

**HAPPY VALLEY SCHOOL DISTRICT  
BOARD OF TRUSTEES  
February 14, 2024  
3:30 pm, Multi-Purpose Room  
Agenda**

**A. Approval of Agenda**

**B. Approval of Minutes- Regular Board Meeting, January 17, 2024**

**C. Community Input**

Members of the audience are welcome to address the Board of Trustees at this time during the meeting regarding items not listed on this agenda. The Trustees may ask questions for clarity but cannot take action on those matters, if desired, until such matters are appropriately placed on a future agenda, according to law. Three minutes may be allotted to each speaker and a maximum of twenty minutes to each subject matter (Board bylaws 9323).

**D. Board Report**

**E. Superintendent's Report**

**F. Staff Report**

**G. Student Report**

**H. Information Items**

**1. Approval of J-13A**

The Board will receive information regarding the approval of J-13A from January 2023.

**2. Modernization Update**

The Board will receive an update regarding Modernization.

**3. 2023/2024 Local Control and Accountability Plan (LCAP) Mid-Year Update**

The Board will receive information regarding the 2023/2024 Local Control and Accountability Plan Mid-Year Update.

**4. Community Foundation of Santa Cruz**

The Board will receive an update regarding the Happy Valley School Foundation Fund through December 31, 2023.

**5. Toileting Policy**

The Board will receive information regarding a toileting policy.

## **I. Action Items**

### **1. Audit Certification**

The Board will receive and consider the acceptance of the 2022/2023 Financial Audit as presented.

### **2. 2<sup>nd</sup> Quarter Williams Complaint Report**

The Board will receive the 2<sup>nd</sup> quarterly report of 2023/2024 Uniform Complaints related to the Williams Settlement.

### **3. Revised Declaration of Need for Fully Qualified Educators**

The Board will consider approval of the Revised Certification of a Declaration of Need for Fully Qualified Educators for the 2023/2024 school year.

### **4. 2023/2024 Comprehensive Safety Plan**

The Board will consider approval of the 2023/2024 Comprehensive Safety Plan Part 1- Public Components.

## **J. Consent Items**

1. The Board will consider approval of vendor warrants paid since the last meeting.

## **K. Communications and Announcements**

1. Feb. 16- No School, Lincoln Holiday
2. Feb. 19- No School, Presidents Day
3. Feb. 21- Parent Club Meeting, 6:30 pm, Via Zoom
4. Feb. 22- Mar 1- Read-A-Thon
5. Feb. 23- PeaceBuilder Assembly, 11:15 pm, Stage
6. Feb. 23- Spirit Day, Identity Swap
7. Feb. 23- End of Second Trimester
8. Feb. 29- Report Cards Home
9. Mar. 13- Board Meeting, 3:30 pm, MPR
10. Mar. 15- No School, Staff Development Day
11. Mar. 20- Parent Club Meeting, 6:30 pm, Via Zoom
12. Mar. 22- PeaceBuilder Assembly, 11:15 am, Stage
13. Mar. 22-Spirit Day, TBA

## **L. Closed Session**

1. Negotiations
2. Comprehensive School Safety Plan Part II-Internal Components

## **M. Report Out of Closed Session**

## **N. Adjournment**

Happy Valley School District  
Regular Board Meeting  
January 17, 2024  
MINUTES

The meeting was called to order by the Board President at 3:30pm

BOARD MEMBERS PRESENT: Willet, Freeman, Hodges, Frandle, Trotter

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Stewart, Lynd, Royer

STUDENTS PRESENT: Paige and Charlie

A. APPROVAL OF THE AGENDA

MSC FREEMAN/TROTTER to approve the Board Meeting agenda as written. Unanimous.

B. APPROVAL OF THE MINUTES

MSC TROTTER/FREEMAN to approve the minutes from the Regular Board Meeting December 13, 2023. Unanimous.

C. COMMUNITY INPUT

- A current parent spoke to the Board about their concern for porta potties during modernization.
- A current parent spoke to the Board about PE curriculum and making sure Instructional minutes requirements are being met.

D. BOARD REPORT

1. Katie Freeman informed the Board the performances at the Winter Concert were amazing.
2. Cliff Hodges informed the Board it was nice to have a later Winter Break so that there was more time off after the holidays.
3. Cliff Hodges reminded the Board about a Santa Cruz CSBA meeting Monday, January 22nd at 6:30pm at the COE.
4. Carly Trotter gave a report to the Board regarding the CSBA workshop. Involvement is key. Workshop topics included finance, the Brown Act, new trustee tips and appropriate Board behavior.

E. SUPERINTENDENT'S REPORT

Michelle Stewart informed the Board of the following:

1. Board member Carly Trotter joined coffee with the Superintendent. Several parents attended. Enrollment and modernization were discussed.
2. We received a letter from CASA regarding the donation of pajamas and socks during the holidays.
3. We are getting ready to communicate to the community about the Measure G Parcel Tax for the March election. Ballots will be mailed out in February. The Democratic

Women's Club of Santa Cruz County endorsed the ballot measure.

4. We are already planning for next year. Intent to return forms and interdistrict transfers are due by March 1st.
5. We continue to plan for construction.

**F. STAFF REPORT**

Kate Royer informed the Board of the following:

1. TK/K started a fairytale unit.
2. 2nd grade's flat travelers are starting to arrive.
3. 3rd grade went on a field trip.
4. 4th-6th grades are working on STEAM projects for their upcoming showcase.
5. 5th-6th grades are prepping for the 100th day with the TK/K class.

**G. STUDENT REPORT**

Paige and Charlie informed the Board of the following:

1. After school classes have begun: Spanish, 3D printing, Lego Robotics, Bookmaking and Yearbook.
2. The Student Council had a meeting and discussed kickball rules.
3. Next week is the PeaceBuilders Assembly and the theme is Decades Day.

**H. INFORMATION ITEMS**

**1. STRATEGIC PLAN**

The Board received an update regarding changes in Happy Valley's Strategic Plan. Goals and services will be reviewed in April for the 24-25 school year.

**2. DASHBOARD UPDATE**

The Board received an update regarding the Dashboard. The Local Indicators were marked not met since there was an input error on the date and it couldn't be fixed after the window closed. There is a box on the Dashboard where the discrepancy is explained.

**3. ENROLLMENT UPDATE**

The Board received an update on Happy Valley School enrollment. We will know more in March after IDT and Intent to Return forms are returned.

**4. 2023-2024 FIRST INTERIM FINANCIAL REPORT**

The Board received information regarding the positive certification of the 2023-2024 First Interim Financial Report from the Santa Cruz County Office of Education.

**I. ACTION ITEMS**

**1. SCHOOL ACCOUNTABILITY REPORT CARD (SARC)**

MSC WILLET/FREEMAN to approve the 2022-2023 SARC. Unanimous.

**2. 2024-2025 SCHOOL CALENDAR**

MSC FREEMAN/FRANDLE to approve the 2024-2025 school calendar. Unanimous.

**3. BOARD POLICY UPDATES**

MSC WILLET/HODGES to approve the Board policy updates. Unanimous.

J. CONSENT ITEMS

MSC FREEMAN/TROTTER to approve the vendor warrants paid since the last meeting. Unanimous.

K. COMMUNICATION AND ANNOUNCEMENTS

1. January 24, 2024 - Parent Club Meeting, 6:30pm, Via Zoom
2. January 26, 2024 - PeaceBuilder Assembly, 11:15am, Stage
3. January 26, 2024 - Spirit Day, Decades Day
4. February 14, 2024 - Board Meeting, 3:30pm, Multi-Purpose Room
5. February 16, 2024 - No School, Lincoln Holiday
6. February 19, 2024 - No School, Presidents' Holiday
7. February 21, 2024 - Parent Club Meeting, 6:30pm, Via Zoom
8. February 23, 2024 - PeaceBuilder Assembly, 11:15am, Stage
9. February 23, 2024 - Spirit Day, TBA
10. February 23, 2024 - End of Second Trimester

L. ADJOURNMENT

MSC FRANDLE/FREEMAN to adjourn the meeting, there being no further business, 4:22pm. Unanimous.

pl



**CALIFORNIA DEPARTMENT  
OF EDUCATION**

**TONY THURMOND**  
STATE SUPERINTENDENT OF  
PUBLIC INSTRUCTION

1430 N STREET, SACRAMENTO, CA 95814-5901 • 916-319-0800 • [WWW.CDE.CA.GOV](http://WWW.CDE.CA.GOV)

February 1, 2024

Michelle Stewart, Superintendent  
Happy Valley Elementary School District  
3125 Branciforte Drive  
Santa Cruz, CA 95065-9775

Dear Superintendent Stewart:

Subject: Request for Allowance of Attendance Due to Emergency Conditions  
(Fiscal Year 2022–23), Form J-13A

The California Department of Education has approved the request for two emergency days on January 4 and 9, 2023, at Happy Valley Elementary School District. These school closure days may be used to meet the instructional time requirements pursuant to California *Education Code* sections 46207 and 46208.

This letter and copy of the original Form J-13A should be used to substantiate compliance with statutory instructional time requirements. A copy of this letter and Form J-13A have been emailed to all contact persons listed on the form. Information on how to report average daily attendance as a result of this approval is available in the Reporting Approvals section on the Form J-13A Frequently Asked Questions (FAQs) web page, located at <https://www.cde.ca.gov/fq/aa/pa/formj13afaq.asp>. Any additional questions not addressed in the FAQs should be emailed to [attendanceaccounting@cde.ca.gov](mailto:attendanceaccounting@cde.ca.gov).

Sincerely,

Paul John  
"Dean"  
Patterson

Digitally signed  
by Paul John  
"Dean" Patterson  
Date: 2024.02.01  
15:31:42 -08'00'

Dean Patterson, Administrator  
School Fiscal Services Division

DP:sl

cc: Faris Sabbah, County Superintendent of Schools, Santa Cruz County Office of  
Education

# Local Control Accountability Plan 2023-24



[Link to LCAP 2023-24](#)

## **Happy Valley Elementary School Mission and Vision**

**Mission:** Educate the whole child in a small, safe, community supported school that provides a solid foundation to achieve academic, social, and emotional success.

**Vision:** Happy Valley will be a place where all students will be prepared for academic, social, and emotional success for the next stages of life and school.

**Goal 1: ENGAGEMENT** Happy Valley School District will provide a safe and engaging environment for students and families will be actively involved in the educational process. Social and emotional well being of the students will be a priority.

- Provide instructional aides \$90,000 *Donations*
- Provide art and music with a credentialed teacher, garden with a credentialed teacher, and library \$70,000 *Donations*
- Focus on positive attendance No cost
- Social Emotional Learning \$6000 *LCFF*
  - ~counselor
  - ~Peacebuilders program
- Volunteer Activity Log and actively involve parents *no cost*
- Improve school website for communication; provide resources

**Goal 2: PUPIL ACHIEVEMENT** Happy Valley School District will fully implement Common Core Standards. The teachers will be fully trained and provided with appropriate, aligned materials and technology integration to ensure all students are college and career ready.

- Purchase FOSS kits (Living) \$11,000 *Local Funds*
- Teachers will continue the work with TTP (Teaching Through Problem Solving) No cost
- Staff will continue to use the Lucy Calkins Writers workshop curriculum and work as a team on conferencing skills with students. No cost
- Benchmark Assessments (cost of subs to analyze) \$3,000 *Local Funds*
- All 6th grade students will be ready to graduate from HVS and be successful in middle school as evidenced by the report card, benchmarks and CAASPP test scores. *no cost*
- Intervention Teacher \$15,000 *LCFF*; \$16,000 *Title I*
- An intervention instructional aide will be hired to work collaboratively with teachers to support the youngest learners \$6547 *LCFF*

# Local Control Accountability Plan 2023-24

**Goal 3: ACCESS AND OPPORTUNITY** Happy Valley School District will ensure facilities, communication, and course access are responsive to the needs of all of our students.

- Money generated by the parcel tax will be used for technology, Spanish, and maintenance and retention of highly qualified staff. \$52,272.00 *Local Funds*
- The use of iPads will continue in the classrooms with more iPads to be purchased so the older versions can be recycled. \$5,000 *Other state funds*
- The Master Schedule will be designed so 100% students will have equal access to art and music and give priority to the upper grade classes. *no cost*
- A mental health counselor will continue to provide services to students who are either identified by teacher or parent. *Funded in Goal 1*
- Fund extracurricular activities to provide access for all students to any extra curricular activities which includes field trips, science camp, etc. \$1000 *LCFF*
- Teachers and staff will return phone calls and emails within the 48 hour window. *no cost*
- Specific time is set aside for students who are English Learners to ensure they have access and are meeting standards. \$500 *LCFF*

## **BUDGET RESOURCES**

*Because of the small size of Happy Valley School, and the lack of significant subgroups, the LCAP is written to meet the needs of all students, with supplemental funds (LCFF) principally directed towards unduplicated students.*

**Total LCAP allocation: \$29,047**

# Local Control Accountability Plan 2023-24

**Mid-Year Update February, 2024**

***Includes only funds included in the LCAP allocation***

## Goal 1: ENGAGEMENT

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Provide instructional aides</li> <li>• Provide art and music with a credentialed teacher, garden with a credentialed teacher, and library</li> <li>• Focus on positive attendance No cost</li> <li>• Social Emotional Learning \$6000 LCFF               <ul style="list-style-type: none"> <li>◦ ~counselor</li> <li>◦ ~Peacebuilders program</li> </ul> </li> <li>• Volunteer Activity Log and actively involve parents</li> <li>• Improve school website for communication; provide resources</li> </ul> | <ul style="list-style-type: none"> <li>• There are instructional aides in every classroom and a floating support aide</li> <li>• Every student has weekly access to art and music, bi-weekly access to garden and library</li> <li>• Attendance rate 94.48%; increased 3.3%</li> <li>• Tardy rate 3.3%; decreased 1.5%</li> <li>• All students participate in the Peacebuilders program . <b>\$785.24</b></li> <li>• Students of greatest need have first priority to the school counselor, which often are our low-socio economic students. (19% of students) <b>\$5160.60</b></li> <li>• Volunteers continue to be an important part of Happy Valley</li> <li>• Website completed in prior years</li> </ul> |
|--|---|

