All appropriations lapse at year end. See Note 3 for expenditures that exceeded appropriations.

Deposits and Investments

Cash balances held in banks and in revolving funds are fully insured or collateralized.

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

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

Information regarding the amount of dollars invested in derivatives with the Tulare County Treasury was not available for the year ended June 30, 2015.

Stores Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Inventories of the General Fund are immaterial and have been omitted from these statements.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	15-30
Buildings and Improvements	15-50
Equipment	5-20

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities, when applicable. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position, when applicable.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of financial position 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position 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 future periods and so will not be recognized as an inflow of resources (revenues) until that time.

Unearned Revenue

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

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The entire compensated absence liability is reported on the government-wide statement of net position.

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

Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as stores inventories and revolving cash) or legally required to remain intact.

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board, the District's highest level of decision making authority. Formal board action must be taken on or before June 30th of each fiscal year. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. The committed amount subject to the constraint may be determined after June 30th. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted fund balances in that the constraints on their use do not come from outside parties, constitutional provisions or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Spending Order Policy

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Minimum Fund Balance Policy

In fiscal year 2012, the District adopted a minimum fund balance policy for the General Fund. 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 unpredictable expenditures. Therefore, the District will maintain an unassigned Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than prescribed for fiscal solvency review purposes pursuant to Education Code Section 33127. In the event that the balance drops below the established minimum level, the District's governing board will develop a plan to replenish the fund balance to the established minimum level within two years.

Net Position

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

Property Taxes

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. Unsecured property taxes are payable in one installment on or before August 31. The County of Tulare bills and collects the taxes for the District.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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 California Public Employees' Retirement System (CalPERS) Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and California State Teachers' Retirement System (CalSTRS) Schools Pool Cost-Sharing Multiple-Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS and CalSTRS Plans' fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement improves the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and enhances its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also is enhanced through new note disclosures and required supplementary information. The comparability of reported pension information also is improved by the changes related to the attribution method used to determine service cost and the total pension liability, requirements for immediate recognition in pension expense of certain items, and the establishment of standardized expense recognition periods for amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions. The provisions of this statement have been implemented in the financial statements for the year ended June 30, 2015. The statements contained herein reflect the changes in financial reporting and presentation.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement eliminates the source of a potential understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities by requiring that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement were required to be applied simultaneously with the provisions of GASB Statement No. 68.

NOTE 2 - Compliance and Accountability

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

Deficit Fund Balance or Net Position of Individual Funds

Following are funds having deficit fund balances or net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

NOTE 3 - Excess of Expenditures Over Appropriations

As of June 30, 2015, expenditures exceeded appropriations in individual funds, as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Certificated Salaries	\$ 23,072

General Fund: Budget was not revised to reflect actual results.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

NOTE 4 - Cash and Investments

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Tulare County Treasury as part of the common investment pool (\$3,797,353 as of June 30, 2015). The book value approximates fair value. The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$3,804,638. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on Hand, in Banks and in Revolving Fund

Cash balances on hand and in banks (\$45,158 as of June 30, 2015) and in the revolving fund (\$2,800) are fully insured or collateralized.

Analysis of Specific Deposits and Investments

Cash and investments as of June 30, 2015, are classified in the accompanying financial statements, as follows:

Statement of Net Position:

	<u>Credit Quality Rating</u>	<u>Fair Value</u>
Cash in County Treasury	Not Rated	\$ 3,804,638
Cash in Revolving Fund	Not Applicable	2,800
Fiduciary Funds:		
Cash on Hand and in Banks	Not Applicable	45,158
Total		<u>\$ 3,852,596</u>

Cash and investments as of June 30, 2015, consist of the following:

Cash in County Treasury	\$ 3,804,638
Deposits with Financial Institutions	47,958
Total	<u>\$ 3,852,596</u>

Investments Authorized by the District's Investment Policy

Education Code Section 41001 and the District's investment policy require operating funds to be deposited into the County Treasury and invested in accordance with the current investment policy of the Tulare County Treasurer. Education Code Section 41015 authorizes the investment of surplus moneys, not required for the immediate necessities of the District in any of the investments specified in Section 16430 or 53601 of the Government Code. Additionally, a variety of operational bank accounts are authorized, including but not limited to: Scholarship Accounts, Clearing Accounts and Revolving Cash Accounts. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk and concentration of credit risk. The District held no investments at June 30, 2015.

Disclosures Relating to 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 held no investments at June 30, 2015.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District held no investments at June 30, 2015.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, which is investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) that represent 5% or more of total District investments. The District held no investments at June 30, 2015.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: 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 (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

TIPTON ELEMENTARY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 5 - Accounts Receivable

Accounts receivable as of June 30, 2015, consist of the following:

	General Fund	Other Governmental Funds	Totals
Federal Government:			
Federal Programs	\$ 81,691	\$ 50,911	\$ 132,602
State Government:			
Lottery	31,581	-	31,581
Lottery - Instructional Materials	20,796	-	20,796
Categorical Programs	1,731	-	1,731
Child Nutrition Program	-	4,101	4,101
Total State Government	<u>54,108</u>	<u>4,101</u>	<u>58,209</u>
Other Local	<u>31,704</u>	<u>-</u>	<u>31,704</u>
Totals	<u>\$ 167,503</u>	<u>\$ 55,012</u>	<u>\$ 222,515</u>

NOTE 6 - Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases	Reclassifications/ Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 5,154	\$ -	\$ -	\$ 5,154
Work in progress	-	16,691	-	16,691
Total capital assets not being depreciated	<u>5,154</u>	<u>16,691</u>	<u>-</u>	<u>21,845</u>
Capital assets being depreciated:				
Land improvements	594,847	-	-	594,847
Buildings and Improvements	9,769,453	40,580	-	9,810,033
Equipment	836,589	9,140	-	845,729
Total capital assets being depreciated	<u>11,200,889</u>	<u>49,720</u>	<u>-</u>	<u>11,250,609</u>
Less accumulated depreciation for:				
Land improvements	(318,255)	(17,806)	-	(336,061)
Buildings and Improvements	(2,563,486)	(275,200)	-	(2,838,686)
Equipment	(628,904)	(40,952)	-	(669,856)
Total accumulated depreciation	<u>(3,510,645)</u>	<u>(333,958)</u>	<u>-</u>	<u>(3,844,603)</u>
Total capital assets being depreciated, net	<u>7,690,244</u>	<u>(284,238)</u>	<u>-</u>	<u>7,406,006</u>
Governmental activities capital assets, net	<u>\$ 7,695,398</u>	<u>\$ (267,547)</u>	<u>\$ -</u>	<u>\$ 7,427,851</u>

Depreciation was charged to functions as follows:

Instruction	\$ 244,646
Pupil Services	64,238
General Administration	12,281
Plant Services	12,793
	<u>\$ 333,958</u>

TIPTON ELEMENTARY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2015

NOTE 7 - Interfund Balances and Activities

Due To and From Other Funds

Balances due to and from other funds at June 30, 2015, consisted of the following:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Reason</u>
Other Governmental Funds	General Fund	\$ 2,766	Indirect Costs
	Total	<u>\$ 2,766</u>	

All amounts due are scheduled to be repaid within one year.

Transfers To and From Other Funds

Transfers to and from other funds during the year ended June 30, 2015, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Other Governmental Funds	County School Facilities Fund - New Construction	\$ 896,991	Construction project
General Fund	County School Facilities Fund - New Construction	261,372	To close Fund 17
Other Governmental Funds	County School Facilities Fund - New Construction	91,524	To close fund
	Total	<u>\$ 1,249,887</u>	

NOTE 8 - Long-Term Debt Obligations

Long-Term Debt Obligation Summary

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2015, are as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities:</u>					
Qualified Zone Academy Bond Program	\$ 1,625,000	\$ -	\$ 43,895	\$ 1,581,105	\$ 88,781
Compensated Absences *	-	3,348	-	3,348	-
Total governmental activities	<u>\$ 1,625,000</u>	<u>\$ 3,348</u>	<u>\$ 43,895</u>	<u>\$ 1,584,453</u>	<u>\$ 88,781</u>

*Because of the nature of compensated absences and uncertainty over when vacations will be taken, a statement of debt service requirements to maturity has not been presented.

The funds typically used to liquidate other long-term liabilities in the past, are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Qualified Zone Academy Bond Program	Governmental	General Fund
Compensated Absences	Governmental	General Fund / Cafeteria Fund

In the government-wide financial statements, interest expense relating to long-term debt for the year ended June 30, 2015, was \$16,082 and is included in the functional expenses as a direct charge.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Qualified Zone Academy Bond (QZAB) Program and Debt Requirements

On November 21, 2013, the District entered into a bond agreement with the Public Property Financing Corporation of California under a Qualified Zone Academy Bond program for the purchase and installation of solar equipment at the school site. The contract is to be repaid over a period of 17 years, at 1.5% interest. The assets acquired with this agreement are in Buildings at June 30, 2015.

Future commitments for the QZAB payments as of June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 88,781	\$ 23,219	\$ 112,000
2017	90,120	21,880	112,000
2018	91,480	20,520	112,000
2019	92,860	19,140	112,000
2020	82,238	17,762	100,000
2021-2025	384,536	72,211	456,747
2026-2030	571,218	36,249	607,467
2031-2032	179,872	2,368	182,240
Totals	<u>\$ 1,581,105</u>	<u>\$ 213,349</u>	<u>\$ 1,794,454</u>

The District will receive no sublease rental revenues nor pay any contingent rentals associated with this lease.