## Goal 2: PUPIL ACHIEVEMENT

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Purchase FOSS kits (Living)</li> <li>• Teachers will continue the work with TTP (Teaching Through Problem Solving)</li> <li>• Staff will continue to use the Lucy Calkins Writers workshop curriculum and work as a team on conferencing skills with students.</li> <li>• Benchmark Assessments (cost of subs to analyze)</li> </ul> | <ul style="list-style-type: none"> <li>• All FOSS Kits have been purchased</li> <li>• Teachers use TTP weekly</li> <li>• Staff use the Lucy Calkins Writers workshop curriculum daily</li> <li>• Several teachers have taken sub days to analyze and conduct Benchmark Assessments</li> </ul> |
|---|---|

## Local Control Accountability Plan 2023-24

<ul style="list-style-type: none"> <li>• All 6th grade students will be ready to graduate from HVS and be successful in middle school as evidenced by the report card, benchmarks and CAASPP test scores.</li> <li>• Intervention Teacher \$15,000 LCFF;</li> <li>• An intervention instructional aide will be hired to work collaboratively with teachers to support the youngest learners \$6547 LCFF</li> </ul>	<ul style="list-style-type: none"> <li>• All 6th grade students will be ready to graduate from HVS and be successful in middle school as evidenced by the report card, benchmarks and CAASPP test scores.</li> <li>• Intervention Teacher is serving 18% of students \$15,000 LCFF <b>\$15,426.86</b></li> <li>• An intervention instructional aide \$6547 LCFF <b>\$4061.94</b></li> </ul>
<b>Goal 3: ACCESS AND OPPORTUNITY</b>	
<ul style="list-style-type: none"> <li>• Money generated by the parcel tax will be used for technology, Spanish, and maintenance and retention of highly qualified staff.</li> <li>• The use of iPads will continue in the classrooms with more iPads to be purchased so the older versions can be recycled.</li> <li>• The Master Schedule will be designed so 100% of students will have equal access to art and music and give priority to the upper grade classes.</li> <li>• A mental health counselor will continue to provide services to students who are either identified by teacher or parent.</li> <li>• Fund extracurricular activities to provide access for all students to any extra curricular activities which includes field trips, science camp, etc. \$1000 LCFF</li> </ul>	<ul style="list-style-type: none"> <li>• Parcel tax funds are used for technology, Spanish, and maintenance and retention of highly qualified staff.</li> <li>• iPads are used in many classrooms</li> <li>• 100% of students have equal access to art and music</li> <li>• A mental health counselor provides services to students who are either identified by teacher or parent.</li> <li>• The District funds extracurricular activities to provide access for all students to any extra curricular activities which includes field trips, science camp, etc. \$1000 LCFF <b>\$60</b></li> </ul>

## Local Control Accountability Plan 2023-24

<ul style="list-style-type: none"><li>• Teachers and staff will return phone calls and emails within the 48 hour window.</li><li>• Specific time is set aside for students who are English Learners to ensure they have access and are meeting standards. \$500 LCFF</li></ul>	<ul style="list-style-type: none"><li>• Teachers and staff return phone calls and emails within the 48 hour window.</li><li>• Specific time is set aside for students who are English Learners to ensure they have access and are meeting standards. \$500 LCFF <u>\$250</u></li></ul>
--	--

**Total LCAP allocation: \$29,047**

**TOTAL EXPENDITURES: \$25,494.04**

**REMAINING BALANCE: \$3552.96**

**S COMMUNITY FOUNDATION**  
**SANTA CRUZ COUNTY**  
*at the Jack & Peggy Baskin Center for Philanthropy*  
 7807 Soquel Drive • Aptos, CA 95003 • 831.662.2000 • www.cfsc.org

**Happy Valley School Foundation Fund - HVSD**

**Fund Type:** Agency Fund

**Date Established:** February 26, 1998

**Investment Pool:** Endowed - Socially Responsible Long Term Pool

**Fund Report for October 01, 2023 - December 31, 2023**

	Current Period 10/1/2023 - 12/31/2023	Year To Date 1/1/2023 - 12/31/2023
Beginning Fund Balance	\$690,367.37	\$686,291.52
Plus Additions to Fund		
Earnings/(Losses)	\$65,184.83	\$102,442.87
<b>Total Income</b>	<b>\$65,184.83</b>	<b>\$102,442.87</b>
Less Distributions from Fund		
Distributions for Fund Purpose	\$0.00	\$27,880.00
Foundation Services Fee*	\$1,737.63	\$7,039.82
<b>Total Expenditures</b>	<b>\$1,737.63</b>	<b>\$34,919.82</b>
<b>Ending Fund Balance</b>	<b>\$753,814.57</b>	<b>\$753,814.57</b>

\*The Foundation Services Fee helps to support fund stewardship as well as Foundation programs that assist donors, educate and strengthen local nonprofits, and build regional partnerships to address critical local issues.

If you have questions regarding your fund statement, please contact Hilary Bryant at [hbryant@cfsc.org](mailto:hbryant@cfsc.org) or (831) 662-2065

total Fund 57: \$1,784,765.85  
 (including county treasury amount of: \$78,257.17)  
 Last Quarter total Fund 57: \$1,640,700.00  
 (including county treasury amount of: \$77,564.15)



## Happy Valley School Legacy Flex Fund - HVSL

**Fund Type:** Agency Fund

**Date Established:** July 09, 2014

**Investment Pool:** Nonendowed - Socially Responsible Long Term Pool

**Fund Report for October 01, 2023 – December 31, 2023**

	Current Period 10/1/2023 – 12/31/2023	Year To Date 1/1/2023– 12/31/2023
Beginning Fund Balance	\$241,435.39	\$230,594.42
Plus Additions to Fund		
Earnings/(Losses)	\$22,796.43	\$35,475.51
<b>Total Income</b>	<b>\$22,796.43</b>	<b>\$35,475.51</b>
Less Distributions from Fund		
Foundation Services Fee*	\$607.69	\$2,445.80
<b>Total Expenditures</b>	<b>\$607.69</b>	<b>\$2,445.80</b>
<b>Ending Fund Balance</b>	<b>\$263,624.13</b>	<b>\$263,624.13</b>

\*The Foundation Services Fee helps to support fund stewardship as well as Foundation programs that assist donors, educate and strengthen local nonprofits, and build regional partnerships to address critical local issues.

If you have questions regarding your fund statement, please contact Hilary Bryant at [hbryant@cfsc.org](mailto:hbryant@cfsc.org) or (831) 662-2065.



**Happy Valley School Foundation Fund - Donor Gifts - HVSDDG**

**Fund Type:** Designated Fund

**Date Established:** October 30, 2017

**Investment Pool:** Endowed - Socially Responsible Long Term Pool

**Fund Report for October 01, 2023 – December 31, 2023**

	<b>Current Period 10/1/2023 – 12/31/2023</b>	<b>Year To Date 1/1/2023– 12/31/2023</b>
<b>Beginning Fund Balance</b>	<b>\$631,063.15</b>	<b>\$600,315.70</b>
Plus Additions to Fund		
Contributions	\$ 0.00	\$20,059.80
Earnings/(Losses)	\$59,595.21	\$92,332.95
<b>Total Income</b>	<b>\$59,595.21</b>	<b>\$112,392.75</b>
Less Distributions from Fund		
Distributions for Fund Purpose	\$ 0.00	\$17,366.00
Foundation Services Fee*	\$1,588.38	\$6,272.47
<b>Total Expenditures</b>	<b>\$1,588.38</b>	<b>\$23,638.47</b>
<b>Ending Fund Balance</b>	<b>\$689,069.98</b>	<b>\$689,069.98</b>

\*The Foundation Services Fee helps to support fund stewardship as well as Foundation programs that assist donors, educate and strengthen local nonprofits, and build regional partnerships to address critical local issues.

If you have questions regarding your fund statement, please contact Hilary Bryant at [hbryant@cfsc.org](mailto:hbryant@cfsc.org) or (831) 662-2065.

**HAPPY VALLEY ELEMENTARY  
SCHOOL DISTRICT**

**COUNTY OF SANTA CRUZ  
SANTA CRUZ, CALIFORNIA**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2023**

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**ROBERTSON & ASSOCIATES, CPAs  
A Professional Corporation**

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
JUNE 30, 2023**

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HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
JUNE 30, 2023

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# ROBERTSON & ASSOCIATES, CPAs

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Happy Valley Elementary School District  
Santa Cruz, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Happy Valley Elementary School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 the District's proportionate share of the net pension liability and the schedule of the District pension contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining nonmajor fund financial statements and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements, and the other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Local Education Agency Organization Structure and schedule of financial trends and analysis, which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has 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 January 30, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Robertson & Associates, CPA.*

Lakeport, California

January 30, 2024

**Happy Valley Elementary School District  
Management's Discussion and Analysis  
June 30, 2023**

**INTRODUCTION**

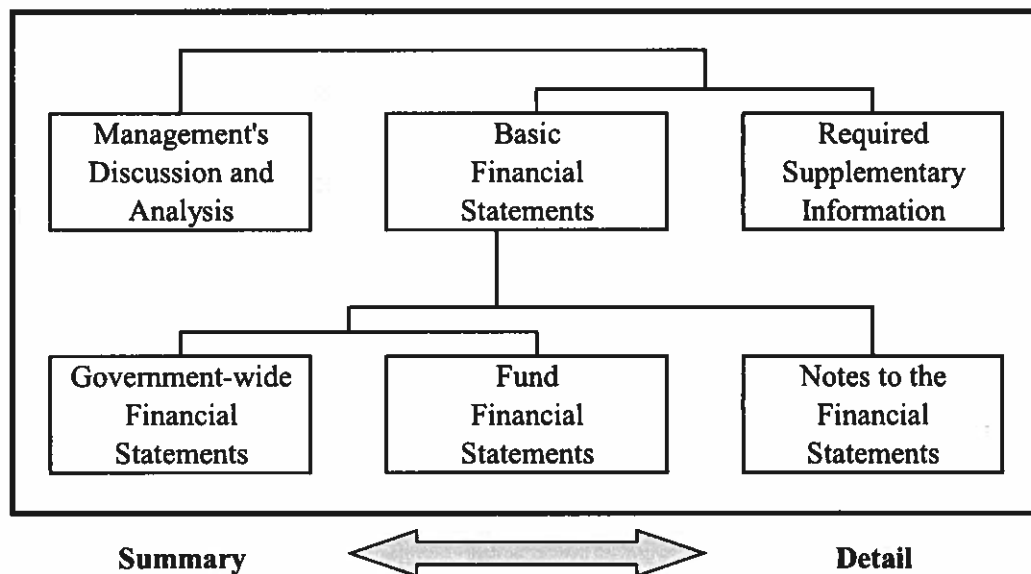
Our discussion and analysis of Happy Valley Elementary School District (District's) financial performance provides an overview of the District's financial activities for the year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- Total net position was \$1,998,955 at June 30, 2023. This was an increase of \$159,562 from the prior year.
- Overall revenues were \$2,068,376, overall expenses were \$1,908,814.

**OVERVIEW OF FINANCIAL STATEMENTS**

**Components of the Financials Section**



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

- ❑ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District’s overall financial position.
- ❑ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
  - **Governmental fund** statements tell how general government services were financed in the short term as well as what remains for future spending.

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

### **Government-Wide Statements**

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

The two government-wide statements report the District’s net position and how they have changed. Net position, the difference between assets and liabilities, is one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District’s net position is an indicator of whether its financial health is improving or deteriorating, respectively. The net position of the District has increased by 8.7% in the past year.
- The net change in all funds from 2021/2022 to 2022/2023 was an increase of \$45,968.
- 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 District’s enrollment increased by 11 in the past year.
- Average Daily Attendance (ADA) was 109.38 and funded ADA was 109.38 using current year ADA data. The increase in ADA has not had any impact on funding because the District is Basic Aid and receives its funding through property tax revenues. In 2022/2023, property tax revenue increased by \$60,877 over the prior year which is a 5.4% increase.

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

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

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant governmental 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 programs.

- Some funds are required to be established by State law and by bond covenants.
- The governing board 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 one type of fund:

- Governmental funds – All 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 determine whether there are more or fewer financial resources than previously 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 following the governmental funds' statements that explains the relationship (or differences) between them.

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$2,765,170 as compared to the prior year's ending fund balance of \$2,719,202.

## FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

### Net Position

The District's combined net position was \$1,998,955 at June 30, 2023.

	Governmental Activities		Net Change
	2023	2022	
<b>ASSETS</b>			
Cash and Equivalents	\$ 1,887,635	\$ 1,818,571	\$ 69,064
Investments	970,494	921,715	48,779
Other Current Assets	68,938	96,842	(27,904)
Capital Assets, Net of Accumulated Depreciation	543,794	574,435	(30,641)
<b>TOTAL ASSETS</b>	<b>\$ 3,470,861</b>	<b>\$ 3,411,563</b>	<b>\$ 59,298</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow of Resources - Pensions	\$ 538,811	\$ 558,003	\$ (19,192)
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 538,811</b>	<b>\$ 558,003</b>	<b>\$ (19,192)</b>
<b>LIABILITIES</b>			
Current Liabilities	\$ 161,897	\$ 117,926	\$ 43,971
Long-Term Liabilities	1,092,852	733,823	359,029
<b>TOTAL LIABILITIES</b>	<b>\$ 1,254,749</b>	<b>\$ 851,749</b>	<b>\$ 403,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources - Pensions	\$ 755,968	\$ 1,278,424	\$ (522,456)
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 755,968</b>	<b>\$ 1,278,424</b>	<b>\$ (522,456)</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	\$ 543,794	\$ 574,435	\$ (30,641)
Restricted	1,299,407	1,205,459	93,948
Unrestricted	155,754	59,499	96,255
<b>TOTAL NET POSITION</b>	<b>\$ 1,998,955</b>	<b>\$ 1,839,393</b>	<b>\$ 159,562</b>

## Changes in Net Position

	Governmental Activities		
	2023	2022	Net Change
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 3,705	\$ 11,772	\$ (8,067)
Operating Grants and Contributions	613,417	275,945	337,472
Capital Grants and Contributions	14,659	-	14,659
General Revenues:			
Property Taxes	1,231,264	1,170,585	60,679
Unrestricted Federal and State Aid	128,902	122,485	6,417
Miscellaneous and Other Local	76,429	2,186	74,243
<b>TOTAL REVENUES</b>	<b>2,068,376</b>	<b>1,582,973</b>	<b>485,403</b>
<b>EXPENSES</b>			
Instruction	1,185,544	1,269,031	(83,487)
Instruction-Related Services	288,949	398,532	(109,583)
Pupil Services	55,272	28,238	27,034
General Administration	196,742	240,713	(43,971)
Plant Services	182,145	108,291	73,854
Transfers Between Agencies	163	138	25
<b>TOTAL EXPENSES</b>	<b>1,908,814</b>	<b>2,044,943</b>	<b>(136,129)</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>159,562</b>	<b>(461,970)</b>	<b>621,532</b>
<b>NET POSITION - BEGINNING</b>	<b>1,839,393</b>	<b>2,301,363</b>	<b>(461,970)</b>
<b>NET POSITION - ENDING</b>	<b>\$ 1,998,955</b>	<b>\$ 1,839,393</b>	<b>\$ 159,562</b>

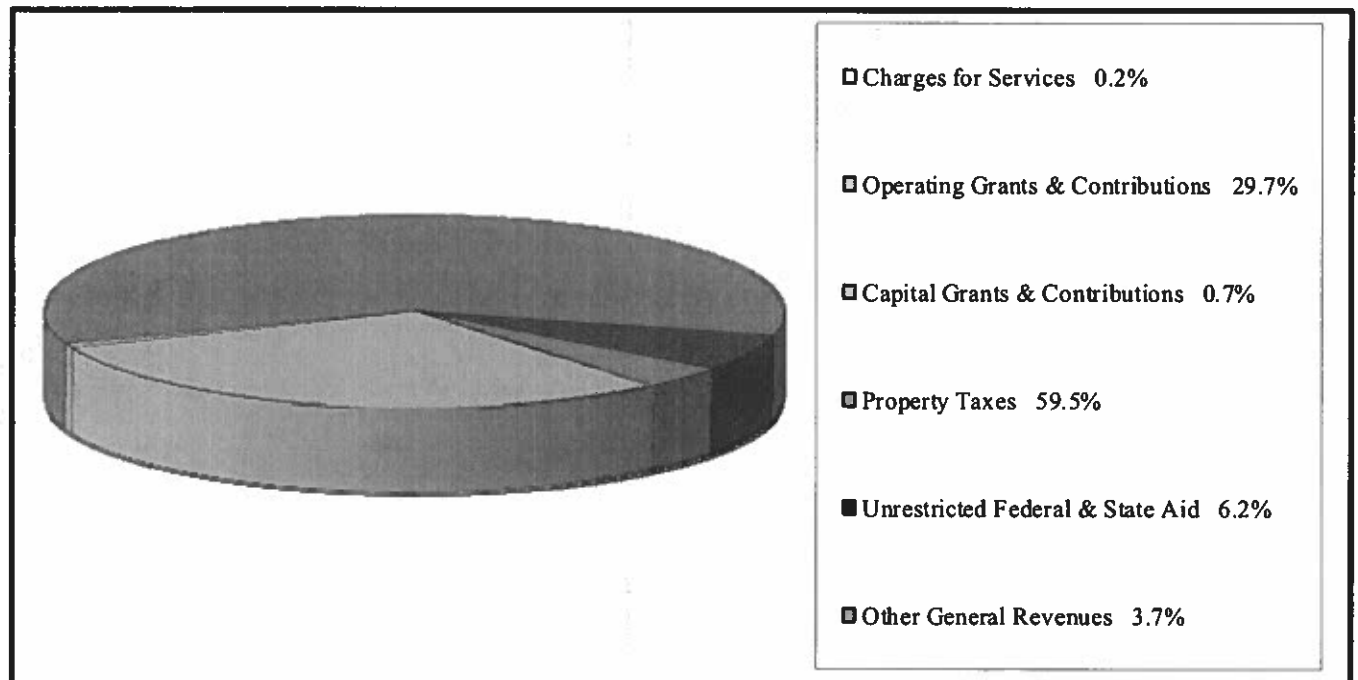
## Governmental Activities

Net cost is total cost less fees generated by the related activity. The net cost reflects amounts funded by charges for services, operating grants and capital grants and contributions.

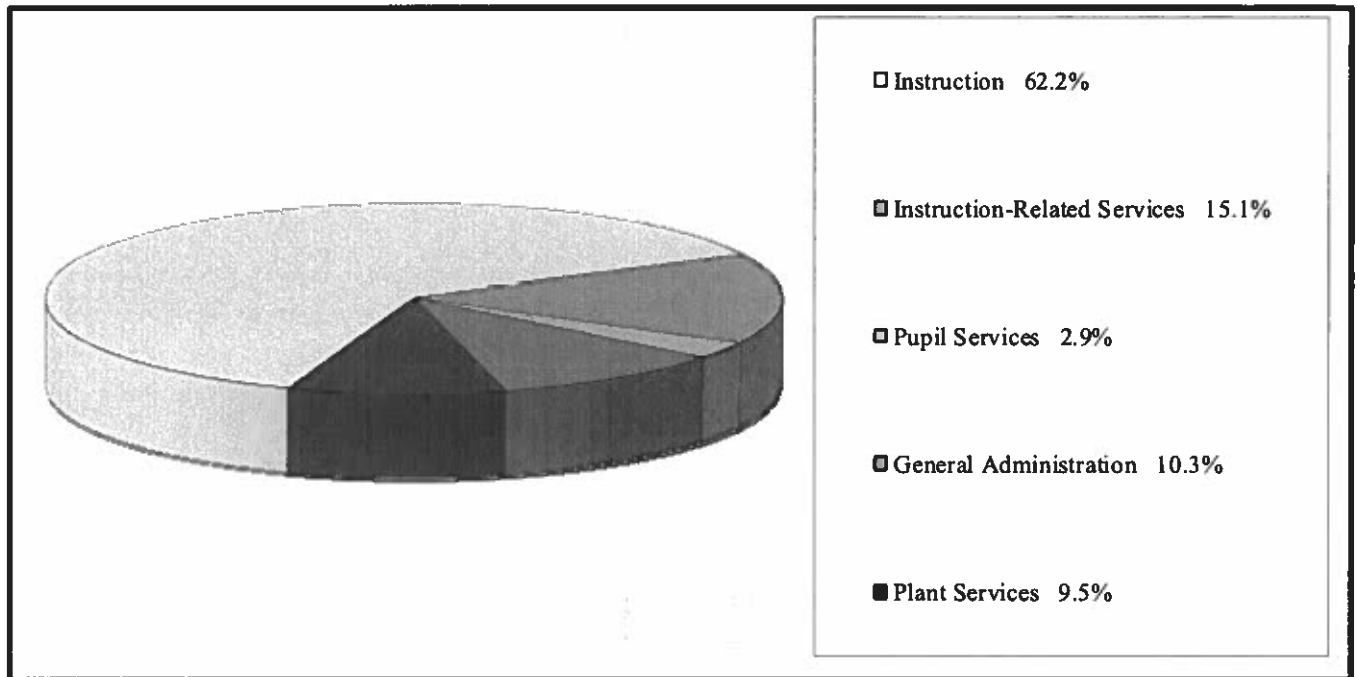
### Net Cost of Services

	Net Cost of Services		Net Change
	2023	2022	
<b>NET COST OF SERVICES</b>			
Instruction	\$ 664,820	\$ 1,004,785	\$ (339,965)
Instruction-Related Services	265,430	384,490	(119,060)
Pupil Services	10,580	30,253	(19,673)
General Administration	185,116	229,268	(44,152)
Plant Services	150,925	108,292	42,633
Transfers Between Agencies	163	138	25
<b>TOTAL NET COSTS OF SERVICES</b>	<b>\$ 1,277,033</b>	<b>\$ 1,757,226</b>	<b>\$ (480,193)</b>

### 2022/2023 Summary of Revenues for Governmental Activities



## 2022/2023 Summary of Expenses for Governmental Activities



## Fund Balance Comparison

The District currently maintains the following funds:

FUNDS	Ending Fund Balance		Net Change
	2023	2022	
Governmental:			
General	\$ 1,696,689	\$ 1,691,705	\$ 4,984
Capital Facilities	11	20,634	(20,623)
County School Facilities	23,870	13,217	10,653
Foundation Permanent	1,044,600	993,646	50,954
Total Governmental	2,765,170	2,719,202	45,968
TOTAL FUNDS	\$ 2,765,170	\$ 2,719,202	\$ 45,968

## **General Fund**

General Fund Revenues increased overall in 2022/2023 over prior year by approximately \$250,000. The source of the increase was the ESSER revenue being recognized, and one-time funding such as the Art, Music, and Instructional Block Grant and Learning Recovery Emergency Block Grant.

Increases to General Fund salaries for certificated staff were \$85,769. Salaries for classified staff increased by \$19,455. These increases are due to step & column and an 8% increase to the salary schedule. Supplies and materials expenses increased by \$33,141 due to a textbook adoption and the addition of the UPK and ELO programs. Contracts and services increased over 2021/2022 by \$157,909 due to the addition of the ELO program, special education contracts for an one-on-one aide, and school site repairs due to flooding.

Transfers in and out decreased due to a one-time transfer in 2021/2022.

## **Other Governmental Funds**

Other governmental funds had the following activity and changes for the year ended June 30, 2023:

*The Cafeteria Special Revenue Fund* - There were no significant changes year over year. This fund is not in regular use.

*The Capital Facilities Fund* - This fund received revenue totaling \$4,690 in the form of interest and developer fees. Expenditures were \$25,314 related to the modernization of the school site.

*The Foundation Permanent Fund* -

The Foundation Permanent Fund consists of three separately funded programs:

The original foundation funds are held by the Santa Cruz County Treasurer. This program earned interest of \$46,311 and disbursed the annual contribution to the General Fund for the educational purpose of support for classroom aides in the amount of \$44,136.

The two remaining funded programs are held by the Community Foundation of Santa Cruz County:

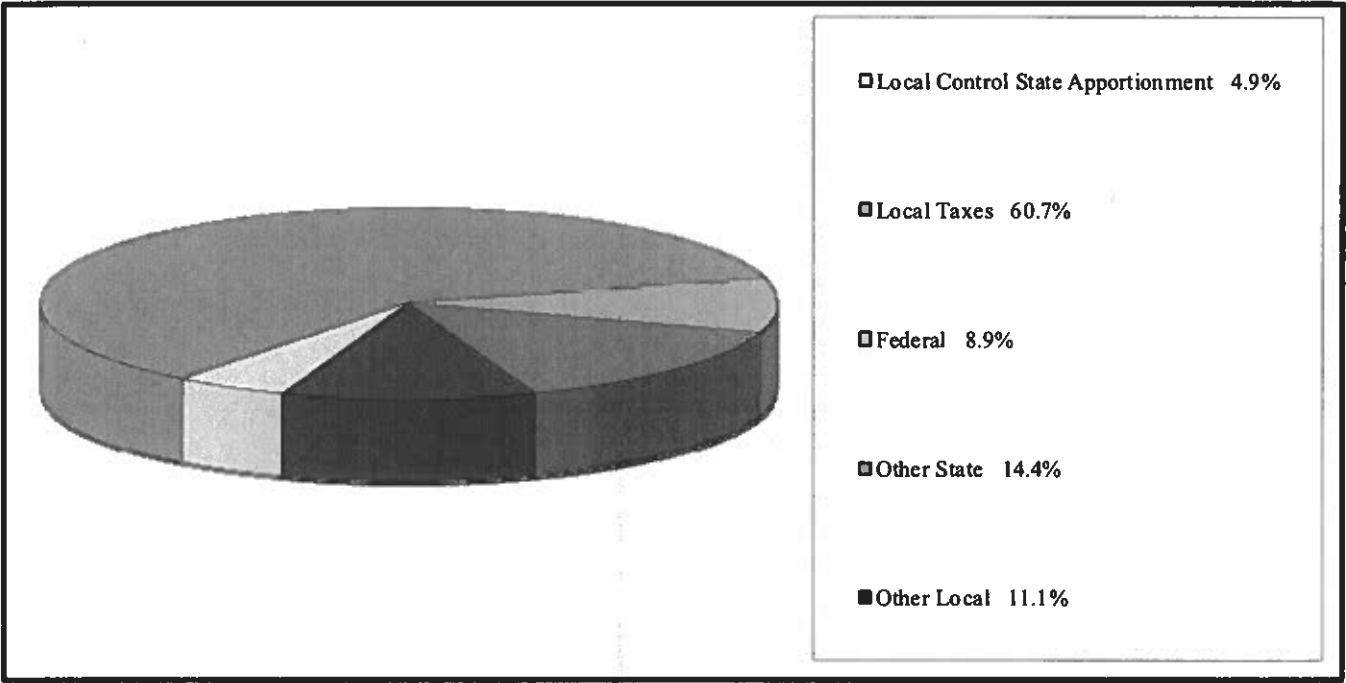
The Flex fund had \$22,006 in earnings and \$2,355 in expenditures.

The Foundation Endowment Account received \$36,041 in interest and \$6,914 expenditures.