TIPTON ELEMENTARY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 9 - Fund Balances and Restricted Net Position

Fund balances at June 30, 2015, are as follows:

	General Fund	County School Facilities Fund New Construction	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Revolving Cash	\$ 2,500	\$ -	\$ 300	\$ 2,800
Stores Inventories	-	-	1,072	1,072
Total Nonspendable	2,500	-	1,372	3,872
Restricted:				
California Clean Energy Jobs Act	59,616	-	-	59,616
Lottery - Instructional Materials	39,749	-	-	39,749
Medi-Cal Billing Option	3,243	-	-	3,243
Other Educational Purposes	3,032	-	-	3,032
Developer Fees	-	-	7,009	7,009
Child Nutrition Program	-	-	288,147	288,147
State School Facilities Projects	-	1,238,689	969	1,239,658
Total Restricted	105,640	1,238,689	296,125	1,640,454
Committed:				
Deferred Maintenance	-	-	1,801	1,801
Assigned:				
Other Educational Purposes	68	-	-	68
Unassigned:				
Reserve for Economic Uncertainty	218,355	-	-	218,355
Other Unassigned	1,992,159	-	-	1,992,159
Total Unassigned	2,210,514	-	-	2,210,514
Total Fund Balances	\$ 2,318,722	\$ 1,238,689	\$ 299,298	\$ 3,856,709

The government-wide statement of net position reports \$1,641,826 of restricted net position, which is not restricted by enabling legislation.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

NOTE 10 - Commitments Under Noncapitalized Leases

The District has entered into various operating leases for copiers with lease terms in excess of one year. These agreements contain no purchase options. The agreements contain termination clauses providing for cancellation after a specified number of days written notice to the lessors, but it is unlikely that the District will cancel any of these agreements prior to the expiration dates.

Future minimum lease payments under these agreements as of June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 15,891
2017	12,572
2018	654
Total minimum rentals	<u>\$ 29,117</u>

The District will receive no sublease rental revenues nor pay any contingent rentals associated with these leases. Rent expense for the year ended June 30, 2015 was \$16,320.

NOTE 11 - Participation In Public Entity Risk Pools and Joint Powers Authorities

The Tipton Elementary School District participates in three public entity risk pools under joint powers agreements (JPAs); the Tulare County Schools Insurance Group (T.C.S.I.G.), the Central Tulare County School Districts Liability/Property Joint Powers Authority (C.T.C.S.J.P.A.) and the Self-Insured Schools of California III (S.I.S.C. III). The relationship between the District and the JPAs is such that none of the JPAs is a component unit of the District for financial reporting purposes.

The JPAs were established as agencies under the provisions of California Government Code, Title I, Division 7, Chapter 5, Article 1, Section 6500, et. seq. The purpose of each JPA is to provide self-insurance programs as follows:

T.C.S.I.G. is an insurance purchasing pool for workers' compensation insurance.

C.T.C.S.J.P.A. provides a \$200,000 liability and a \$150,000 for property Self-Insured Retention (SIR) for claims against the participating public education agency JPA members. These claims are paid through the JPA loss fund.

S.I.S.C. III provides the services necessary and appropriate for the establishment, operation and maintenance of a medical Self-Insurance Fund that provides for payment of medical, dental, vision and prescription claims of the member public education agency employees and their covered dependents and to minimize the total cost of annual medical insurance of their respective member organizations.

Membership in the JPAs consists of various public educational agencies.

The JPAs are governed by boards consisting of representatives from the member public educational agencies and related associations. The boards control the operations of each JPA, including selection of management and approval of operating budgets, independent of any influence by member public educational agencies beyond their representation on the board. Each member public educational agency pays a premium based on student population, or number of covered individuals. Surpluses remain in each fund or JPA, while deficits are covered by assessments on the member districts in proportion to their participation in each JPA.

During the last three fiscal (claims) years none of the above programs have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

NOTE 12 - Pension Plans

Plan Descriptions

Qualified employees are covered under multiple-employer, cost-sharing defined benefit pension plans administered 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). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. The benefit terms of the CalSTRS and CalPERS plans may be amended through legislation and Public Employers' Retirement Law, respectively. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

Benefits Provided

CalSTRS

CalSTRS has two benefit formulas:

- 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 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS

CalSTRS 2% at 60

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% 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% at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2% to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4% of final compensation.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service, if the employer elected to pay the highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a full-time basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

The limit on compensation that can be counted towards a member's benefit is \$260,000 for 2014, if hired on or after July 1, 1996. The limit is increased based on cost-of-living increases calculated per Internal Revenue Code Section 401(a)(17). No contributions are paid by the member, employer or the State on compensation in excess of the limit, and any compensation beyond the limit is excluded from determining final compensation.

Final compensation is based on different forms of compensation, including salary and certain other types of remuneration. Other types of compensation, such as compensation for unused accumulated leave, are not creditable compensation and do not count toward any CalSTRS benefit program.

Members who retire on or after January 1, 2001, and accumulated at least 30 years of credited service by December 31, 2010; receive a longevity bonus of \$200, \$300 or \$400 per month for 30, 31 or 32 or more years of credited service, respectively.

CalSTRS 2% at 62

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% 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% at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for three consecutive years of credited service.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

The limit on creditable compensation that can be counted towards a member's benefit is 120% of the Social Security wage base in effect on January 1, 2013. The limit is adjusted each fiscal year based on the changes in the Consumer Price Index. In fiscal year 2013-14, the limit was \$136,440.

Only compensation paid in cash by an employer for each pay period in which creditable service is performed, pursuant to a publicly available written contractual agreement, is creditable to CalSTRS benefit programs for CalSTRS 2% at 62 members.

The following provisions apply to both CalSTRS 2% at 60 and 2% at 62 members:

After earning five years of credited service, members become 100% vested in retirement benefits.

After five years of credited service, a member (prior to age 60 if under Coverage A, no age limit if under Coverage B, as defined in Education Code Sections 24001 and 24101, respectively) is eligible for disability benefits of up to 50% of final compensation plus 10% of final compensation for each eligible child, up to a maximum addition of 40%. The member must have a disability that will exceed a period of 12 or more months to qualify for a benefit.

Any compensation for service in excess of one year in a school year due to overtime or working additional assignments is credited to the Defined Benefit Supplement Program so long as it is under the creditable compensation limit. Other compensation, such as allowances, bonuses, cash in-lieu of fringe benefits, limited-period compensation or compensation determined to have been paid to enhance a benefit, is not creditable to any CalSTRS benefit program.

A family benefit is available if an active member dies and has at least one year of credited service.

Members' accumulated contributions are refundable with interest upon separation from CalSTRS. The board determines the credited interest rate each fiscal year. For the year ended June 30, 2014, the rate of interest credited to members' accounts was 0.5%.

There is a postretirement annual benefit adjustment increase of 2% per year on a simple (rather than compound) basis. This benefit is vested for members who pay the higher contribution rates enacted in AB 1469, or retired in 2014.

The members' benefit is reduced dollar for dollar, regardless of age, for the first 180 days after retirement if the member performs activities in the public schools that could be creditable to CalSTRS, unless the governing body of the school district takes specified actions with respect to a member who is above normal retirement age.

Any enhancements to the CalSTRS Defined Benefit Program made on or after January 1, 2013, apply only to service performed on or after the effective date of the enhancement.

Defined Benefit Program benefits must be forfeited by any CalSTRS member who is convicted of committing a felony in the course of his or her official duties, including specifically if the felony involved a child with whom the member had contact as part of the member's official duties.

CalPERS

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. To be eligible for retirement, the member must be at least age 50 and have a minimum of 5 years of credited service. If you became a member on or after January 1, 2013, you must be at least 52. Monthly benefits are based on three factors: Service credit, benefit factor and final compensation. Service credit is based on years of credited service, equal to one year of full time employment. The benefit factor which is a percentage of pay to which the member is entitled for each year of service, is determined by their age at retirement and the retirement formula based on their membership date with each employer. There are two school retirement formulas: 2% at age 55 for those hired prior to January 1, 2013 with benefit factors ranging from 1.1% - 2.5% with retirement ages of 50-62; 2% at age 62 for those hired after January 1, 2013 with benefit factors ranging from 1% - 2.5% with retirement ages of 52-67. Final compensation is the highest average pay rate and special compensation during any consecutive one-year or three-year period, which compensation period is used, depends on the members' retirement formula. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit and the 1959 Survivor Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Contributions

CalSTRS

Section 22950 of the California Education Code requires members to contribute monthly to the system 8.15% of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 8.88% of creditable compensation. Rates are defined in Section 22950.5 through the measurement period ending June 30, 2021. Beginning in the fiscal year 2021-22 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specifically to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Contributions to the pension plan from the District were \$202,450 for the year ended June 30, 2015.

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. The State contributed 5.67884% of salaries creditable to CalSTRS for the year ended 2012-13. The amount contributed by the State on behalf of the District was \$115,194 and is reported as both revenue and an expenditure in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue and expense is recognized for the State's on behalf contributions on an accrual basis of \$138,583. These on behalf payments meet the criteria of a special funding situation.

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The CalPERS' Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' periodic actuarial valuation process or by state statute. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The active employee contribution rate is 7% of annual pay, and the employer's contribution rate is 11.771% of annual payroll. Contributions to the pension plan from the District were \$105,912 for the year ended June 30, 2015.