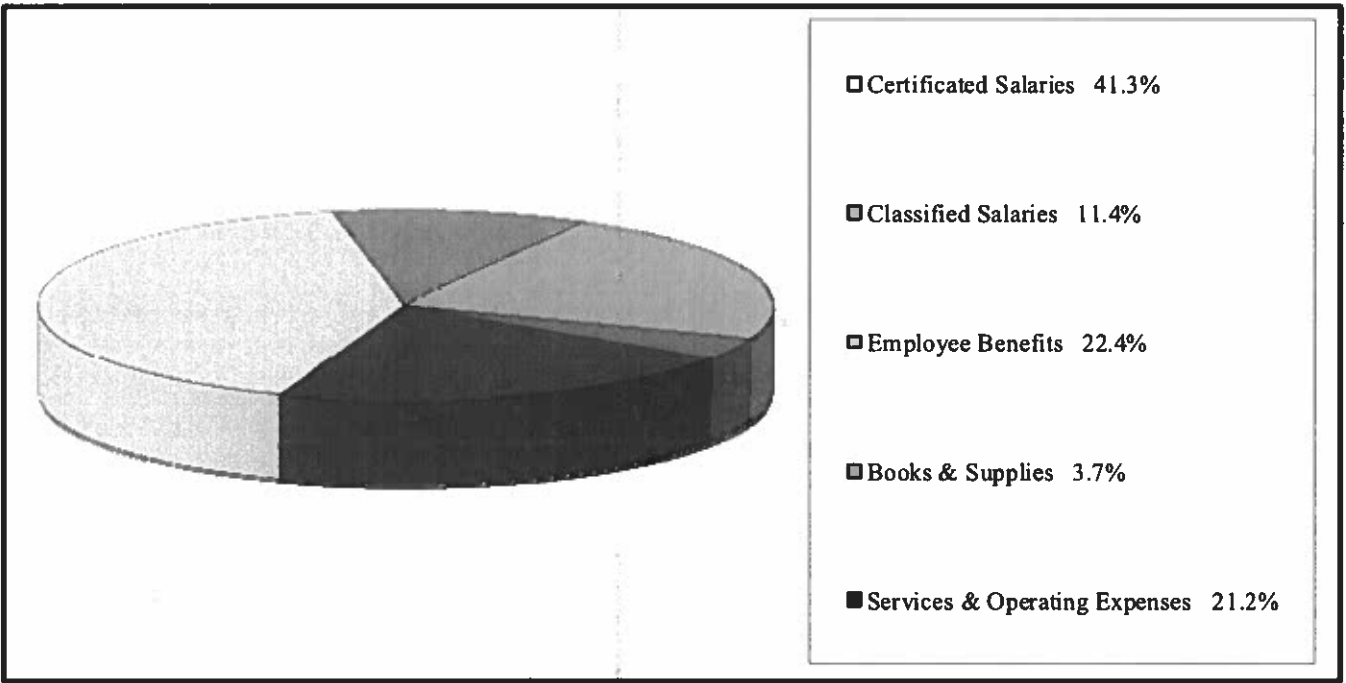
However, this fund also had a prior year change in fair market value adjustment of (\$56,295) that was accounted for as an audit adjustment for the beginning balance to the fund. The current year Fair market value adjustment to Foundation Permanent Fund was (\$2,848) and was accounted for properly. The overall net change in fund balance for the current year is \$50,954.

The following charts graphically depict revenues and expenditures, both by major object as well as by function.

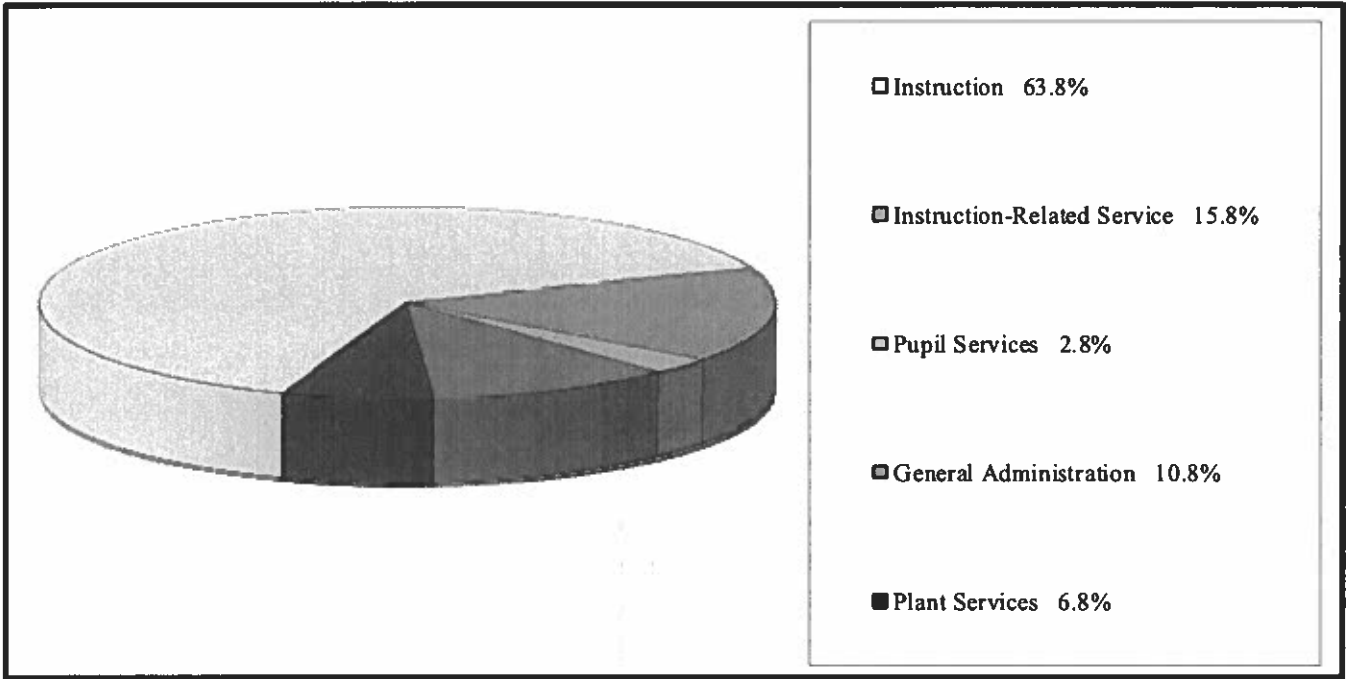
**2022/2023 General Fund Revenues**



**2022/2023 General Fund Expenditures by Object**



**2022/2023 General Fund Expenditures by Function**



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2023, the District had \$543,794 invested, net of accumulated depreciation, in capital assets. Current year depreciation expense is \$34,404. The additions in 2022/2023 were \$3,763 in construction in progress expenses related to the modernization planning.

	Governmental Activities		Net Change
	2023	2022	
<b>CAPITAL ASSETS</b>			
Construction In Progress	\$ 178,434	\$ 174,671	\$ 3,763
Land Improvements	528,645	528,645	-
Buildings And Improvements	1,048,724	1,048,724	-
Accumulated Depreciation	(1,212,009)	(1,177,605)	(34,404)
<b>NET CAPITAL ASSETS</b>	<b>\$ 543,794</b>	<b>\$ 574,435</b>	<b>\$ (30,641)</b>

### Long-Term Debt

At year end, the District had \$1,092,852 in long-term debt. With the implementation of GASB 68, the District must reflect the District's amount of unfunded STRS/PERS liability with the State of California's retirement systems. The District's portion of the unfunded STRS/PERS liability with the State of California increased by \$359,029 in 2022/2023.

	Governmental Activities		Net Change
	2023	2022	
<b>LONG-TERM DEBT</b>			
Net Pension Liability	\$ 1,092,852	\$ 733,823	\$ 359,029
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 1,092,852</b>	<b>\$ 733,823</b>	<b>\$ 359,029</b>

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference in the original versus final budget amounts and actual versus budget amounts is primarily due to the following:

- ❑ The difference in Fund 01 Revenue between original and final budget is an increase totaling \$256,847. This increase is due to increasing property taxes, recognizing one-time federal unearned revenues, one-time state revenues, and higher donations. The increase was offset slightly by the GASB 31 Fair Market Value Adjustment. The revenues from original to final budget change due to additional information learned as the year progresses and the funding source allocations finalized and actual deposits realized.
- ❑ The difference in Fund 01 expenses between original and final budget is an increase totaling \$295,481. This is due to the addition of ELO-P expenditures, special education expenditures, and school site repairs due to weather conditions.
- ❑ Overall Revenue received was approximately \$4,608 more than budgeted amounts. The source was property taxes.
- ❑ Overall Expenditures spent were \$145,266 less than the final budget amounts. This is due to the budgeted repairs being reimbursed by insurance.

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 14, 2023. A schedule of the District's General Fund original and final budget amounts compared with actual revenues and expenditures is provided with the basic financial statements in the audited financial report.

## **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:

- ❑ Current enrollment is projected at 125 which is a 4.2% increase over 2022/2023. Enrollment has fluctuated due to the pandemic, families moving in and out of the area as well as 6<sup>th</sup> graders not going to middle school.
- ❑ The District is projected to realize a 4.2% increase in property taxes over prior year actuals, returning to 2019/2020 levels prior to the pandemic and wildfires.
- ❑ Modernization planning is still underway, and costs are being tracked in Fund 35 – County School Facilities Fund. Funding for modernization has been approved and is expected to begin in June of 2024. Currently the capital facilities fund only receives revenue from developer fees.
- ❑ The Parcel Tax continues to be another source of revenue for the District through fiscal year 2023/2024. The district will be going out for a new Parcel Tax in Spring 2024. Beginning in 2023/2024, the impact of Special Education costs on the district will be increasing.

## **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 Michelle Stewart, 3125 Branciforte Drive, Santa Cruz, CA 95065, phone 831-429-1456.

## FINANCIAL SECTION

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 1,887,635
Investments	970,494
Accounts receivable	68,938
Capital assets:	
Non-depreciable	178,434
Depreciable, net of accumulated depreciation	<u>365,360</u>
Total Assets	<u><u>\$ 3,470,861</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources - Pensions	<u>\$ 538,811</u>
Total Deferred Outflows of Resources	<u><u>\$ 538,811</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 110,204
Unearned revenue	51,693
Long-term debt:	
Due after one year	<u>1,092,852</u>
Total Liabilities	<u><u>\$ 1,254,749</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - Pensions	<u>\$ 755,968</u>
Total Deferred Inflows of Resources	<u><u>\$ 755,968</u></u>
<b>NET POSITION</b>	
Net Investment in capital assets	\$ 543,794
Restricted for:	
Capital projects	23,881
Educational programs	230,926
Other purposes (nonexpendable)	1,044,600
Unrestricted	<u>155,754</u>
Total Net Position	<u><u>\$ 1,998,955</u></u>

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

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 1,185,544	\$ 2,598	\$ 503,467	\$ 14,659	\$ (664,820)
Instruction-related services:					
Supervision of instruction	9,910	-	692	-	(9,218)
Instructional library, media and technology	400	-	-	-	(400)
School site administration	278,639	288	22,539	-	(255,812)
Pupil services:					
Food services	21,851	-	-	-	(21,851)
All other pupil services	33,421	-	44,692	-	11,271
General administration:					
Data processing	4,386	-	-	-	(4,386)
All other general administration	192,356	2	11,624	-	(180,730)
Plant services	182,145	817	30,403	-	(150,925)
Transfers between agencies	163	-	-	-	(163)
Total Governmental Activities	<u>\$ 1,908,814</u>	<u>\$ 3,705</u>	<u>\$ 613,417</u>	<u>\$ 14,659</u>	<u>(1,277,033)</u>
GENERAL REVENUES					
Taxes and subventions:					
Property taxes levied for general purposes					1,179,289
Taxes levied for other specific purposes					51,975
Federal and state aid not restricted to specific purposes					128,902
Interest and investment earnings					20,160
Miscellaneous					56,269
Total General Revenues					<u>1,436,595</u>
Change in Net Position					159,562
Net Position - Beginning					<u>1,839,393</u>
Net Position - Ending					<u>\$ 1,998,955</u>

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

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023**

	General Fund	Foundation Permanent Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 1,788,642	\$ 74,106	\$ 24,887	\$ 1,887,635
Investments	-	970,494	-	970,494
Accounts receivable	68,938	-	-	68,938
<b>Total Assets</b>	<b>\$ 1,857,580</b>	<b>\$ 1,044,600</b>	<b>\$ 24,887</b>	<b>\$ 2,927,067</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 109,198	\$ -	\$ 1,006	\$ 110,204
Unearned Revenue	51,693	-	-	51,693
<b>Total Liabilities</b>	<b>160,891</b>	<b>-</b>	<b>1,006</b>	<b>161,897</b>
<b>FUND BALANCES</b>				
Non spendable				
Cash in revolving fund	150	-	-	150
Restricted	230,926	970,494	23,881	1,225,301
Assigned				
Other assignments	263,333	74,106	-	337,439
Unassigned				
Reserve for economic uncertainties	100,203	-	-	100,203
Unassigned amount	1,102,077	-	-	1,102,077
<b>Total Fund Balance</b>	<b>1,696,689</b>	<b>1,044,600</b>	<b>23,881</b>	<b>2,765,170</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,857,580</b>	<b>\$ 1,044,600</b>	<b>\$ 24,887</b>	<b>\$ 2,927,067</b>

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

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<u>Detail</u>	<u>Total</u>
Total fund balances - governmental funds		\$ 2,765,170
<p>Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in governmental funds as follows:</p> <p>Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Historical cost of capital assets	\$ 1,755,803	
Accumulated depreciation	<u>(1,212,009)</u>	
		543,794
<p>Contributions to pension plans made subsequent to the measurement date are reported as expenditures in governmental funds, however, these contributions are reported as deferred outflows of resources in the statement of net position.</p>		
		184,823
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities, net of unamortized premiums, discounts, and deferred charges, are included in the Statement of Net Position.</p>		
Net pension liability		(1,092,852)
<p>Deferred outflows and inflows of resources relating to pensions:</p> <p>In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.</p>		
Deferred outflows of resources related to pensions		353,988
Deferred inflows of resources relating to pensions		<u>(755,968)</u>
Total net position, governmental activities		<u>\$ 1,998,955</u>

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

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Foundation Permanent Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
LCFF sources:				
State apportionments	\$ 95,751	\$ -	\$ -	\$ 95,751
Local sources	1,179,289	-	-	1,179,289
Federal	172,596	-	-	172,596
Other state	280,621	-	14,659	295,280
Other local	216,654	104,359	4,447	325,460
<b>Total Revenues</b>	<b>1,944,911</b>	<b>104,359</b>	<b>19,106</b>	<b>2,068,376</b>
<b>EXPENDITURES</b>				
Instruction	1,265,573	-	-	1,265,573
Instruction related services:				
Supervision of instruction	11,139	-	-	11,139
School site administration	302,965	9,269	-	312,234
Pupil services:				
Food services	21,851	-	-	21,851
All other pupil services	34,153	-	-	34,153
General administration:				
Data processing	4,386	-	-	4,386
All other general administration	209,585	-	74	209,659
Plant services	134,248	-	25,240	159,488
Facility acquisition and construction	-	-	3,762	3,762
Transfers between agencies	163	-	-	163
<b>Total Expenditures</b>	<b>1,984,063</b>	<b>9,269</b>	<b>29,076</b>	<b>2,022,408</b>
Excess (deficiency) of revenues over (under) expenditures	(39,152)	95,090	(9,970)	45,968
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	44,136	-	-	44,136
Operating transfers out	-	(44,136)	-	(44,136)
<b>Total Other Financing Sources (Uses)</b>	<b>44,136</b>	<b>(44,136)</b>	<b>-</b>	<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	4,984	50,954	(9,970)	45,968
Fund Balance - Beginning	1,691,705	993,646	33,851	2,719,202
Fund Balance - Ending	\$ 1,696,689	\$ 1,044,600	\$ 23,881	\$ 2,765,170

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

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Detail</u>	<u>Total</u>
Total change in fund balances - governmental funds		\$ 45,968
Amounts reported for governmental activities differ from amounts reported in governmental funds as follows:		
Capital Outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$ 3,763	
Depreciation expense	<u>(34,404)</u>	
		(30,641)
Contributions to pension plans made subsequent to the measurement date are reported as expenditures in governmental funds, however, these contributions are reported as deferred outflows of resources in the statement of net position.		184,823
Changes in the net pension liability, deferred outflows of and deferred inflows of resources are reported as pension expenses in the statement of activities.		<u>(40,588)</u>
Change in net position of governmental activities		<u>\$ 159,562</u>

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

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES**

**A.   General Statement**

The Happy Valley Elementary School District is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five-member Board of Trustees (Board), elected by registered voters of the District. The District, comprised an area in Santa Cruz County, was established in 1864, and currently serves students of Kindergarten through sixth grade.