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

At June 30, 2015, the District reported net pension liabilities for its proportionate share of the net pension liabilities that reflected a reduction for State support provided to the District. The amount recognized by the District as its proportionate share of the net pension liabilities, the related State support, and the total portion of the net pension liabilities that was associated with the District were as follows:

	<u>CalSTRS</u>	<u>CalPERS</u>
District's proportionate share of the net pension liability	\$ 2,658,324	\$ 899,318
State's proportionate share of the net pension liability associated with the District	<u>1,605,227</u>	<u>-</u>
Total net pension liability	<u>\$ 4,263,551</u>	<u>\$ 899,318</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportion of the net pension liabilities was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014 (the measurement date), the District's proportion for CalSTRS and CalPERS was .0045% and .0079%, respectively. A valid comparison of the District's proportion at June 30, 2014 to its proportion at June 30, 2013 is not available as it's the first year of implementation of GASB Statement No. 68, and disclosure will be available in subsequent years.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

For the year ended June 30, 2015, the District recognized pension expense of \$448,013 and revenue of \$138,583 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 145,386
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	818,236
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	308,361	-
Total	\$ 308,361	\$ 963,622

\$308,361 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense, as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense</u>
2016	\$ (240,904)
2017	(240,906)
2018	(240,906)
2019	(240,906)
2020	-
Thereafter	-
Total	\$ (963,622)

Actuarial Assumptions

	<u>CalSTRS</u>	<u>CalPERS</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age - Normal Cost Method for both CalSTRS & CalPERS	
Actuarial Assumptions:		
Discount Rate	7.60%	7.50%
Inflation Rate	3.00%	2.75%
Payroll Growth	3.75%	3.00%
Projected Salary Increase	0.050%-5.60% (1)	3.20%-10.80% (1)
Experience Study	7/1/2006-6/30/2010	7/1/1996-6/30/2011
Investment Rate of Return	7.60% (2)	7.50% (2)
Post Retirement Benefit Increase	2.00% Simple for DB not applicable for DBS/CBB	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment and administrative expenses, including inflation

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience. RP2000 series tables are an industry standard set of mortality rates published by the Society of Actuaries. CalPERS uses mortality tables developed based on CalPERS specific data for all funds. The mortality table includes 20 years of mortality improvements using Society of Actuaries, Scale BB.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 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. In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plans. 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.

CalSTRS best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. Based on the model from CalSTRS consulting actuary's (Milliman) investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation by PCA is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the table below.

CalPERS utilized historical returns of all the Plan's asset classes to determine the expected compounded (geometric) returns over the short-term (first 10 years) and the long-term (11-60 years) using the building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. 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 rounded down to the nearest one quarter of one percent. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

The tables below reflect long-term expected real rate of return by asset class, as follows:

Asset Class	CalSTRS			CalPERS		
	Assumed Asset Allocation	Long-term * Expected Real Rate of Return	New Strategic Allocation	Real * Return Years 1-10 (1)	Real * Return Years 11+ (2)	
Global Equity	47%	4.50%	47%	5.25%	5.71%	
Fixed Income	20%	0.20%	19%	0.99%	2.43%	
Private Equity	12%	6.20%	12%	6.83%	6.95%	
Real Estate	15%	4.35%	11%	4.50%	5.13%	
Inflation Sensitive	5%	3.20%	6%	0.45%	3.36%	
Infrastructure & Forestland	0%	0.00%	3%	4.50%	5.09%	
Cash/Liquidity	1%	0.00%	2%	-0.55%	-1.05%	

* Geometric average

(1) An expected inflation of 2.50% used for this period

(2) An expected inflation of 3.005% used for this period

Discount Rate

The discount rates used to measure the total pension liabilities for CalSTRS and CalPERS were 7.6% and 7.5%, respectively. The CalSTRS 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 increase per Assembly Bill 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.6%) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the CalSTRS 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 CalSTRS net pension liability. CalPERS' projection of the expected benefits 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 CalPERS Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at the CalPERS' website.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, 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 or 1 percentage point higher than the current rate:

	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.6%	6.5%
Net Pension Liability	\$ 4,143,593	\$ 1,577,608
Current Discount Rate	7.6%	7.5%
Net Pension Liability	\$ 2,658,324	\$ 899,318
1% Increase	8.6%	8.5%
Net Pension Liability	\$ 1,419,834	\$ 332,537

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports on their respective websites.

NOTE 13 - Postemployment Benefits Other Than Pension Benefits

Plan Description

The District provides a self-funded, single employer, defined benefit plan to provide medical, prescription drug, dental, vision and behavioral health plans for all eligible active and retired District employees and their dependents. As established by board policy, the plan covers all employees who retire from the District on or after attaining age 58 with at least 18 years of service. Benefits are paid until they attain the age of 65. In addition, the plan covers classified employees working a minimum of 6 hours a day who retire from the District on or after completing 20 years of service. Benefits are paid for the lesser of 5 years or until age 65. Retirees must self-pay any excess of the premium over the District's annual contribution limit of \$2,000. The District is a member in a joint powers agreement (JPA) the Self-Insured Schools of California (S.I.S.C. III) as described in Note 11 to provide health coverage.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District, the District's bargaining units and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. The District participates in the Self-Insured Schools of California GASB 45 Trust, an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 with pooled administrative and investment functions. The Trust was established as a mechanism for pre-funding other postemployment benefit liabilities. However, contributions are voluntarily determined by the District's own funding schedule. The Self-Insured Schools of California GASB 45 Trust issues an annual stand-alone financial report which can be obtained by contacting SISC at PO Box 1847, Bakersfield, California 93303-1847, or by phoning SISC at 661-636-4710.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed 30 years.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation (asset) to the retiree health plan:

Annual required contribution (ARC)	\$ 46,335
Interest on prior year net OPEB asset	(2,021)
Adjustment to annual required contribution	<u>2,446</u>
Annual OPEB cost	46,760
Employer contributions	<u>(7,036)</u>
Decrease in net OPEB asset	39,724
Beginning net OPEB asset	<u>(33,686)</u>
Ending net OPEB obligation	<u><u>\$ 6,038</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the current and prior years, are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation(Asset)
6/30/2013	\$ 32,604	76.1%	\$ (56,599)
6/30/2014	\$ 32,504	29.6%	\$ (33,686)
6/30/2015	\$ 46,760	15.0%	\$ 6,038

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the funded status of the retiree health plan, was as follows:

Actuarial accrued liability (AAL)	\$ 336,372
Actuarial value of plan assets	<u>(73,475)</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 262,897</u></u>
Funded ratio (actuarial value of plan assets/AAL)	-
Annual covered payroll (active plan members)	\$ 3,056,746
UAAL as a percentage of annual covered payroll	8.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at this point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and actual value of assets, consistent with long-term perspective of the calculations.

TIPTON ELEMENTARY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

In the July 1, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions were based on a standard set of assumptions used for similar situations, modified as appropriate for the District. Turnover rates were taken from a standard actuarial table, T-5, increased by 50% at all ages. The assumptions include a 6% investment rate or return, a 6% discount rate and a healthcare cost trend rate of 8% initially decreased to an ultimate rate at 5%. The unfunded actuarial accrued liability (UAAL) is being amortized using an open 30 year amortization period and the level dollar amount. The remaining amortization period at June 30, 2015, was 30 years.

NOTE 14 - Commitments and Contingencies

State and Federal Allowances, Awards and Grants

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

NOTE 15 - Subsequent Events

Measure C General Obligations

On August 11, 2015, the board authorized the issuance and sale of general obligation bonds, 2014 election, Series A in the amount not to exceed the \$3.3 million, the voters of the District approved on November 4, 2014. The bonds proceeds are to be used to provide financing for school facilities projects to improve student access to computers and modern technology; modernize outdated classrooms, restrooms, and school facilities; construct a multipurpose facility for school and community use; repair and upgrade roofs, walls, and floors; and other various improvements to the school site. In September 2015, the District received proceeds of \$3,297,500 from the sale of the bonds.

NOTE 16 - Prior Period Adjustment

An adjustment to prior year net position within the Statement of Activities in the amount of \$4,211,835 represents an understatement of net pension liability, a result of implementation of GASB Statements 68 and 71.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

TIPTON ELEMENTARY SCHOOL DISTRICT

EXHIBIT B-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 4,098,647	\$ 3,873,647	\$ 3,817,914	\$ (55,733)
Education Protection Account Funds	535,721	795,295	795,295	-
Local Sources	191,448	258,586	258,586	-
Federal Revenue	172,257	246,009	205,038	(40,971)
Other State Revenue	250,354	493,081	447,884	(45,197)
Other Local Revenue	130,695	179,563	216,540	36,977
Total Revenues (1)	<u>5,379,122</u>	<u>5,846,181</u>	<u>5,741,257</u>	<u>(104,924)</u>
Expenditures:				
Current:				
Certificated Salaries	2,280,235	2,367,892	2,390,964	(23,072)
Classified Salaries	692,255	825,602	765,551	60,051
Employee Benefits	1,270,918	1,502,020	1,431,084	70,936
Books And Supplies	489,931	607,539	518,895	88,644
Services And Other Operating Expenditures	646,417	689,592	489,680	199,912
Other Outgo	33,990	20,965	20,965	-
Direct Support/Indirect Costs	(20,000)	(20,000)	(23,225)	3,225
Capital Outlay	9,094	2,186	-	2,186
Debt Service:				
Principal	43,895	43,895	43,895	-
Interest	12,106	12,105	12,105	-
Total Expenditures (1)	<u>5,458,841</u>	<u>6,051,796</u>	<u>5,649,914</u>	<u>401,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(79,719)</u>	<u>(205,615)</u>	<u>91,343</u>	<u>296,958</u>
Other Financing Sources (Uses):				
Transfers Out	-	(261,372)	(261,372)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(261,372)</u>	<u>(261,372)</u>	<u>-</u>
Net Change in Fund Balance	(79,719)	(466,987)	(170,029)	296,958
Fund Balance, July 1	2,488,751	2,488,751	2,488,751	-
Fund Balance, June 30	<u>\$ 2,409,032</u>	<u>\$ 2,021,764</u>	<u>\$ 2,318,722</u>	<u>\$ 296,958</u>

(1) Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay for reporting purposes into the General Fund, additional revenues and expenditures pertaining to this fund are included in the actual revenues and expenditures and in the original and final General Fund budgets.

TIPTON ELEMENTARY SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT B-2

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	\$ -	\$ 286,481	\$ 286,481	-	\$ 2,940,327	9.7%
7/1/2012	\$ 54,988	\$ 260,260	\$ 205,272	21.1%	\$ 2,609,917	7.9%
7/1/2014	\$ 73,475	\$ 366,372	\$ 262,897	20.1%	\$ 3,056,746	8.6%

TIPTON ELEMENTARY SCHOOL DISTRICT

EXHIBIT B-3

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM AND
 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS*

<u>CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM</u>	<u>2015</u>
District's proportion of the net pension liability	0.0045%
District's proportionate share of the net pension liability	\$ 2,658,324
State's proportionate share of the net pension liability associated with the District	<u>1,605,227</u>
Total	<u>\$ 4,263,551</u>
District's covered-employee payroll	\$ 2,390,966
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	111.18%
Plan fiduciary net position as a percentage of the total pension liability	69.96%
 <u>CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM</u>	 <u>2015</u>
District's proportion of the net pension liability	0.0079%
District's proportionate share of the net pension liability	\$ 899,318
District's covered-employee payroll	\$ 891,046
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	100.93%
Plan fiduciary net position as a percentage of the total pension liability	83.38%

* The amounts presented for each fiscal year were determined as of June 30.

Note to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. There were no changes to the benefit terms or changes to the assumptions. Only the current fiscal year is presented because 10-year data is not yet available.

TIPTON ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTION
 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM AND
 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS*

EXHIBIT B-4

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM	2015
Statutorily required contribution	\$ 202,450
Contributions in relation to the statutorily required contribution	<u>202,450</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 2,279,842
Contributions as a percentage of covered-employee payroll	8.88%
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	2015
Statutorily required contribution	\$ 105,912
Contributions in relation to the statutorily required contribution	<u>105,912</u>
Contribution deficiency	<u>\$ -</u>
District's covered-employee payroll	\$ 899,771
Contributions as a percentage of covered-employee payroll	11.771%

* The amounts presented for each fiscal year were determined as of June 30.

Note to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. There were no changes to the benefit terms or changes to the assumptions. Only the current fiscal year is presented because 10-year data is not yet available.

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

TIPTON ELEMENTARY SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:			
Cash in County Treasury	\$ 234,359	\$ 8,728	\$ 243,087
Cash in Revolving Fund	300	-	300
Accounts Receivable	55,012	-	55,012
Due from Other Funds	2,766	-	2,766
Stores Inventories	1,072	-	1,072
Total Assets	<u>\$ 293,509</u>	<u>\$ 8,728</u>	<u>\$ 302,237</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 2,189	\$ 750	\$ 2,939
Total Liabilities	<u>2,189</u>	<u>750</u>	<u>2,939</u>
Fund Balance:			
Nonspendable Fund Balances:			
Revolving Cash	300	-	300
Stores Inventories	1,072	-	1,072
Restricted Fund Balances	288,147	7,978	296,125
Committed Fund Balances	1,801	-	1,801
Total Fund Balance	<u>291,320</u>	<u>7,978</u>	<u>299,298</u>
Total Liabilities and Fund Balances	<u>\$ 293,509</u>	<u>\$ 8,728</u>	<u>\$ 302,237</u>

TIPTON ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:			
LCFF Sources:			
Local Sources	\$ 295,440	\$ -	\$ 295,440
Federal Revenue	381,009	-	381,009
Other State Revenue	30,052	-	30,052
Other Local Revenue	18,132	2,645	20,777
Total Revenues	<u>724,633</u>	<u>2,645</u>	<u>727,278</u>
Expenditures:			
Pupil Services	427,879	-	427,879
General Administration	23,225	-	23,225
Plant Services	21,005	42,861	63,866
Total Expenditures	<u>472,109</u>	<u>42,861</u>	<u>514,970</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>252,524</u>	<u>(40,216)</u>	<u>212,308</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(896,992)</u>	<u>(91,523)</u>	<u>(988,515)</u>
Total Other Financing Sources (Uses)	<u>(896,992)</u>	<u>(91,523)</u>	<u>(988,515)</u>
Net Change in Fund Balance	(644,468)	(131,739)	(776,207)
Fund Balance, July 1	935,788	139,717	1,075,505
Fund Balance, June 30	<u>\$ 291,320</u>	<u>\$ 7,978</u>	<u>\$ 299,298</u>

TIPTON ELEMENTARY SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2015

	Cafeteria Fund	Deferred Maintenance Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS:			
Cash in County Treasury	\$ 232,558	\$ 1,801	\$ 234,359
Cash in Revolving Fund	300	-	300
Accounts Receivable	55,012	-	55,012
Due from Other Funds	2,766	-	2,766
Stores Inventories	1,072	-	1,072
Total Assets	<u>\$ 291,708</u>	<u>\$ 1,801</u>	<u>\$ 293,509</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 2,189	\$ -	\$ 2,189
Total Liabilities	<u>2,189</u>	<u>-</u>	<u>2,189</u>
Fund Balance:			
Nonspendable Fund Balances:			
Revolving Cash	300	-	300
Stores Inventories	1,072	-	1,072
Restricted Fund Balances	288,147	-	288,147
Committed Fund Balances	-	1,801	1,801
Total Fund Balance	<u>289,519</u>	<u>1,801</u>	<u>291,320</u>
Total Liabilities and Fund Balances	<u>\$ 291,708</u>	<u>\$ 1,801</u>	<u>\$ 293,509</u>

TIPTON ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Cafeteria Fund	Deferred Maintenance Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-3)
Revenues:			
LCFF Sources:			
Local Sources	\$ -	\$ 295,440	\$ 295,440
Federal Revenue	381,009	-	381,009
Other State Revenue	30,052	-	30,052
Other Local Revenue	13,313	4,819	18,132
Total Revenues	<u>424,374</u>	<u>300,259</u>	<u>724,633</u>
Expenditures:			
Pupil Services	427,879	-	427,879
General Administration	23,225	-	23,225
Plant Services	7,604	13,401	21,005
Total Expenditures	<u>458,708</u>	<u>13,401</u>	<u>472,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,334)</u>	<u>286,858</u>	<u>252,524</u>
Other Financing Sources (Uses):			
Transfers Out	-	(896,992)	(896,992)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(896,992)</u>	<u>(896,992)</u>
Net Change in Fund Balance	(34,334)	(610,134)	(644,468)
Fund Balance, July 1	323,853	611,935	935,788
Fund Balance, June 30	<u>\$ 289,519</u>	<u>\$ 1,801</u>	<u>\$ 291,320</u>

TIPTON ELEMENTARY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2015

	<u>Building Fund</u>	<u>Capital Facilities Fund</u>
ASSETS:		
Cash in County Treasury	\$ -	\$ 7,759
Total Assets	<u>\$ -</u>	<u>\$ 7,759</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	\$ -	\$ 750
Total Liabilities	<u>-</u>	<u>750</u>
Fund Balance:		
Restricted Fund Balances	-	7,009
Total Fund Balance	<u>-</u>	<u>7,009</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 7,759</u>

EXHIBIT C-5

County School Facilities Fund Modernization	Special Reserve for Capital Outlay Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
\$ <u>969</u>	\$ <u>-</u>	\$ <u>8,728</u>
\$ <u><u>969</u></u>	\$ <u><u>-</u></u>	\$ <u><u>8,728</u></u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>750</u>
<u>-</u>	<u>-</u>	<u>750</u>
<u>969</u>	<u>-</u>	<u>7,978</u>
<u>969</u>	<u>-</u>	<u>7,978</u>
\$ <u><u>969</u></u>	\$ <u><u>-</u></u>	\$ <u><u>8,728</u></u>

TIPTON ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Building Fund	Capital Facilities Fund
Revenues:		
Other Local Revenue	\$ -	\$ 2,432
Total Revenues	<u>-</u>	<u>2,432</u>
Expenditures:		
Plant Services	41,580	-
Total Expenditures	<u>41,580</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,580)</u>	<u>2,432</u>
Other Financing Sources (Uses):		
Transfers Out	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(41,580)	2,432
Fund Balance, July 1	41,580	4,577
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 7,009</u>

EXHIBIT C-6

County School Facilities Fund Modernization	Special Reserve for Capital Outlay Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-3)
\$ <u>11</u>	\$ <u>202</u>	\$ <u>2,645</u>
<u>11</u>	<u>202</u>	<u>2,645</u>
-	1,281	42,861
<u>-</u>	<u>1,281</u>	<u>42,861</u>
11	(1,079)	(40,216)
-	(91,523)	(91,523)
<u>-</u>	<u>(91,523)</u>	<u>(91,523)</u>
11	(92,602)	(131,739)
958	92,602	139,717
\$ <u><u>969</u></u>	\$ <u><u>-</u></u>	\$ <u><u>7,978</u></u>

TIPTON ELEMENTARY SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY
 ORGANIZATION STRUCTURE
 JUNE 30, 2015

TABLE D-1

Tipton Elementary School District was established on November 3, 1874 and is located in Tulare County. There were no changes in the boundaries of the District during the current year. The District is currently operating one elementary school serving kindergarten through eighth grade.