**B.   Accounting Policies**

The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants (AICPA). The District complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

**C.   Reporting Entity**

The Board, elected by the public, has authority to make decisions, appoint administrators and managers, and significantly influence operations; furthermore, it has primary accountability for fiscal matters. The District is therefore a financial reporting entity, as defined by the GASB in its Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

The District has reviewed criteria to determine whether other entities with District-benefiting activities should be included within its financial reporting entity. The criteria include, but are not limited to: whether the District exercises oversight-responsibility (including financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District determined that no outside entity meets these criteria, and therefore, no agency has been included as a component unit in the District's general-purpose financial statements. Additionally, the District is not aware of any entity that would exercise such oversight-responsibility resulting in the District being considered a component unit of that entity.

**D.   Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued pronouncements prior to June 30, 2023, that have effective dates that may impact future financial presentations; however, the impact of the implementation of each of the statements below to the District's financial statements has not been assessed at this time.

**Statement No. 99, *Omnibus 2022***

In April of 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

This Statement clarifies certain provision of GASB Statement Nos. 34, 53, 63, 87, 94, and 96. In addition, the Statement extends the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualified evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; clarifies account for the distribution of benefits as part of the Supplemental Nutrition Assistance Program; clarifies disclosures related to nonmonetary transactions; and clarifies pledges of future revenues when resources are not received by the pledging government.

Some requirements of this Statement are effective upon issuance while others are effective for fiscal years beginning after June 15, 2022, or June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*

In June of 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*

In June of 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Statement No. 102, *Certain Risk Disclosures*

In December of 2023, GASB issued Statement No. 101, *Certain Risk Disclosure*. The objective of this Statement is to establish financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints that limit the District's ability to acquire resources or to control spending. Concentrations are a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed by an external party or by formal action of a government's highest level of decision-making authority.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

The District will analyze the impact of these new Statements prior to the effective dates listed above. The provisions of these Statements are generally required to be applied retroactively for all periods presented. Early application, if allowable, was not adopted.

**E.   Basis of Presentation**

**1.   Government-Wide Financial Statements**

Government-wide financial statements (i.e., statement of net position, and the statement of activities) report information on all the nonfiduciary activities of the District and its component units. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which it is financially accountable.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2.   Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures or expenses, as appropriate.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The emphasis in fund financial statements is on the major funds in either the governmental-activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's accounts are organized into major and non-major governmental funds as follows:

**a.   Major Governmental Funds**

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources, except those specifically requiring accounting for in another fund.

The *Foundation Permanent Fund* is used to account for restricted endowment donations and related earned income. The District maintains these funds with the Community Foundation of Santa Cruz County and the County Treasury. A Board Resolution, relating to funds with the Community Foundation of Santa Cruz County, restricts twenty-five percent of earned income to additional principal, and allows seventy-five percent of earned income to supplement instructional programs in the General Fund, with board approval.

**b.   Non-major Governmental Funds**

*Capital Projects Funds* are used to account for acquisition and construction of all major governmental capital assets. The District maintains the following non-major capital projects fund:

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

The *County School Facilities Fund* is used to account for State apportionments provided from State School Facility Program funding, and expenditures relating to acquisition, construction, or renovation of approved capital facilities projects.

**F.   Basis of Accounting**

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting.

Governmental funds are reported using the current financial resources measurement focus, and the modified accrual basis of accounting.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1.   Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter, for use in paying liabilities of the current fiscal year. For the District, "available" means collectable within the current period or within 45, 60, or 90 days after year-end, depending on the revenue source.

However, to achieve comparability of reporting among California Districts, and as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state aid apportionments, the California Department of Education has defined available as collectible within one year.

Non-exchange transactions are those in which the District receives value without directly giving equal value in return, including property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which resources are provided to the District on a reimbursement basis. Under modified accrual basis, revenue from non-exchange transactions must also be available before it is recognized.

**2.   Unearned Revenue**

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

**3.   Expenses/Expenditures**

Under accrual basis of accounting, expenses are recognized at the time incurred. However, the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures), rather than expenses. Expenditures are generally recognized in the accounting period in which related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G.   Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. 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.

During the year, these budgets are revised by the District's governing board and superintendent to give consideration to unanticipated revenue and expenditures. Original and final revised budgets for the General Fund are presented as required supplementary information in these financial statements.

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

**H.   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 on June 30.

**I.   Assets, Liabilities, and Equity**

**1.   Cash and Equivalents**

The District considers all highly liquid investments, with a maturity of three months or less at the time of purchase, to be cash equivalents.

**2.   Receivables**

Accounts receivable in governmental fund types consist primarily of receivables from federal, state, and local governments for various programs.

**3.   Prepaid Expenditures**

The District has the option of reporting expenditures for prepaid items in governmental funds either when paid, or during the benefiting period. The District has chosen to report the expenditure when paid and, therefore, no asset is reported.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4.   Capital Assets**

Capital assets are those purchased or acquired with an original cost of \$20,000 or more, and are reported at historical cost, or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets, or materially extend the asset's lives, are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis and an annual convention over the following estimated useful lives:

Land improvements	20
Buildings and improvements	20 - 50

**5.   Compensated Absences**

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.

**6.   Pensions**

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

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7.   Accrued Liabilities and Long-Term Obligations**

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

**8.   Deferred Outflows/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 or fund balance that applies to a future period(s) and thus, 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**9.   Fund Balance Classifications**

The governmental fund financial statements present fund balances based on a classification hierarchy that depicts the extent to which the District is bound by spending constraints imposed on the use of its resources. The classifications used in the governmental fund financial statements are as follows:

**a.   Non-spendable Fund Balance**

The non-spendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory and prepaid items. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact.

**b.   Restricted Fund Balance**

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide statements.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c.   Committed Fund Balance**

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the highest level of decision-making authority. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

**d.   Assigned Fund Balance**

The assigned fund balance classification reflects amounts that the District intends to be used for specific purposes. Assignments may be established either by the Board of Trustees or by a designee of the Board of Trustees and are subject to neither the restricted nor committed levels of constraint.

Constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the highest level of decision-making authority. The action may be delegated to another body or official.

**e.   Unassigned Fund Balance and Minimum Fund Balance Policy**

In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

**f.   Spending Order Policy**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

**g.   Minimum Fund Balance Policy**

The District has adopted a minimum fund balance policy in order to protect against revenue shortfalls and unexpected one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts which represent the minimum recommended reserve consistent with the criteria and standards for fiscal solvency adopted by the State Board of Education. The minimum recommended reserve for a district this size is 5% of budgeted General Fund expenditures and other financing uses.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**10. Local Control Funding Formula / Property Taxes**

The District's local control funding formula revenue is received from a combination of local property taxes, state apportionments, and other local sources.

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula sources by the District.

The California Department of Education reduces the District's entitlement by the District local property tax revenue. The balance is paid from the state General Fund and is known as the State Apportionment.

The District's Base Local Control Funding Formula Revenue is the amount of general-purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the second period ADA to derive the District's total entitlement.

**J. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 2. CASH, EQUIVALENTS, AND INVESTMENTS**

Cash, equivalents and investments at June 30, 2023 are classified in the accompanying financial statements as follows:

	<u>Governmental Activities</u>
Cash and Equivalents	
Pooled Funds:	
Cash in county treasury	\$ 1,960,025
Fair value adjustment to cash in county treasury	<u>(72,540)</u>
Net Cash in County Treasury	1,887,485
Deposits:	
Cash in revolving fund	<u>150</u>
Total Cash and Equivalents	<u><u>\$ 1,887,635</u></u>
Investments:	
Santa Cruz Community Foundation	<u>\$ 970,494</u>
Total Investments	<u><u>\$ 970,494</u></u>

**A. Cash in County Treasury**

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

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

The Treasury is restricted by *Government Code* Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2. CASH, EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments Authorized by the District's Investment Policy**

The table below identifies investment types authorized for the District by the *California Government Code* Section 53601. This table also identifies certain provisions of the *California Government Code* that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations			
CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Bankers Acceptances	180 days	40%	None
Commercial Paper - Non-Pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO
Commercial Paper - Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	50%	None
Placement Service Certificates of Deposit	5 years	50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better
County Pooled Investment Funds	N/A	None	None
Joint Power Authority Pools	N/A	None	Multiple
Local Agency Investment Funds (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better
Public Bank Obligations	5 years	None	None

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 2. CASH, EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Investment Valuation**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	<u>Maturities</u>	<u>Fair Value</u>	<u>Standard &amp; Poor's Rating</u>
Mutual Funds and Money Market Mutual Funds (Level 2)	Not Applicable	\$ 970,494	Not Rated
Total Investments		<u>\$ 970,494</u>	

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair values to changes in market interest rates. As of June 30, 2023, the weighted average maturity of the investments contained in the Treasury investment pool was 430 days.

**E. 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 County Treasury investment pool does not have a rating provided by a nationally recognized statistical rating organization.

**F. Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk for deposits.

Cash balances in banks and revolving funds are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2023, the District's bank balances were fully insured.

**G. Custodial Credit Risk – Investments**

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in 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 investments.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 3.     INVESTMENT FUND HELD AT SANTA CRUZ COMMUNITY FOUNDATION**

The Santa Cruz Community Foundation (Foundation) acts as an agent on behalf of the District holding mutual funds and marketable securities that were previously donated to the District. The Foundation invests the funds on the District's behalf in instruments that are fully insured or collateralized. The Foundation reports the District's fund as an agency fund, providing the District with annual audited financial statements and interim unaudited data on a quarterly basis.

**NOTE 4.     INTERFUND TRANSACTIONS**

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. 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/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 among governmental and/or proprietary funds are netted as part of the reconciliation to the government wide financial statements.

**A. Interfund Transfers**

Permanent reallocations of resources between funds of the reporting District are classified as interfund transfers. As of June 30, 2023, interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
			Annual transfer from the Endowment for the educational purpose of classroom aides in each room.
General Fund	Foundation Permanent Fund	\$ 44,136	
Total		<u>\$ 44,136</u>	

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5.     CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2023, are shown below:

	Balance July 1, 2022	Additions	Decreases	Balance June 30, 2023
<b>Capital Assets Not Being Depreciated:</b>				
Construction in progress	\$ 174,671	\$ 3,763	\$ -	\$ 178,434
<b>Total Capital Assets Not Being Depreciated</b>	<u>174,671</u>	<u>3,763</u>	<u>-</u>	<u>178,434</u>
<b>Capital Assets Being Depreciated:</b>				
Land improvements	528,645	-	-	528,645
Buildings and improvements	1,048,724	-	-	1,048,724
<b>Total Capital Assets Being Depreciated</b>	<u>1,577,369</u>	<u>-</u>	<u>-</u>	<u>1,577,369</u>
<b>Less Accumulated Depreciation for:</b>				
Land improvements	(211,130)	(22,657)	-	(233,787)
Buildings and improvements	(966,475)	(11,747)	-	(978,222)
<b>Total Accumulated Depreciation</b>	<u>(1,177,605)</u>	<u>(34,404)</u>	<u>-</u>	<u>(1,212,009)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>399,764</u>	<u>(34,404)</u>	<u>-</u>	<u>365,360</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u>\$ 574,435</u>	<u>\$ (30,641)</u>	<u>\$ -</u>	<u>\$ 543,794</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 11,347
Instruction related services:	
Instructional library, media, and technology	400
Plant services	<u>22,657</u>
<b>Total Depreciation Expense</b>	<u>\$ 34,404</u>

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6. PENSION PLANS**

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

**A. California State Teachers' Retirement System**

**1. Plan Description and Provisions**

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues publicly available reports, including full description of the pension plans regarding benefit provisions, assumptions, and membership information, found on CalSTRS' website.