Governing Board

Name	Office	Term and Term Expiration
Tony Macedo	President	Four year term expires 12/2016
Greg Rice	Clerk	Four year term expires 12/2018
Iva Sousa	Member	Four year term expires 12/2018
John Cardoza	Member	Four year term expires 12/2018
Shelley Heeger	Member	Four year term expires 12/2016

Administration

Name	Office	Tenure
Miguel A. Guerrero, Ed.D.	Superintendent	4 years
Anthony Hernandez	Business Manager	3 months

TIPTON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2015

TABLE D-2

	Second Period Report		Annual Report	
	Per Report	Per Audit	Per Report	Per Audit
TK/K-3:				
Regular ADA	275.08	275.08	274.23	273.55
Grades 4-6:				
Regular ADA	184.58	184.58	182.35	182.28
Grades 7-8:				
Regular ADA	132.04	132.04	131.60	131.13
ADA Totals	<u>591.70</u>	<u>591.70</u>	<u>588.18</u>	<u>586.96</u>

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

TIPTON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2015

TABLE D-3

<u>Grade Level</u>	<u>Ed. Code 46201(b) Minutes Requirement</u>	<u>Ed. Code 46201(b) Adjusted & Reduced</u>	<u>2014-15 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Kindergarten	36,000	N/A	48,560	176	Complied
Grade 1	50,400	N/A	53,260	176	Complied
Grade 2	50,400	N/A	53,260	176	Complied
Grade 3	50,400	N/A	53,260	176	Complied
Grade 4	54,000	N/A	55,240	176	Complied
Grade 5	54,000	N/A	55,240	176	Complied
Grade 6	54,000	N/A	55,240	176	Complied
Grade 7	54,000	N/A	55,240	176	Complied
Grade 8	54,000	N/A	55,240	176	Complied

School districts must maintain their instructional minutes as defined in Education Code Section 46201(b). This schedule is required of all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of the instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District did not meet its target funding.

TIPTON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2015

TABLE D-4

General Fund	Budget 2016 (see note 1)	2015 (see note 4)	2014 (see note 4)	2013 (see note 4)
Revenues and other financial sources	\$ 6,523,372	\$ 5,741,257	\$ 5,329,213	\$ 5,088,372
Expenditures	6,231,794	5,649,914	4,997,923	4,976,008
Other uses and transfers out	-	261,372	48,750	-
Total outgo	<u>6,231,794</u>	<u>5,911,286</u>	<u>5,046,673</u>	<u>4,976,008</u>
Change in fund balance (deficit)	<u>291,578</u>	<u>(170,029)</u>	<u>282,540</u>	<u>112,364</u>
Ending fund balance	<u>\$ 2,610,300</u>	<u>\$ 2,318,722</u>	<u>\$ 2,488,751</u>	<u>\$ 2,206,211</u>
Available reserves (see note 2)	<u>\$ 2,501,960</u>	<u>\$ 2,210,514</u>	<u>\$ 1,993,028</u>	<u>\$ 1,750,643</u>
Available reserves as a percentage of total outgo (see note 3)	<u>40.1%</u>	<u>38.1%</u>	<u>40.4%</u>	<u>35.9%</u>
Total long-term debt	<u>\$ 5,059,352</u>	<u>\$ 5,148,133</u>	<u>\$ 1,625,000</u>	<u>\$ -</u>
Average daily attendance at P-2	<u>592</u>	<u>592</u>	<u>591</u>	<u>581</u>

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

The General Fund balance has increased by \$112,511 (5.1%) over the past two years. The fiscal year 2015-16 budget projects an increase of \$291,578 (12.6%). For a district of this size, the State recommends available reserves of at least four percent of total General Fund expenditures, transfers out and other uses (total outgo).

The District suffered an operating deficit in one of the past three years, but projects a surplus during the 2015-16 fiscal year. Total long-term debt has increased by \$5,148,133 over the past two years, as a result of implementing GASB Statement 68 and 71.

Average daily attendance has increased by 11 over the past two years. No change of ADA is anticipated during the fiscal year 2015-16.

NOTES:

- (1) Budget 2016 is included for analytical purposes only and has not been subjected to audit.
- (2) Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.
- (3) On behalf payments of \$115,194, \$107,053 and \$105,870 have been excluded from the calculation of available reserves as a percentage of total outgo for the years ended June 30, 2015, 2014 and 2013.
- (4) The Special Reserve Fund for Other Than Capital Outlay has been included due to its consolidation into the General Fund. A board resolution was passed on March 3, 2015, to close this fund.

TIPTON ELEMENTARY SCHOOL DISTRICT
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
 REPORT WITH AUDITED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2015

TABLE D-5

	<u>General Fund</u>	<u>County School Facilities Fund New Construction</u>
June 30, 2015, annual financial and budget report fund balances	<u>\$ 2,264,400</u>	<u>\$ 1,236,284</u>
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
Cash in County Treasury understatement	-	2,405
Accounts payable overstatement	<u>54,322</u>	<u>-</u>
Net adjustments and reclassifications	<u>54,322</u>	<u>2,405</u>
June 30, 2015, audited financial statement fund balances	<u><u>\$ 2,318,722</u></u>	<u><u>\$ 1,238,689</u></u>

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

TIPTON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2015

TABLE D-6

No charter schools are chartered by Tipton Elementary School District.

<u>Charter Schools</u>	<u>Included in Audit?</u>
None	N/A

TIPTON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

TABLE D-7

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through California Department of Education:			
Child Nutrition: School Programs (School Breakfast Needy) *	10.553	13526	\$ 75,205
Child Nutrition: School Programs (School Lunch) *	10.555	13524	305,805
Total Passed Through California Department of Education			<u>381,010</u>
Total U.S. Department of Agriculture			<u>381,010</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through California Department of Education:			
NCLB: Title I, Part A, Basic Grants Low-Income & Neglected	84.010	14329	109,468
NCLB: Title III, Limited English Proficient (LEP) Student Program	84.365	14346	56,113
NCLB: Title II, Part A, Teacher Quality	84.367	14341	14,414
Total Passed Through California Department of Education			<u>179,995</u>
Total U.S. Department of Education			<u>179,995</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through California Department of Education:			
Medi-Cal Billing Option *	93.778	10013	15,731
Total U.S. Department of Health and Human Services			<u>15,731</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 576,736</u></u>

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

TIPTON ELEMENTARY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Tipton Elementary School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

Other Independent Auditors' Reports



M. Green and Company LLP

Tulare
Visalia
Dinuba
Hanford

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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

Board of Trustees
Tipton Elementary School District
370 N. Evans Road
Tipton, California 93272

Members of the Board of Trustees:

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 Tipton Elementary School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Tipton Elementary School District's basic financial statements and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Tipton Elementary School District in a separate letter dated December 4, 2015.

Purpose of this Report

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

A handwritten signature in black ink that reads "M. Green and Company LLP". The signature is written in a cursive, flowing style.

Visalia, California
December 4, 2015



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**Report on Compliance for Each Major Federal Program and Report
on Internal Control Over Compliance Required by OMB Circular A-133**

Independent Auditors' Report

Board of Trustees
Tipton Elementary School District
370 N. Evans Road
Tipton, California 93272

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited Tipton Elementary School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Tipton Elementary School District's major federal program for the year ended June 30, 2015. Tipton Elementary School District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Tipton Elementary School District's major federal program 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tipton Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Tipton Elementary School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Tipton Elementary School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tipton Elementary School District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Tipton Elementary School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

M. Green and Company LLP

Visalia, California
December 4, 2015



M. Green and Company LLP

Tulare
Visalia
Dinuba
Hanford

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Independent Auditors' Report on State Compliance

Board of Trustees
Tipton Elementary School District
370 N. Evans Road
Tipton, California 93272

Members of the Board of Trustees:

Report on State Compliance

We have audited the District's compliance with the types of compliance requirements described in the *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the California Education Audit Appeals Panel that could have a direct and material effect on each of the District's state programs identified below for the year ended June 30, 2015.

Management's Responsibility for State Compliance

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit guide, *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. 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 State's audit guide, *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

Compliance Requirements	Procedures in Audit Guide Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:	
Attendance Accounting:	
Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (See Below)
Continuation Education	N/A
Instructional Time For School Districts	Yes
Instructional Materials, General Requirements	Yes
Ratios of Administrative Employees to Teachers	Yes

Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Regional Occupational Centers or Programs Maintenance of Effort	N/A
Adult Education Maintenance of Effort	N/A

SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:

California Clean Energy Jobs Act	N/A
After School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Common Core Implementation Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes

CHARTER SCHOOLS:

Attendance, For Charter Schools	N/A
Mode of Instruction, For Charter Schools	N/A
Nonclassroom-Based Instruction/Independent Study, For Charter Schools	N/A
Determination of Funding for Nonclassroom-Based Instruction, For Charter Schools	N/A
Annual Instructional Minutes – Classroom Based, For Charter Schools	N/A
Charter School Facility Grant Program	N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

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

Opinion on State Compliance

In our opinion, Tipton Elementary School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2015.

Other Matters

Other Information

The results of our auditing procedures disclosed instances of noncompliance with the statutory requirements for programs noted above, which are required to be reported in accordance with the State's audit guide, *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2014-001.

Tipton Elementary School District's Response to Findings

Tipton Elementary School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Tipton Elementary School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of 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 outside of the items tested as noted above. This report is an integral part of an audit performed in accordance with the *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "M. Greenwood Company, CPA". The signature is written in a cursive, flowing style.

Visalia, California
December 4, 2015

Findings and Recommendations Section

TIPTON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553 and 10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? X Yes No

3. State Awards

Internal control over state programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

TIPTON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Type of auditors' report issued on compliance
for state programs:

Unmodified

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

D. State Award Findings and Questioned Costs

FINDING 2015-001

10000

STATE COMPLIANCE - ATTENDANCE

Criteria

Pursuant to Education Code Section 14503(a), if the LEA is not in compliance with a requirement that is a condition of eligibility for the receipt of State funds, the audit report shall include the number of units of Average Daily Attendance (ADA), if any, that were inappropriately reported for apportionment. In addition, Education Code Section 46300(a) states, "In computing ADA of a school district..., there shall be included the attendance of pupils while engaged in educational activities required of those pupils and under the immediate supervision and control of an employee of the District... who possessed a valid certification document, as registered as required by law."