**2. Benefits Provided**

The plan provides retirement, disability, and survivor benefits to beneficiaries. Beneficiaries of a retired member who elected an option receive a continuing lifetime benefit upon the member's death.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

Hire Date	After January 1, 2013	On Or Before December 31, 2012
Benefit Formula	2% @ age 62	2% @ age 60
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Payable upon retirement	Payable upon retirement
Retirement Age	Age 55 with at least 5 years service.	Age 55 with at least 5 years service, or age 50 with 30 years of service.
Monthly Benefits as a % of Eligible Compensation	Variable based on age factor 2.0% at age 62 to 2.4% maximum at age 65 or older.	Variable based on age factor 2.0% at age 60 to 2.4% maximum at age 63 or older.
Required Employee Contribution Rates	10.205%	10.250%
Required Employer Contribution Rates	16.92%	16.92%
Required State Contribution Rates	10.828%	10.828%

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6.     PENSION PLANS (Continued)**

**3.   Contributions**

Active plan members are required to contribute 10.25% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	\$	114,989
Contributions - state on behalf	\$	64,312

**4.   Discount Rate**

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed 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 (7.10 percent) and assuming that contribution, benefit payments, and administrative expense occurs midyear. Based on those assumptions, the State Teachers Retirement Plan's (STRP) fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6.     PENSION PLANS (Continued)**

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 following table:

	Asset Allocation	Long-Term Expected Real Rate of Return (a)
Public Equity	42.00%	4.75%
Private Equity	13.00%	6.25%
Real Assets	15.00%	3.55%
Inflation Sensitive	6.00%	3.25%
Fixed Income	12.00%	1.25%
Risk Mitigating Strategies	10.00%	1.75%
Cash/Liquidity	2.00%	-0.35%

**5.   On Behalf Payment**

The State of California makes contributions to STRS on behalf of the District. Under accounting principles generally accepted in the United States of America, these amounts have been recorded as revenue in the government-wide financial statements. For the year ended June 30, 2023 the District has recorded \$64,312 of State on behalf payments as revenue.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6. PENSION PLANS (Continued)**

**B. California Public Employees' Retirement System**

**1. Plan Description and Provisions**

The District contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**2. Benefits Provided**

The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age fifty with statutorily reduced benefits. All members are eligible for non-duty disability benefits after ten years of service.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>PEPRA</u>	<u>Classic</u>
	After January 1, 2013	On Or Before December 31, 2012
Hire Date		
Benefit Formula	2% @ age 62	2% @ age or 55
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly	Monthly
Retirement Age	Age 52 with at least 5 years service	Age 50 with at least 5 years service
Monthly Benefits as a % of Eligible Compensation	Variable based on age factor 2.0% at age 62 to 2.4% maximum	Variable based on age factor 2.0% at age 55 to 2.5% maximum
Required Employee Contribution Rates	7.00%	7.00%
Required Employer Contribution Rates	22.91%	22.91%

**3. Contributions**

Active plan members are required to contribute 7.0% of their salary, while the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions for determining the rate are those adopted by CalPERS' Board of Administration.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6.     PENSION PLANS (Continued)**

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	\$	29,793
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**4.   Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent. A projection of expected benefit payments and contributions was performed to determine if assets would be exhausted. 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 total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report found at CalPERS' website.

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 long-term expected rate of return, staff considered both short and long-term market return expectations, as well as expected pension fund cash flows. Such cash flows were developed assuming that, in all future years, both members and employers will make their required contributions as scheduled. Using historical returns of all fund asset classes, expected compound (geometric) returns were calculated over short-term (first 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short and long-term, the present value of benefits was calculated for each fund. Expected rate of return was set by calculating the single equivalent expected return arriving at the present value of benefits for cash flows equal to that calculated using both short and long-term returns. The expected rate of return was then set as the single equivalent rate and rounded down to the nearest quarter of a percent.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6. PENSION PLANS (Continued)**

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

	Asset Allocation	Real Return Years 1 - 10 (a) (b)
Global Entity - cap-weighted	30.00%	4.45%
Global Entity - noncap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

(a) an expected inflation of 2.30% used for this period

(b) figures are based on the 2021-22 Asset Liability Mar

**B. Social Security**

As established by Federal law, public-sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by social security or an alternative plan. The District has elected to use Social Security.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6. PENSION PLANS (Continued)**

**D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

**1. Pension Liability**

As of June 30, 2023, the District reported net pension liabilities for its proportionate shares of each Plan's net pension liability as follows:

CalSTRS	\$ 800,719
CalPERS	<u>292,133</u>
Total District net pension liability	1,092,852
State's proportionate share of the CalSTRS net pension liability associated with the District	<u>400,997</u>
Total	<u><u>\$ 1,493,849</u></u>

The District's net pension liability for each Plan is measured as its proportionate share of the net pension liability. The net pension liability of each Plan is measured as of June 30, 2022. The total pension liability for each Plan used to calculate net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022 using standard update procedures. The District's proportion of net pension liability 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 employers, actuarially determined. The District's proportionate share of net pension liability for each Plan as of June 30, 2021 and 2022 was as follows:

	<u>CalSTRS</u>	<u>CalPERS</u>
District Proportion - June 30, 2021	0.001207%	0.00091%
District Proportion - June 30, 2022	<u>0.001152%</u>	<u>0.00085%</u>
Change - Increase (Decrease)	-0.000055%	-0.00006%

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6. PENSION PLANS (Continued)**

**2. Pension Expenses and Deferred Outflows/Inflows of Resources**

For the year ended June 30, 2023, the District recognized pension expense of \$40,588. At June 30, 2023, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 184,823	\$ -
Differences between actual and expected experience	7,087	(60,672)
Changes in assumptions	87,405	-
Change in employer's proportion and difference between the employer's contributions and the employer's proportionate share contributions	203,100	(695,296)
Net differences between projected and actual earnings on plan investments	56,396	-
Total	<u>\$ 538,811</u>	<u>\$ (755,968)</u>

The \$184,823 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

For the Year Ended June 30:

2024	\$ (51,308)
2025	(66,779)
2026	(76,317)
2027	23,214
2028	(67,441)
Thereafter	(163,349)
	<u>\$ (401,980)</u>

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6. PENSION PLANS (Continued)**

**3. Actuarial Assumptions.**

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>CalSTRS</u>	<u>CalPERS</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Measurement Period	July 1, 2021 through June 30, 2022	July 1, 2021 through June 30, 2022
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation Rate	2.75%	2.30%
Payroll Growth	3.50%	Varies by Entry Age and Service
Investment Rate of Return	3.54%	6.90%
Experience Study / Period Upon Which Actuarial Experience Survey Assumptions Were Based	July 1, 2015 - June 30, 2018	2000-2019
Mortality Rate	Derived using a generational mortality approach with a base year of 2019 for the mortality rates. Projected improvement is based on 110% of the MP-2019 Ultimate Projection Scale	Derived using CalPERS' Membership Data for all Funds
Post-retirement Benefit Increases	2.00% simple for DB (Annually) Maintain 85% purchasing power level DB, Not applicable for DBS/CBB	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6. PENSION PLANS (Continued)**

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

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

	<u>CalSTRS</u>		<u>CalPERS</u>	
1% Decrease		6.10%		5.90%
Net Pension Liability	\$	1,359,918	\$	422,001
Current Discount Rate		7.10%		6.90%
Net Pension Liability	\$	800,719	\$	292,133
1% Increase		8.10%		7.90%
Net Pension Liability	\$	336,416	\$	184,802

**5. Pension Plan Fiduciary Net Position**

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

**NOTE 7. GENERAL LONG-TERM DEBT – SCHEDULE OF CHANGES**

A schedule of changes in long-term debt for the year ended June 30, 2023 is shown below:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Due within One Year</u>
Net Pension Liability	\$ 733,823	\$ 359,029	\$ -	\$ 1,092,852	\$ -
Totals	\$ 733,823	\$ 359,029	\$ -	\$ 1,092,852	\$ -

The net pension liability is liquidated from the funds for which the related employees are compensated.

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8.     RESTRICTED NET POSITION**

The District is a recipient of federal and state awards restricted categorical programs and as a result reported restricted net position in the amount of \$1,299,407. The District is not aware of any planned changes to the underlying legislation enabling restrictions.

**NOTE 9.     JOINT POWERS AGREEMENTS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year ending June 30, 2023 the District participated in several joint powers agreements (JPAs) to manage these risks. There were no significant reductions in coverage during the year. Settled claims have not exceeded coverage in any of the past three years.

The various JPAs and the services they provide the District are as follows:

- The Southern Peninsula Region Property and Liability Insurance Group (SPRIG) arrange for and provide property and liability insurance coverage for its member agencies.
- The Santa Cruz - San Benito County Schools Insurance Group (SC-SBCSIG) is an insurance purchasing pool, the intent of which is to achieve the benefits of a reduced premium for the member agencies by virtue of its grouping and representation with other participants in the SC-SBCSIG. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the SC-SBCSIG. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity-pooling fund" arrangement insures that each participant shares equally in the overall performance of the SC-SBCSIG.
- The Self-Insured Schools of California (SISC III) arranges for and provides medical insurance coverage for its member school districts.
- The Santa Cruz County School Health Insurance Group (HIG) arranges for and provides dental and vision insurance coverage for its member school districts.

The District also participated in one JPAs for other administrative and program operations as follows:

- The North Santa Cruz County Special Education Local Plan Area arranges for and provides special education services for students of member school districts.

The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs are governed by boards consisting of representatives from the member agencies. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the board. Each member district pays premiums commensurate with the level of coverage or service requested, and shares surpluses and deficits proportionate to its participation in the JPA. Separately issued financial statements can be requested from each JPA.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 10.     STATE TEACHERS' RETIREMENT SYSTEM EARLY RETIREMENT INCENTIVE PROGRAM**

The District did not enter into any early retirement incentive agreements during 2022/2023, pursuant to California Education Code, Sections 22714 and 44929, whereby the service credit to eligible employees is increased by two years.

**NOTE 11.     COMMITMENTS AND CONTINGENCIES**

**A.   Grants**

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

**B.   Litigation**

As of June 30, 2023 the District is not currently involved in any litigation.

**C.   Commitments**

As of June 30, 2023 the District had no material commitments outstanding.

**NOTE 12.     SUBSEQUENT EVENTS**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the District January 30, 2024 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION SECTION

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b>REVENUES</b>				
Local control sources:				
State apportionments	\$ 96,475	\$ 95,653	\$ 95,751	\$ 98
Local sources	1,151,680	1,173,754	1,179,289	5,535
Federal	161,924	173,021	172,596	(425)
Other state	111,380	275,806	280,621	4,815
Other local	161,997	221,226	216,654	(4,572)
Contributions	-	843	-	(843)
<b>Total Revenues</b>	<b>1,683,456</b>	<b>1,940,303</b>	<b>1,944,911</b>	<b>4,608</b>
<b>EXPENDITURES</b>				
Certificated salaries	770,501	811,874	818,991	(7,117)
Classified salaries	214,559	227,997	225,714	2,283
Employee benefits	436,309	436,197	444,216	(8,019)
Books and supplies	76,872	88,597	74,353	14,244
Services and other operating expenditures	335,285	392,048	420,626	(28,578)
Other outgo	322	322	163	159
<b>Total Expenditures</b>	<b>1,833,848</b>	<b>1,957,035</b>	<b>1,984,063</b>	<b>(27,028)</b>
Excess (deficiency) of revenues over expenditures before other financing Sources (uses)	(150,392)	(16,732)	(39,152)	(22,420)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	38,791	38,791	44,136	5,345
<b>Total Other Financing Sources (Uses)</b>	<b>38,791</b>	<b>38,791</b>	<b>44,136</b>	<b>5,345</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>(111,601)</b>	<b>22,059</b>	<b>4,984</b>	<b>(17,075)</b>
<b>Fund Balance - Beginning</b>	<b>1,691,705</b>	<b>1,691,705</b>	<b>1,691,705</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,580,104</b>	<b>\$ 1,713,764</b>	<b>\$ 1,696,689</b>	<b>\$ (17,075)</b>

See accompanying notes to required supplementary information.

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>CalSTRS</b>									
Proportion as a percentage of the net pension liability	0.0013%	0.0015%	0.0014%	0.0014%	0.0016%	0.0013%	0.0011%	0.0012%	0.0012%
Proportionate share of the net pension liability	\$ 759,681	\$ 1,009,860	\$ 1,133,883	\$ 1,324,802	\$ 1,511,125	\$ 1,195,591	\$ 1,092,824	\$ 549,186	\$ 800,719
State's proportionate share of the net pension liability	458,733	534,057	645,499	783,742	865,190	652,275	563,351	276,329	400,997
Total	\$ 1,218,414	\$ 1,543,917	\$ 1,779,382	\$ 2,108,544	\$ 2,376,315	\$ 1,847,866	\$ 1,656,175	\$ 825,515	\$ 1,201,716
Covered payroll	\$ 375,265	\$ 462,633	\$ 469,180	\$ 499,308	\$ 541,532	\$ 849,837	\$ 369,052	\$ 395,942	\$ 400,659
Proportionate share of the net pension liability as a percentage of its covered payroll	202%	218%	242%	265%	279%	141%	296%	139%	200%
Plan fiduciary net position as a percentage of the total pension liability	77%	74%	70%	70%	71%	73%	72%	72%	81%
<b>CalPERS</b>									
Proportion as a percentage of the net pension liability	0.0022%	0.0020%	0.0019%	0.0021%	0.0021%	0.0021%	0.0008%	0.0009%	0.0008%
Proportionate share of the net pension liability	\$ 249,754	\$ 294,802	\$ 375,251	\$ 503,713	\$ 559,169	\$ 610,864	\$ 254,872	\$ 184,637	\$ 292,133
Covered payroll	\$ 116,309	\$ 106,725	\$ 115,885	\$ 160,675	\$ 162,214	\$ 286,087	\$ 91,523	\$ 115,670	\$ 115,477
Proportionate share of the net pension liability as a percentage of its covered payroll	215%	276%	324%	313%	345%	214%	278%	160%	253%
Plan fiduciary net position as a percentage of the total pension liability	84%	79%	74%	72%	71%	70%	70%	75%	70%

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

See accompanying notes to required supplementary information.

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS - PENSION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>CalSTRS</b>									
Contractually required contribution	\$ 48,929	\$ 59,919	\$ 76,614	\$ 95,275	\$ 126,295	\$ 115,840	\$ 110,412	\$ 123,792	\$ 127,647
Less contributions in relation to the contractually required contribution	49,535	59,217	78,353	97,365	119,137	260,050	105,918	102,153	114,989
Contribution deficiency (excess)	<u>\$ (606)</u>	<u>\$ 702</u>	<u>\$ (1,739)</u>	<u>\$ (2,090)</u>	<u>\$ 7,158</u>	<u>\$ (144,210)</u>	<u>\$ 4,494</u>	<u>\$ 21,639</u>	<u>\$ 12,658</u>
Covered payroll	\$ 375,265	\$ 462,633	\$ 469,180	\$ 499,308	\$ 541,532	\$ 849,837	\$ 369,052	\$ 395,942	\$ 400,659
Contributions as a percentage of covered payroll*	13%	13%	17%	20%	22%	31%	29%	26%	29%
<b>CalPERS</b>									
Contractually required contribution	\$ 26,048	\$ 25,765	\$ 27,095	\$ 37,318	\$ 42,961	\$ 52,443	\$ 31,127	\$ 26,952	\$ 29,794
Less contributions in relation to the contractually required contribution	25,937	26,041	27,117	37,116	43,149	75,527	23,613	26,951	29,793
Contribution deficiency (excess)	<u>\$ 111</u>	<u>\$ (276)</u>	<u>\$ (22)</u>	<u>\$ 202</u>	<u>\$ (188)</u>	<u>\$ (23,084)</u>	<u>\$ 7,514</u>	<u>\$ 1</u>	<u>\$ 1</u>
Covered payroll	\$ 116,309	\$ 106,725	\$ 115,885	\$ 160,675	\$ 162,214	\$ 286,087	\$ 91,523	\$ 115,670	\$ 115,477
Contributions as a percentage of covered payroll*	22%	24%	23%	23%	27%	26%	26%	23%	26%

\* Statements 67 and 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use the measure in schedules of required supplementary information. Statement No. 82 amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

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

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1.     PURPOSE OF REQUIRED SUPPLEMENTARY INFORMATION**

**A. Budgetary Comparison Schedule**

Budgetary comparison schedules are required to be presented for the General Fund and each major special revenue fund that has a legally adopted budget. The originally adopted and final revised budgets are presented for such funds. The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code.

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

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

Benefit changes – None

Changes of Assumptions:

2020-21

CalPERS assumption for discount rate decreased from 7.15% to 6.90% and inflation rate was reduced from 2.50% to 2.30%.

2019-20

CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates.

2018-19

CalPERS Board adopted new mortality assumptions for the plan. Assumption for inflation rate was reduced from 2.75% to 2.50%.

2017-18

CalSTRS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 3.00% to 2.75%; assumption for discount rate decreased from 7.60% to 7.10%; and assumption for payroll growth was reduced from 3.75% to 3.50%.

CalPERS applied a new discount rate decreasing the rate from 7.65% to 7.15%.

2015-16

CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 1.     PURPOSE OF REQUIRED SUPPLEMENTARY INFORMATION** (Continued)

**C. Schedule of the District's Contributions - Pension**

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

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

For the year ended June 30, 2023, expenditures exceeded appropriations by the following amounts:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Certificated salaries	\$     7,117
Employee benefits	8,019
Services, other operating expenses	28,578

Total expense exceeded the budget. Therefore, there are no unexpended appropriations in other categories.

## SUPPLEMENTARY INFORMATION SECTION

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
JUNE 30, 2023**

The Happy Valley Elementary School District (District) was established on September 1, 1843 and comprises an area located in Santa Cruz County. There were no changes in the boundaries of the District during the current year. The District currently operates one elementary school.

**BOARD OF TRUSTEES**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Mr. Cliff Hodges	President	November, 2026
Mr. Jacob Willet	Clerk	November, 2026
Mr. Kyle Frandle	Trustee	November, 2024
Ms. Katie Freeman	Trustee	November, 2024
Ms. Rachel Click Richardson	Trustee	November, 2026

**ADMINISTRATION**

<u>Name</u>	<u>Title</u>	<u>Tenure</u>
Ms. Michelle Stewart	Superintendent / Principal	2 Years

**ADDRESS OF DISTRICT OFFICE**

3125 Branciforte Drive  
Santa Cruz, CA 95065

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>
Certification Numbers	<u>57E52F0E</u>		<u>5A3A9A19</u>	
Grades TK / K-3:				
Regular Average Daily Attendance	<u>66.47</u>	<u>N/A</u>	<u>66.84</u>	<u>N/A</u>
Grades TK / K-3 Totals	<u>66.47</u>	<u>N/A</u>	<u>66.84</u>	<u>N/A</u>
Grades 4 - 6:				
Regular Average Daily Attendance	<u>42.91</u>	<u>N/A</u>	<u>43.26</u>	<u>N/A</u>
Grades 4 - 6 Totals	<u>42.91</u>	<u>N/A</u>	<u>43.26</u>	<u>N/A</u>
Total ADA	<u>109.38</u>	<u>N/A</u>	<u>110.10</u>	<u>N/A</u>

N/A - There were no audit findings resulting in necessary revisions to attendance.

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2023**

Grade Level	Required Minutes	2022/2023 Actual Minutes	Actual		Approved J-13A Credited Minutes	Approved J-13A Credited Days <sup>2</sup>	2022/2023 Total Minutes	Total	
			Number of Instructional Days Offered <sup>1</sup>	Number of Instructional Days Offered <sup>1/2</sup>				Number of Instructional Days Offered <sup>1/2</sup>	Status
Kindergarten	36,000	49,255	178	180	560	2	49,815	180	In Compliance
Grade one	50,400	51,060	178	180	600	2	51,660	180	In Compliance
Grade two	50,400	51,060	178	180	600	2	51,660	180	In Compliance
Grade three	50,400	51,060	178	180	600	2	51,660	180	In Compliance
Grade four	54,000	55,230	178	180	660	2	55,890	180	In Compliance
Grade five	54,000	55,230	178	180	660	2	55,890	180	In Compliance
Grade six	54,000	55,230	178	180	660	2	55,890	180	In Compliance

<sup>1</sup> The District did not utilize a multitrack calendar during the 2022/2023 year.

<sup>2</sup> The District has a pending Form J-13A of 2 emergency closure days for the fiscal year 2022/2023 from the California Department of Education.

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>General Fund:</b>	<b>(Budgeted) *</b> <b>2023/2024</b>	<b>2022/2023</b>	<b>2021/2022</b>	<b>2020/2021</b>
Revenues and Other Financing Sources	\$ 1,792,408	\$ 1,989,047	\$ 1,723,924	\$ 1,582,572
Expenditures	2,083,079	1,984,063	1,636,780	1,446,345
Other Uses and Transfers Out	-	-	13,929	-
Total Outgo	2,083,079	1,984,063	1,650,709	1,446,345
Change in Fund Balance	(290,671)	4,984	73,215	136,227
Ending Fund Balance	\$ 1,406,018	\$ 1,696,689	\$ 1,691,705	\$ 1,618,490
Available Reserves <sup>1</sup>	\$ 899,597	\$ 1,202,280	\$ 1,257,287	\$ 1,187,074
Reserve for Economic Uncertainties	\$ 105,154	\$ 100,203	\$ 83,535	\$ 73,317
Unassigned Fund Balance	\$ 794,443	\$ 1,102,077	\$ 1,173,752	\$ 1,113,757
Available Reserves as a percentage of Total Outgo	43.2%	60.6%	76.2%	82.1%
Total Long-Term Debt	\$ 1,092,852	\$ 1,092,852	\$ 733,823	\$ 1,347,696
Average Daily Attendance at P-2	112	109	102	109

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trends 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 \$78,199 over the past two years. The District has not incurred an operating deficit in any of the past three years. The 2023/2024 General Fund budget projects a decrease of \$290,671 (-17.1%).

For a District of this size, the state recommends available reserves of at least 5% of total General Fund expenditures, transfers out, and other uses (other outgo).

Total long-term debt has decreased by \$254,844 over the past two years.

Average daily attendance has not changed over the past two years. The ADA is anticipated to increase 3 ADA during the fiscal year 2023/2024.

\* The 2023/2024 budget is included for analytical purposes only and has not been subjected to audit.

<sup>1</sup> Available reserves consists of all unassigned fund balances and reserves for economic uncertainty that are contained within the governmental funds. Unassigned fund balances are typically only reported in the General Fund. However, other governmental funds may report negative unassigned fund balances and are included in the reported available reserves.

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND  
BUDGET REPORT (SACS) WITH AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Reserve Fund for Other Than Capital Outlay Projects *</u>
June 30, 2023 Annual Financial and Budget Report (SACS) Fund Balance	\$ 1,333,153	\$ 363,536
Adjustments and Reclassifications:		
Reclassification for financial statement presentation	<u>363,536</u>	<u>(363,536)</u>
June 30, 2023 Audited Financial Statement Fund Balance	<u>\$ 1,696,689</u>	<u>\$ -</u>

\* This audit reclassification is made for financial presentation purposes only, pursuant to GASB 54 which, when applied, does not recognize this fund as a special revenue fund type. Therefore, the fund balance is consolidated with the General Fund. However, the District is permitted under current State law to account for this fund as a special revenue fund type for interim reporting and budgeting purposes.

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
OTHER GOVERNMENTAL FUNDS FINANCIAL STATEMENT  
COMBINING BALANCE SHEET  
JUNE 30, 2023**

	<u>Capital Facilities Fund</u>	<u>County School Facilities Fund</u>	<u>Total Other Governmental Funds</u>
<b>ASSETS</b>			
Cash and equivalents	\$       11	\$     24,876	\$     24,887
<b>Total Assets</b>	<u>\$       11</u>	<u>\$     24,876</u>	<u>\$     24,887</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$           -	\$     1,006	\$     1,006
<b>Total Liabilities</b>	<u>          -</u>	<u>      1,006</u>	<u>      1,006</u>
Fund Balance:			
Non spendable			
Restricted	<u>         11</u>	<u>     23,870</u>	<u>     23,881</u>
<b>Total Fund Balance</b>	<u>         11</u>	<u>     23,870</u>	<u>     23,881</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$       11</u>	<u>\$     24,876</u>	<u>\$     24,887</u>

See accompanying notes to supplementary information.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
OTHER GOVERNMENTAL FUNDS FINANCIAL STATEMENT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Facilities Fund	County School Facilities Fund	Total Other Governmental Funds
REVENUES			
Other state	\$ -	\$ 14,659	\$ 14,659
Other local	4,691	(244)	4,447
Total Revenues	4,691	14,415	19,106
EXPENDITURES			
Services and other operating expenditures	25,314	3,762	29,076
Total Expenditures	25,314	3,762	29,076
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(20,623)	10,653	(9,970)
Net Increase (Decrease) in Fund Balance	(20,623)	10,653	(9,970)
Fund Balance - Beginning	20,634	13,217	33,851
Fund Balance - Ending	\$ 11	\$ 23,870	\$ 23,881

See accompanying notes to supplementary information.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 1.     PURPOSE OF SUPPLEMENTARY INFORMATION**

**A.   Local Education Agency Organization Structure**

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

**B.   Schedule of Average Daily Attendance**

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 the District. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**C.   Schedule of Instructional Time**

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

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by Education Code Section 46201.

**D.   Schedule of Financial Trends and Analysis**

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

**E.   Reconciliation of Annual Financial and Budget Report (SACS) with Audited Financial Statements**

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

**F.   Schedule of Charter School**

This schedule represents a complete listing of all charter schools authorized by the District and indicates whether their financial activities and balances have been included in the District's annual audited financial statements for the year ended June 30, 2023. The District has not authorized any Charter Schools; therefore this schedule has not been included for 2022/2023.

**G.   Other Governmental Funds Financial Statements**

These statements provide information on the Happy Valley Elementary School District's (District) Governmental non-major funds, by object.

## OTHER INDEPENDENT AUDITOR'S REPORTS

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

Board of Trustees  
Happy Valley Elementary School District  
Santa Cruz, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Happy Valley Elementary School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 30, 2024.

**Report on Internal Control over Financial Reporting**

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

## **Report on Compliance and Other Matters**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robertson & Associates, CPAs*

Lakeport, California

January 30, 2024

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees  
Happy Valley Elementary School District  
Santa Cruz, California

### Report on State Compliance

#### *Opinion on State Compliance*

We have audited Happy Valley Elementary School District (District) compliance with the types of compliance requirements described in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, California Code of Regulations, section 19810, that could have a direct and material effect on each of the District's state programs for the year ended June 30, 2023, as identified below.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its state programs for the year ended June 30, 2023.

#### *Basis for Opinion on State Compliance*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, California Code of Regulations, section 19810 (the K-12 Audit Guide). Our responsibilities under those standards and the K-12 Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

### ***Auditors' Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and K-12 Audit Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the District's compliance with state laws and regulations applicable to the following items:

Description	Procedures Performed
<b>Local Education Agencies Other Than Charter Schools:</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No, See Below
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	No, See Below
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, See Below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	No, See Below
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	No, See Below
Home to School Transportation Reimbursement	No, See Below
Independent Study Certification for ADA Loss Mitigation	No, See Below

Description	Procedures Performed
<b>School Districts, County Office of Education and Charter Schools</b>	
California Clean Energy Jobs Act	No, See Below
After School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	No, See Below
Immunizations	No, See Below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Transitional Kindergarten	Yes
<b>Charter Schools</b>	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study For Charter Schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term "Not Applicable" used above is 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.

We did not perform testing for Ratios of Administrative Employees to Teachers because the District has one or fewer administrators.

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

We did not perform testing for Transportation Maintenance of Effort because the District did not participate in the program in 2012/2013 and therefore had no expenditures.

The District did not apply to be a District of Choice; therefore, we did not perform any procedures related to this program.

We did not perform testing as the District does not have a plan to provide transportation services for students in TK, K or any grades 1-6 for low income pupils.

The District did not submit an Independent Study Certificate for ADA Loss Mitigation for the 2021-22 annual period in the Principal Apportionment Data Collection Web application.

We did not perform California Clean Energy Jobs Act procedures because the related procedures were performed in a previous year.

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

We did not perform testing for immunization as the District was not on the list of LEA that required testing.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

*Robertson & Associates, CPAs*

Lakeport, California  
January 30, 2024

## FINDINGS AND RESPONSES SECTION

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2023**

**Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

_____	Yes	_____	X	_____	No
-------	-----	-------	---	-------	----

Significant deficiencies identified that are not  
considered to be material weaknesses?

_____	Yes	_____	X	_____	None
-------	-----	-------	---	-------	------

Noncompliance material to financial statements noted?

_____	Yes	_____	X	_____	No
-------	-----	-------	---	-------	----

*Federal Awards*

The District was not subject to Uniform Guidance Single Audit for the year ended June 30, 2023 because federal award expenditures did not exceed \$750,000.

*State Awards*

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

Unmodified

Internal control over financial reporting:

Material weakness identified?

_____	Yes	_____	X	_____	No
-------	-----	-------	---	-------	----

Significant deficiencies identified that are not  
considered to be material weaknesses?

_____	Yes	_____	X	_____	None
-------	-----	-------	---	-------	------

**HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2023**

**Financial Statement Findings**

There were no findings or questioned costs relative to the financial statements.

**Federal Award Findings and Questioned Costs**

The District was not subject to *Uniform Guidance Single Audit* for the year ended June 30, 2023 because federal award expenditures did not exceed \$750,000.

**State Award Findings and Questioned Costs**

There were no findings or questioned costs relative to state awards or programs.

HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023

**2022-001      Investment balance and interest earnings misstated**  
**State Code 30000 Internal Control**

Finding

During our audit of the investment balance with the Santa Cruz County Community Foundation, we identified an entry that was made incorrectly causing the ending investment balance to be overstated by \$56,296 and net investment losses to be understated by the same amount. Additional audit procedures applied to the account balances identified that an entry of \$28,148 was recorded in reverse. The error was not detected by management or employees in the normal course of performing their assigned functions.