Condition

Annual Attendance Report ADA was overstated by 1.22 ADA. Component differences are as follows:

Annual Attendance Report

Grades TK/K-3: ADA per report = 274.23. ADA per audit = 273.55. The difference is (0.68).
Grades 4-6: ADA per report = 182.35. ADA per audit = 182.28. The difference is (0.07).
Grades 7-8: ADA per report = 131.60. ADA per audit = 131.13. The difference is (0.47).

Questioned Costs

Not Applicable

Context

The error is isolated to the Annual Attendance reporting.

Effect

The Annual Attendance Report was over-reported by one ADA, which is a decrease of approximately \$162 in lottery funding.

Cause

The error was due to a formula error within the spreadsheet used to calculate ADA.

Recommendation

We recommend the District correct the formula error and revise the Annual Attendance Report.

LEA's Response

District has revised the Annual Attendance Report and has corrected the formula error for future reporting.

TIPTON ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

FINDING 2014-001

40000

STATE COMPLIANCE – UNDUPLICATED CONTROL FUNDING FORMULA PUPIL COUNTS

Criteria

Pursuant to Education Code Section 42238.02(b)(2) the LEA shall annually submit its enrolled free and reduced-price meal (FRPM) eligibility, foster youth and English learner pupil-level records for enrolled pupils to the State Superintendent using the California Longitudinal Pupil Achievement Data System (CalPADS). Pursuant to Education Code Section 42238.02(b)(3)(B), the audit of the LEA shall include procedures for determining if the English learner, foster youth and free or reduced-price meal eligible pupil counts are consistent with the LEA's English learner, foster youth and free or reduced-price meal eligible pupil records.

Condition

In our sample of 60 students that were both free or reduced-price meal eligible level identified under the "NSLP Program" column, that were indicated as a "No" under the "Direct Certification", and English learner pupil level identified as "EL" in the ELAS Designation column on the certified "1.18 – FRPM/English Learner/Foster Youth – Student List" report, one student was ineligible.

Questioned Costs

Not Applicable

Context

The error is isolated to students that were both free or reduced-price meal eligible level identified under the "NSLP Program" column, that were indicated as a "No" under the "Direct Certification" column, and English learner pupil level identified as "EL" in the ELAS Designation column on the certified "1.18 – FRPM/English Learner/Foster Youth – Student List" report.

Effect

After extrapolation, the total error in the unduplicated pupil count based on eligibility for both FRPM and EL is 4 students. The fiscal impact results in a potential reduction in funding of \$5,873, dependent upon future unduplicated counts and how that affects future funding.

	Total Enrollment	Free & Reduced Meal Program (FRPM)	English Learners (ELAS)	Both FRPM & ELAS	Unidentified UPC (District funded, county, etc.)	Total
Funded under LCFF	612	200	15	383	2	600
Audit Adjustments	-	-	-	(4)	-	(4)
Adjusted Counts	<u>612</u>	<u>200</u>	<u>15</u>	<u>379</u>	<u>2</u>	<u>596</u>

Cause

Determination of eligibility was incorrect on the income verification form.

Recommendation

We recommend the District take more care when determining eligibility on the income verification forms as well as reviewing the accuracy of the income verification forms.

LEA's Response

The LEA will assure that all students submit an application form yearly and appropriate information is updated in our SIS. CNIPS dates will be reviewed yearly and repayment to the State for the overbilling will be pursued.



Letter to Management

Board of Trustees
Tipton Elementary School District
370 N. Evans Road
Tipton, California 93272

Dear Members of the Board of Trustees:

We have completed our audit of Tipton Elementary School District for the year ended June 30, 2015. The following items came to our attention which we are providing for your consideration:

Journal Entry Approval

Journal Entry Approval: Journal entries do not appear to be approved after the change in personnel. The District needs to implement a process for approving entries for all staff to follow so that changes in personnel will not affect the internal control over journal entries in the future.

Stores Inventory

Stores inventory does not appear to be adjusted at year-end. An annual adjustment for the cafeteria's stores inventory should be made every year to reflect the proper balance at year-end. The District is not making this adjustment at year-end. We recommend this adjustment be included with other year-end closing procedures and should be made every year.

Revolving Fund Cash Bank Account

The District should compare bank reconciliations to book balances for the revolving fund cash bank account and should reconcile the balance in the account to match the amounts recorded on the financial reports. We recommend the revolving fund cash account be replenished and balanced to the \$2,500 at least monthly, if not more often. The revolving fund cash balance was \$479 at June 30, 2015. In addition, the bank reconciliations should be reviewed by someone other than the person who performs the reconciliation.

Excess of Expenditures Over Appropriations

Actual expenditures exceeded budgeted amounts in the certificated salaries major object code for the year ended June 30, 2015 in the General Fund. Proper internal controls dictate maintaining control over the budgeting process. We recommend the District review budgets more carefully and revise budgets on a regular basis or the board should approve the year-end budget transfer resolution to allow TCOE to adjust the budget.

Prior Year Issues

Journal Entry Approval: Journal entries did not appear to be approved after the change in personnel. The District needed to implement a process for approving entries for all staff to follow so that changes in personnel would not affect the internal control over journal entries in the future. Our recommendation has been repeated in the current year.

Revolving Fund Cash Bank Account: The District should have compared bank reconciliations to book balances for the revolving fund cash bank account and should have reconciled the balance in the account to match the amounts recorded on the financial reports. We recommended the revolving fund cash account be replenished and balanced to \$2,500 at least monthly, if not more often. The revolving fund cash balance was \$4,033 at June 30, 2014. In addition, the bank reconciliations should have been reviewed by someone other than the person who performs the reconciliation. Our recommendation has been repeated in the current year.

We also noted that controls over the expenses paid through the revolving fund cash bank account were lacking. Only one person signed checks written from the account. We recommended that two people sign checks written out of the revolving fund cash bank account. Our recommendation has been implemented.

We would like to thank management and all of the office personnel for the excellent cooperation we received during our audit. We look forward to working with you again in 2016 and beyond.

Very truly yours,

A handwritten signature in black ink that reads "M. Green and Company LLP". The signature is written in a cursive, flowing style.

M. GREEN AND COMPANY LLP
Certified Public Accountants

December 4, 2015

TIPTON ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
<p>13-1</p> <p>Although the District personnel did attempt to reconcile sales to receipts and noted the deposits on the form, an unaccounted for deposit balance remained after reconciliation according to the District's Potential Revenue Form. Proper records were not retained to document the remaining difference. Based on the fundraiser tested, the District could not account for the receipt of over 600 pieces of candy sold. We recommended the District revise the Potential Revenue Form to complete the reconciliation of actual receipts/deposits to potential revenue and require staff to provide explanations and support for differences as necessary. We also recommended the staff keep better inventory records in order to track items sold.</p>	Implemented	
<p>2014-001</p> <p>In our sample of 14 students that were only free or reduced-priced meal eligible identified under the "NSLP Program" column and that were indicated as a "No" under the "Direct Certification" column on the certified "1.18 - FRPM/English Learner/Foster Youth - Student List" report, one student was ineligible. We recommended the District ensure that income verification forms be obtained for all students in the future. We also recommended the District remit the funds back to the State.</p>	Not Implemented	See current year finding 2014-001

6. INFORMATION: (Verbal Reports & presentations)

6.1 MOT--FOOD SERVICE—PROJECTS

P-1 Attendance Report

Tulare County Office of Education

Committed to Students, Support and Service

Jim Vidak
County
Superintendent
of Schools

2637 W. Burrel Ave.
P.O. Box 5091
Visalia, California
93278-5091

559 733-6300
www.tcoe.org

Administration
559 733-6301
fax 559 627-5219

Business Services
559 733-6312
fax 559 737-4378

Human Resources
559 733-6306
fax 559 627-4670

**Instructional
Services**
559 733-6328
fax 559 737-4378

Special Services
559 733-6317
fax 559 737-4378

Date: December 8, 2015
To: District Superintendents, Business Managers,
and Attendance Reporting Personnel
From: Christina Loya, Business Service Technician
SUBJECT: 2015-16 Attendance Reporting Due Dates

PER CDE: Your office must submit attendance data immediately after the last full school month ending on or before December 31, April 15, and June 30, and send the signed reports to your County Office of Education:

Listed below are the due dates for the 2015-16 Attendance Reports.

P1 - Prepare reports using last full school month register ending on or before December 31.
Deliver to TCOE no later than Thursday, January 7, 2016.

P2 - Prepare reports using last full school month register ending on or before April 15.
Deliver to TCOE no later than Thursday, April 21, 2016.

Annual - Prepare reports using the last full school month register ending on or before June 30.
Deliver to TCOE no later than Thursday, July 7, 2016.

Please contact the County Office to schedule an appointment to check in your attendance reports before the due date. You can reach Christina Loya at 559-733-6450 (email christinal@tcoe.org).

The untimely filing of attendance reports could result in delayed apportionments to your district.

Certification

County: Tulare

Fiscal Year: FY 2015-16

District: Tipton Elementary

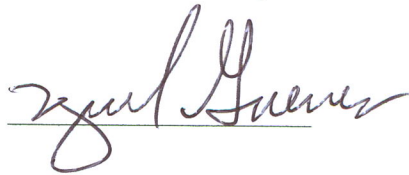
P-1

CDS CODE 54 72215

2D2D5396

Attendance School District

I hereby certify that, to the best of my knowledge, all data have been compiled and reported in accordance with all applicable laws, regulations and instructions.

School District Superintendent:  Date: 1/5/2016

County Superintendent of Schools: _____ Date: _____

Any inquiries concerning this report should be directed to:

CONTACT NAME Anthony Hernandez
PHONE (559) 752-4213 * 702
FAX _____
E-Mail ahernandez@tipton.k12.ca.us

Attendance School District

County: Tulare
 District: Tipton Elementary
 CDS CODE 54 72215

Fiscal Year: 2015-16
 P-1
 Certificate Number: 2D2D5396

	TK/K-3	Grades 4-6	Grades 7-8	Grades 9-12	Total
Regular ADA					
Regular ADA (includes Opportunity Classes, Home and Hospital, Special Day Class, and Continuation Education)	A-1 233.19	198.22	114.86	0.00	546.27
Extended Year Special Education [EC 56345 (b) (3)] A-2 (Divisor 175)	A-2 0.00	0.00	0.00	0.00	0.00
Special Education - Nonpublic, Nonsectarian Schools [EC 56366 (a) (7)] and/or Nonpublic, Nonsectarian Schools - Licensed Children's Institutions	A-3 0.00	0.00	0.00	0.00	0.00
Extended Year Special Education - Nonpublic, Nonsectarian Schools [EC 56366 (a) (7)] and/or Nonpublic, Nonsectarian Schools - Licensed Children's Institutions (Divisor 175)	A-4 0.00	0.00	0.00	0.00	0.00
Community Day School [EC 48660] (Divisor 70/135/180)	A-5 0.00	0.00	0.00	0.00	0.00
ADA Totals (Sum of A-1 through A-5)	A-6 233.19	198.22	114.86	0.00	546.27
Other					
Full-Time Traditional Independent Study ADA, pursuant to EC 51747, included in Section A or in the Attendance Supplement School District, Attendance Basic Aid Choice/Court-Ordered Voluntary Pupil Transfer, and Attendance Basic Aid Open Enrollment entry screens	B-1 0.16	0.26	0.06	0.00	0.48
Full-Time Traditional Independent Study ADA not eligible for general funding, pursuant to EC 51745.6, and not included in Section A or in the Attendance Supplement School District, Attendance Basic Aid Choice/Court-Ordered Voluntary Pupil Transfer, and Attendance Basic Aid Open Enrollment entry screens	B-2 0.00	0.00	0.00	0.00	0.00

Attendance School District

County: Tulare

District: Tipton Elementary

CDS CODE 54 72215

Fiscal Year: 2015-16

P-1

Certificate Number: 2D2D5396

Course Based Independent Study ADA, pursuant to EC 51749.5, included in Section A or in the Attendance Supplement School District, Attendance Basic Aid Choice/Court-Ordered Voluntary Pupil Transfer, and Attendance Basic Aid Open Enrollment entry screens	B-3	0.00	0.00	0.00	0.00	0.00
---	-----	------	------	------	------	------

Course Based Independent Study ADA not eligible for general funding, pursuant to EC 51745.6, and not included in Section A or in the Attendance Supplement School District, Attendance Basic Aid Choice/Court-Ordered Voluntary Pupil Transfer, and Attendance Basic Aid Open Enrollment entry screens	B-4	0.00	0.00	0.00	0.00	0.00
--	-----	------	------	------	------	------

ADA for Students in Transitional Kindergarten pursuant to EC 46300 included in Section A (Lines A-1 through A-5, TK/K-3 Column, First Year ADA Only)	B-5	9.69				9.69
--	-----	------	--	--	--	------

ADA for Students in Continuation Education included in Section A (Line A-1, Grades 9-12 Column)	B-6				0.00	0.00
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ADA for Students in Opportunity Classes included in Section A (Line A-1, Total Column)	B-7					0.00
--	-----	--	--	--	--	------

Attendance School District

County: Tulare

District: Tipton Elementary

CDS CODE 54 72215

Fiscal Year: 2015-16

P-1

Certificate Number: 2D2D5396

Prior Year ADA Adjustment (P-1 and P-2 only)	TK/K-3	Grades 4-6	Grades 7-8	Grades 9-12	Total
Prior Year P-2 ADA for pupils attending a charter school sponsored by the district in the current year who attended a non-charter school of the district in the prior year [EC 42238.051(a) (2) (B)].					
Regular ADA (includes Opportunity Classes, Home and Hospital, Special Day Class, and Continuation Education)	C-1	0.00	0.00	0.00	0.00
Extended Year Special Education [EC 56345 (b) (3)] (Divisor 175)	C-2	0.00	0.00	0.00	0.00
ADA Totals (C-1 + C-2)	C-3	0.00	0.00	0.00	0.00
Prior Year P-2 ADA for pupils attending a non-charter school in the current year who attended a charter school sponsored by the district in the prior year [EC 42238.051(a) (2) (C)].					
Regular ADA (includes Opportunity Classes, Home and Hospital, Special Day Class, and Continuation Education)	C-4	0.00	0.00	0.00	0.00
Extended Year Special Education [EC 56345 (b) (3)] (Divisor 175)	C-5	0.00	0.00	0.00	0.00
ADA Totals (C-4 + C-5)	C-6	0.00	0.00	0.00	0.00

Attendance School District

County: Tulare

Fiscal Year: 2015-16

District: Tipton Elementary

P-1

CDS CODE 54 72215

Certificate Number: 2D2D5396

Prior Year P-2 ADA attributable to district resident pupils attending a non-charter school [EC 42238.052].

Regular ADA (includes Opportunity Classes, Home and Hospital, Special Day Class, and Continuation Education)

Extended Year Special Education [EC 56345 (b) (3)] C-8 (Divisor 175)

ADA Totals (C-7 + C-8)

Gain or Loss of ADA due to a Reorganization or Transfer of Territory [EC 42238.05 (a) (3)]. If the ADA adjustment is a loss, report the loss as a negative number in Line C-10 or C-11.

Regular ADA (includes Opportunity Classes, Home and Hospital, Special Day Class, and Continuation Education)

Extended Year Special Education [EC 56345 (b) (3)] C-11 (Divisor 175)

ADA Totals (C-10 + C-11)

	C-7	C-8	C-9	C-10	C-11	C-12
Regular ADA (includes Opportunity Classes, Home and Hospital, Special Day Class, and Continuation Education)	0.00	0.00	0.00	0.00	0.00	0.00
Extended Year Special Education [EC 56345 (b) (3)] C-8 (Divisor 175)		0.00			0.00	
ADA Totals (C-7 + C-8)	0.00	0.00	0.00	0.00	0.00	0.00
Gain or Loss of ADA due to a Reorganization or Transfer of Territory [EC 42238.05 (a) (3)]. If the ADA adjustment is a loss, report the loss as a negative number in Line C-10 or C-11.						
Regular ADA (includes Opportunity Classes, Home and Hospital, Special Day Class, and Continuation Education)	0.00	0.00	0.00	0.00	0.00	0.00
Extended Year Special Education [EC 56345 (b) (3)] C-11 (Divisor 175)		0.00			0.00	
ADA Totals (C-10 + C-11)		0.00		0.00	0.00	

6. INFORMATION: (Verbal Reports & presentations)

6.1 MOT--FOOD SERVICE—PROJECTS

Multi-Purpose Building Update

December 4, 2015

1473

Division of the State Architect
1102 Q Street, Suite 5200
Sacramento, CA 95811-6550RE: New Multi-Purpose / Gymnasium Building at Tipton Elementary School
370 N. Evans Road
Tipton, CA 93272
PTN: 72215-7

Dear Erik Edgmon:

Enclosed please find the following:

- Three sets of Plans and Specifications.
- Warrant in the amount of \$41,650.00.
- DSA-1 Application.
- DSA-3 form.
- DSA-103 Statement of Structural Tests and Special Inspections.
- DSA-403-A and DSA-403-B forms signed.
- One copy of Title 24 Energy Compliance Calculations. Also Included in Mechanical drawings.
- One copy of Title 24 Energy Compliance Calculations (Lighting & Power). Also Included in Electrical drawings.
- One copy of Voltage Drop Calculations for Feeders.
- One copy of Structural Calculations.
- One CD containing RAM Structural Model.
- Two copies of Geotechnical Investigation and Seismic Hazards Evaluations Report.
- One copy of Plumbing Fixture cut-sheets.
- One copy of Toilet Accessories cut-sheets.
- One copy of Door Hardware cut-sheets.
- One copy of Kitchen Equipment cut-sheets.
- One copy of the Fire Alarm Component Cut Sheets and CSFM Listing Sheets.
- One copy of the Fire Sprinkler Component Cut Sheets and Calcs. Including flow test.
- One copy of the Calif. Geological Survey Transmittal Package.

The above data is for your approval or recommendations. If you have any questions, please call.

Sincerely,

MANGINI ASSOCIATES INC.

Michael Scott, Project Manager

cc: Dr. Miguel Guerrero, Tipton Elementary School District



MANGINI

ARCHITECTURE
INGENUITY

PARISH MCLAIN BARENG

MANGINI ASSOCIATES INC.

4320 West Mineral King Avenue
Visalia, CA 93291

www.maitpm.com

Office: (559) 627.0530
Fax: (559) 627.1926

TRANSMITTAL

DATE: December 4, 2015

TO: California Geological Survey
School Review Unit
801 K Street, M S12-32
Sacramento, CA 95814-3531

PROJECT NO.: 1473

RE: New Multi-Purpose Building / Gymnasium at Tipton Elementary School
Tipton Elementary School District
DSA Application No. TBD
Tracking No. 72215-7

INFORMATION ATTACHED:

1. Application for Assessment of Geologic Hazard Reports
2. Two signed copies of the Work Order
3. Warrant in the amount of \$3,600.

REMARKS:

For your Review. Other required documents were uploaded 12/4/15.

BY: Michael Scott, Project Manager

MANGINI ASSOCIATES INC.

Cc: Division of the State Architect (Transmittal & Geo Hazard Report)
Miguel Guerrero, Tipton Elementary School District



CALIFORNIA GEOLOGICAL SURVEY
DEPARTMENT OF CONSERVATION

APPLICATION
FOR ASSESSMENT OF GEOLOGIC HAZARD REPORTS

CGS Form 1A (08/11)

For CGS use only CGS project number _____ Date received _____

In order for CGS to review geologic hazard reports for a proposed school project, as described on Division of the State Architect (DSA) Interpretation of Regulations IR-4 (see <http://www.dgs.ca.gov/dsa/Resources/IRManual.aspx>), the following material must be submitted to CGS:

- this form, which will help CGS and the DSA coordinate reviews;
- TWO SIGNED COPIES of the Work Order (attached below), signed by an authorized representative of the District;
- a check for \$3600 to cover the time and materials needed for CGS review;
- Geologic Hazard Reports to be reviewed - ONE copy of each report.

Submit Reports to:

California Geological Survey
School Review Unit
801 K Street, MS 12-32
Sacramento, CA 95814-3531

Name of School: Tipton Elementary School	
School District or State Agency: Tipton Elementary School District	
Mailing Address: PO Box 787, Tipton, CA 93272	
District Superintendent: Miguel A. Guerrero	
Telephone Number: 559-752-4213	E-mail Address: mguerrero@tipton.k12.ca.us
District Director of Facilities: Fausto Martin	
Telephone Number: 559-804-7299	E-mail Address: fmartin@tipton.k12.ca.us

Scope of Work:		
New multi-purpose/gym building w/ parking lot, outdoor stage/amphitheater, play courts, & other related site development		
Applicable Building Code (year): 2013	Community College Project per: <input type="checkbox"/> DSA-SS, or <input type="checkbox"/> DSA-SS/CC amendments	
This project includes a site-specific ground motion analysis in accordance with: <input checked="" type="checkbox"/> none <input type="checkbox"/> ASCE 7 <input type="checkbox"/> ASCE 41		
Project location (Street Address): 370 N. Evans Road		
City and Zip Code: Tipton 93272	County: Tulare	APN:
Project Funding Status (Category 1, 2, 3, or 4; per Form DSA-10)		Funding Deadline (if Cat. 4):
Project Tracking Number (PTN): 72215-7		DSA Application Number (if assigned):

APPLICATION FOR ASSESSMENT OF GEOLOGIC HAZARDS REPORTS (p. 2 of 2)

Plans, specifications, and related work were prepared by, and observation of construction will be performed by: (per Title 24, Part 1, Section 4-316, of the California Code of Regulations)	
Architect or Engineer in General Responsible Charge:	
Printed Name: Chris D. McLain	
Firm Name: Mangini Associates Inc.	
Address: 4320 W. Mineral King Ave, Visalia, CA 93291	
Telephone Number: 559-627-0530	Fax Number: 559-627-1926
California Registration Number: C-29566	E-mail Address: chris@maitpm.com
The following individual is authorized to act as Alternate to the Architect or Engineer named above:	
Printed Name:	
Firm Name:	
Address:	
Telephone Number:	Fax Number:
California Registration Number:	E-mail Address:

Geologic hazards reports must be prepared by a Certified Engineering Geologist and a Geotechnical Engineer: (per Title 24, Part 2, Section 1803A, of the California Code of Regulations)	
Engineering Geologist Name: James Robinson	Geotechnical Engineer Name: David S. See
Firm Name: Enviro Assessment, PC	Firm Name: CTL-See's Inc.
Address: PO Box 1154, Bonners Ferry, ID 83805	Address: 710 S. Kaweah Ave., Exeter, CA 93221
Telephone Number: 877-629-6838	Telephone Number: 559-592-3555
Fax Number: 877-623-5493	Fax Number: 559-592-3553
E-mail Address:	E-mail Address: ctl@consolidatedtesting.com
California Registration Number: 2441	California Registration Number: 2225

For Information regarding review of Geologic Hazard Reports for school projects:	
Technical (geology) questions:	Submittal and tracking of reports:
Jennifer Thornburg, PG, CEG, CHG	Margaret Hyland
California Geological Survey	California Geological Survey
801 K Street, MS 12-32, Sacramento, CA 95814-3531	801 K Street, MS 12-32, Sacramento, CA 95814-3531
916.445.5488	916.324.7324
Jennifer.Thornburg@conservation.ca.gov	Margaret.Hyland@conservation.ca.gov



CALIFORNIA GEOLOGICAL SURVEY
DEPARTMENT OF CONSERVATION

WORK ORDER
FOR ASSESSMENT OF GEOLOGIC HAZARD REPORTS

CGS Form 1B (01/11)

The parties to this Work Order are the State of California, Department of Conservation, California Geological Survey (CGS) and Tipton Elementary School District (District).
The Parties agree to the following terms and conditions:

1. CGS agrees to conduct an independent assessment of District-provided geologic hazard report(s) associated with the District's proposed school construction project to determine whether the reports are technically adequate.
2. The State of California, Department of General Services, Division of the State Architect (DSA) will rely upon the CGS technical assessment in reviewing plans for construction of the District's proposed construction project and permitting the project. Information regarding CGS assessment of district geologic hazard reports and the DSA's instructions to K-12 and community college districts regarding the CGS assessment can be found in DGS/DSA IR A-4 at <http://www.dgs.ca.gov/dsa/Resources/IRManual.aspx>
3. The District shall list the specific reports to be reviewed by CGS in the Application (above). The District shall provide copies of the reports to CGS when submitting the signed Work Order and payment, as described below.
4. The District shall provide any additional information determined by CGS to be needed to complete its assessment.
5. The term of this Work Order shall begin upon full execution of the Work Order by both parties and shall end in 365 days or 12 months, whichever occurs first. "Full execution" as used herein means approval by authorized representatives of both Parties and payment to CGS of three thousand, six hundred dollars (\$3600) in consideration of the promise by CGS to perform the technical assessment. Payment in full shall accompany two copies of this Work Order, each containing an original signature of a District representative authorized to sign the Work Order. CGS will return a copy of the Work Order containing an original signature of its authorized representative upon execution of the Work Order.
6. Failure of the District to submit the necessary documents or the \$3,600 payment will result in termination of this Work Order.
7. No amendment or variation of the terms of this Work Order shall be valid unless made in writing and signed by both Parties. No oral understanding not incorporated into this Work Order is binding on either Party.
8. Either Party, in writing, may terminate this Work Order at any time with 30 days written notice; however, should the District terminate this Work Order after work has been commenced by CGS, CGS will retain the \$3,600 payment for any work completed by CGS prior to the notice of termination.

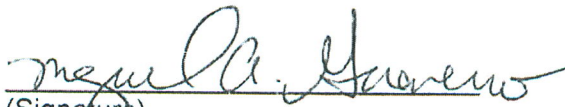
9. Contact information for each party:

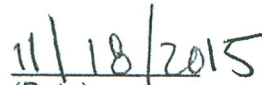
<u>California Geological Survey</u>	<u>District</u>
Name: Jennifer Thornburg, PG, CEG, HG	Name: Miguel A. Guerrero
Mailing Address: California Geological Survey 801 K Street, MS 12-32 Sacramento, CA 95814	Mailing Address: Tipton Elementary School PO Box 787 Tipton, CA 93272
Phone Number: 916-324-7324	Phone Number: 559-752-4213

10. The Parties agree that the agents and employees of the Parties are independent of the other and shall not act as officers or employees or agents of the other Party to this Work Order.

11. In addition to the terms contained above, Parties agree to the terms at http://www.conservation.ca.gov/cgs/rqhm/reviews/Documents/Additional_Terms_Conditions.pdf which are hereby incorporated by reference into this Work Order.

DISTRICT


(Signature)


(Date)

Name: Miguel A. Guerrero
Title: Superintendent

CALIFORNIA GEOLOGICAL SURVEY

(Signature)

(Date)

Name: John G. Parrish, Ph.D.
Title: State Geologist

Invoice Date	Invoice No./ Description	Reference Number	Account Classification	Amount
11/24/2015	GEO SURVEY	PV-160589	210-99900-0-00000-85000-62000-0	\$3,600.00

Issue Date 11/25/2015	Vendor Number 14214	Number 61556292	Net Amount \$ 3,600.00
-----------------------	---------------------	-----------------	------------------------

Seq# 767 132147 813 P1 73218

DO NOT ACCEPT THIS CHECK UNLESS THE PINK LOCK & KEY ICONS FADE WHEN WARMED AND YOU CAN SEE A HEXAGON-SHAPED TRUE WATERMARK WHEN HELD TO THE LIGHT

**SUPERINTENDENT OF SCHOOLS
TULARE COUNTY
CALIFORNIA**

SCHOOLS CHECK CLEARING FUND

DRAWN BY
ORDER OF THE GOVERNING BOARD OF
Tipton Elementary School District
SCHOOL DISTRICT

ISSUE DATE
11/25/2015

NO. **61556292**
11-49-7/1210

AMOUNT
\$ *****3,600.00

VOID SIX MONTHS
AFTER ISSUE DATE

Three Thousand Six Hundred And NO/100 Dollars

Pay to the Order of :

CALIFORNIA GEOLOGICAL SURVEY
801 K STREET, MS 12-32
SACRAMENTO CA 95814

Jim Vidak