Recommendation

Implement procedures that require year-end closing entries to including appropriate supporting documentation and to be reviewed and approved. Additionally, review account balances and/or journal entries after posting to the general ledger to ensure the entry was properly input. As part of the year-end closing process and preparation of financial statements, verify material account balances to supporting documents to ensure amounts are accurate. Finally, management should analytically review material account balances to ensure they are in line with management's expectations; balances that significantly differ from these expectations should be investigated.

Current Status

Implemented.

**QUARTERLY DISTRICT STATUS REPORT OF UNIFORM COMPLAINTS  
TO THE COUNTY SUPERINTENDENT OF SCHOOLS  
QUARTER ENDED December 31, 2023**

**DISTRICT:** Happy Valley Elementary      **Date Reported to District Governing Board** February 14, 2024

**I. INSTRUCTIONAL MATERIALS**

**A) Insufficient textbooks or instructional materials in the classroom:**

<b># of Complaints</b> 0	<b># of Complaints Resolved</b> 0	<b># of Complaints Unresolved*</b> 0
-----------------------------	--------------------------------------	---

• **Explanation:** \_\_\_\_\_

**B) Insufficient textbooks or instructional materials to take home:**

<b># of Complaints</b> 0	<b># of Complaints Resolved</b> 0	<b># of Complaints Unresolved*</b> 0
-----------------------------	--------------------------------------	---

• **Explanation:** \_\_\_\_\_

**C) Textbooks or instructional materials in poor or unusable condition:**

<b># of Complaints</b> 0	<b># of Complaints Resolved</b> 0	<b># of Complaints Unresolved*</b> 0
-----------------------------	--------------------------------------	---

• **Explanation:** \_\_\_\_\_

**II. TEACHER VACANCY OR MISASSIGNMENT**

**A) No assigned certified teacher at beginning of semester:**

<b># of Complaints</b> 0	<b># of Complaints Resolved</b> 0	<b># of Complaints Unresolved*</b> 0
-----------------------------	--------------------------------------	---

• **Explanation:** \_\_\_\_\_

**B) Teacher lacking credentials or training to teach English Language Learners (ELL) with  
More than 20% Ell in class:**

<b># of Complaints</b> 1	<b># of Complaints Resolved</b> 1	<b># of Complaints Unresolved*</b> 0
-----------------------------	--------------------------------------	---

• **Explanation:** Through the SARC we became aware that one of the part time teachers was not up to date with her CLAD certification. She applied for an emergency credential for 2023-24.

**D) Teacher instructing class lacking subject matter competency:**

<b># of Complaints</b> 1	<b># of Complaints Resolved</b> 1	<b># of Complaints Unresolved*</b> 0
-----------------------------	--------------------------------------	---

• **Explanation:** Through the SARC we became aware that one of the part time teachers did not have the proper certification as a Resource Specialist. She applied for an emergency credential for 2023-24.

**III. FACILITIES**

**A) Conditions pose an emergency or urgent threat to the health or safety of students/staff:**

<b># of Complaints</b> 0	<b># of Complaints Resolved</b> 0	<b># of Complaints Unresolved*</b> 0
-----------------------------	--------------------------------------	---

• **Explanation:** \_\_\_\_\_



State of California  
Commission on Teacher Credentialing  
Certification Division  
1900 Capitol Avenue  
Sacramento, CA 95811-4213

Email: [credentials@ctc.ca.gov](mailto:credentials@ctc.ca.gov)  
Website: [www.ctc.ca.gov](http://www.ctc.ca.gov)

## DECLARATION OF NEED FOR FULLY QUALIFIED EDUCATORS

Original Declaration of Need for year: \_\_\_\_\_

Revised Declaration of Need for year: 2324

### FOR SERVICE IN A SCHOOL DISTRICT OR DISTRICT/COUNTY AUTHORIZED CHARTER SCHOOL

Name of District or Charter: Happy Valley Elementary District CDS Code: 69757

Name of County: Santa Cruz County CDS Code: 44

By submitting this annual declaration, the district is certifying the following:

- A diligent search, as defined below, to recruit a fully prepared teacher for the assignment(s) was made
- If a suitable fully prepared teacher is not available to the school district, the district will make a reasonable effort to recruit based on the priority stated below

The governing board/body of the school district or charter school specified above adopted a declaration at a regularly scheduled public meeting held on 2 / 14 / 2024 certifying that there is an insufficient number of certificated persons who meet the district's specified employment criteria for the position(s) listed on the attached form. The attached form was part of the agenda, and the declaration did NOT appear as part of a consent calendar.

#### ► Enclose a copy of the board agenda item

With my signature below, I verify that the item was acted upon favorably by the board. The declaration shall remain in force until June 30, 2024.

Submitted by (Superintendent, Board Secretary, or Designee):

Michelle Stewart

Superintendent/Principal

Name

Signature

Title

831-429-6205

831-429-1456

02/14/2024

Fax Number

Telephone Number

Date

3125 Branciforte Drive, Santa Cruz, CA 95065

Mailing Address

mstewart@hvesd.com

Email Address

### FOR SERVICE IN A COUNTY OFFICE OF EDUCATION, STATE AGENCY OR NONPUBLIC SCHOOL AGENCY

Name of County \_\_\_\_\_ County CDS Code \_\_\_\_\_

Name of State Agency \_\_\_\_\_

Name of NPS/NPA \_\_\_\_\_ County of Location \_\_\_\_\_

The Superintendent of the County Office of Education or the Director of the State Agency or the Director of the NPS/NPA specified above adopted a declaration on \_\_\_\_/\_\_\_\_/\_\_\_\_, at least 72 hours following his or her public announcement that such a declaration would be made, certifying that there is an insufficient number of certificated persons who meet the county's, agency's or school's specified employment criteria for the position(s) listed on the attached form.

The declaration shall remain in force until June 30, \_\_\_\_\_.

► **Enclose a copy of the public announcement**

Submitted by Superintendent, Director, or Designee:

Name	Signature	Title
Fax Number	Telephone Number	Date
Mailing Address		
EMail Address		

- *This declaration must be on file with the Commission on Teacher Credentialing before any emergency permits will be issued for service with the employing agency*

**AREAS OF ANTICIPATED NEED FOR FULLY QUALIFIED EDUCATORS**

Based on the previous year's actual needs and projections of enrollment, please indicate the number of emergency permits the employing agency estimates it will need in each of the identified areas during the valid period of this Declaration of Need for Fully Qualified Educators. This declaration shall be valid only for the type(s) and subjects(s) identified below.

This declaration must be revised by the employing agency when the total number of emergency permits applied for exceeds the estimate by ten percent. Board approval is required for a revision.

Type of Emergency Permit	Estimated Number Needed
CLAD/English Learner Authorization (applicant already holds teaching credential)	1
Bilingual Authorization (applicant already holds teaching credential)	
List target language(s) for bilingual authorization:	
	1
Resource Specialist	
Teacher Librarian Services	
Emergency Transitional Kindergarten (ETK)	

**LIMITED ASSIGNMENT PERMITS**

Limited Assignment Permits may only be issued to applicants holding a valid California teaching credential based on a baccalaureate degree and a professional preparation program including student teaching.

Based on the previous year's actual needs and projections of enrollment, please indicate the number of Limited Assignment Permits the employing agency estimates it will need in the following areas. Additionally, for the Single Subject Limited Assignment Permits estimated, please include the authorization(s) which will be requested:

TYPE OF LIMITED ASSIGNMENT PERMIT	ESTIMATED NUMBER NEEDED
Multiple Subject	
Single Subject	
Special Education	
TOTAL	

**Authorizations for Single Subject Limited Assignment Permits**

SUBJECT	ESTIMATED NUMBER NEEDED	SUBJECT	ESTIMATED NUMBER NEEDED
Agriculture		Mathematics	
Art		Music	
Business		Physical Education	
Dance		Science: Biological Sciences	
English		Science: Chemistry	
Foundational-Level Math		Science: Geoscience	
Foundational-Level Science		Science: Physics	
Health		Social Science	
Home Economics		Theater	
Industrial & Technology Education		World Languages (specify)	

### EFFORTS TO RECRUIT CERTIFIED PERSONNEL

The employing agency declares that it has implemented in policy and practices a process for conducting a diligent search that includes, but is not limited to, distributing job announcements, contacting college and university placement centers, advertising in local newspapers, exploring incentives included in the Teaching as a Priority Block Grant (refer to [www.cde.ca.gov](http://www.cde.ca.gov) for details), participating in state and regional recruitment centers and participating in job fairs in California.

If a suitable fully prepared teacher is not available to the school district, the district made reasonable efforts to recruit an individual for the assignment, in the following order:

- A candidate who qualifies and agrees to participate in an approved internship program in the region of the school district
- An individual who is scheduled to complete initial preparation requirements within six months

### EFFORTS TO CERTIFY, ASSIGN, AND DEVELOP FULLY QUALIFIED PERSONNEL

Has your agency established a District Intern program?

☐ Yes ☒ No

If no, explain. Not large enough to support one

Does your agency participate in a Commission-approved college or university internship program?

☐ Yes ☒ No

If yes, how many interns do you expect to have this year? 0

If yes, list each college or university with which you participate in an internship program.

---

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If no, explain why you do not participate in an internship program.

Don't experience many vacancies.

---

# **Directions for the Santa Cruz Countywide Comprehensive School Safety Template Part I - Public Components**

1. All sections of this template are required.
2. Add documents as Attachments.

# ***COMPREHENSIVE SCHOOL SAFETY PLAN***

## ***Part I – Public Components***

### ***2023-2024***

**School:** Happy Valley Elementary School  
**Address:** 3125 Branciforte Dr.  
Santa Cruz, CA 95065-9775  
**Principal:** Michelle Stewart, Superintendent/Principal  
**Phone Number:** 831-429-1456  
**E-mail Address:** mstewart@hvesd.com

**District:** Happy Valley Elementary School District  
**Superintendent** Michelle Stewart  
**Phone Number:** 831-429-1456  
**E-mail Address:** mstewart@hvesd.com

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## **Purpose of the Comprehensive School Safety Plan (CSSP)**

Sections 32280-32288 of the California Education Code outline the requirements of all schools operating any kindergarten and any grades 1 to 12, inclusive, to write and develop a Comprehensive School Safety Plan relevant to the needs and resources of that particular school.

It is the intent of the Legislature in enacting the provisions to support California public schools as they develop their mandated Comprehensive School Safety Plans that are the result of a systematic planning process, that include strategies aimed at the prevention of, and education about, potential incidents involving crime and violence on school campuses. Comprehensive School Safety Plans are required under SB 719 & AB 115 and must contain the following elements:

- Assessment of school crime committed on school campuses and at school-related functions
- Child abuse reporting procedures
- Disaster procedures
- Suspension and expulsion policies
- Procedures to notify teachers of dangerous pupils
- Discrimination and harassment policies
- School wide dress code policies
- Procedures for safe ingress and egress
- Policies enacted to maintain a safe and orderly environment
- Rules and procedures on school discipline
- Hate crime reporting procedures

The Comprehensive School Safety Plan will be reviewed and updated by March 1st every year. In July of every year, the school will report on the status of its school safety plan including a description of its key elements in the annual School Accountability Report Card (SARC).

A copy of the Comprehensive School Safety Plan Public Version – Part I is available for review at the Happy Valley Elementary School office, and online at [www.hvesd.com](http://www.hvesd.com).

**Plan Development and Approval**

The Happy Valley Elementary School Comprehensive School Safety Plan has been developed by:

School Site Council

X School Safety Planning Committee

Which includes the following members:

Name	Membership Role
Michelle Stewart, Superintendent/Principal	Principal or Principal's Designee
Carey Ruwe	Teacher from Happy Valley Elementary School
Carly Trotter	Parent whose child attends the School
Donna Walker	Classified Employee
	Law Enforcement Agency Representative
Bryan Wall (Santa Cruz County Office Of Education)	Other

Key Dates of Plan Development and Approval	Date(s)
Meeting with representative of law enforcement agency to develop the Plan	
Meeting at the school site to allow members of the public the opportunity to review and express opinions about the Plan	
School Site Council approval of the Plan	January 17,2024
School District Board approval of the Plan	
Submission to Santa Cruz County Office of Education for audit review	

**Current Status of School Crime**

This section presents data that will be analyzed to assess the current status of school crime committed on the Happy Valley Elementary School campus and at school-related functions. Data presented include:

Findings from the analysis of the data presented above include:

There is no crime or crime reports from Happy Valley

## **School Safety Strategies and Programs**

Happy Valley Elementary School is committed to school safety for all students, staff, and visitors. Many strategies and programs provide and maintain a high level of school safety.

### **School Vision/Mission Statement**

Happy Valley School's Mission is to educate the whole child in a small, safe community based school that provides a solid foundation to achieve academic, social, and emotional success.

Providing a safe learning environment is a priority for staff, parents, students, and school community members. Happy Valley Elementary School prepares students to be self-disciplined and responsible citizens who can meet the challenge of living in an ethnically and socio-economically diverse community. Happy Valley Elementary School promotes caring and nurturing relationships and work cooperatively with parents, students, law enforcement representatives, and other community agencies. Happy Valley Elementary School stresses prevention of violence on campus and prepares students to handle conflict, anger, and other threats to safety.

Programs are implemented to prevent drug, alcohol, and tobacco use. The Happy Valley Elementary School discipline policy provides students with behavior guidelines that are aligned to the California Education Code and district policies. School-wide rules, classroom rules, the dress code, and consequences for rule infractions provide students with clear expectations for behavior. The focus is to reduce barriers to learning as well as to build protective factors leading to student success, both academically and socially.

Intervention and prevention programs focus on positive youth development. Happy Valley Elementary School implements programs to create a positive school climate and promote social-emotional learning using research-based strategies. Happy Valley Elementary School implements multi-tiered systems of support/response to intervention for students that promote high expectations, maintain student engagement in school, and provide systems for student success.

Strategies and programs unique to Happy Valley Elementary School that provide a safe learning environment for all students, including specifically for LGBTQ students.

PeaceBuilders, Sanford Harmony Social Emotional Program.

## **Child Abuse Reporting Procedures**

(EC 35294.2 [a] [2]; PC 11166)

All school staff members actively monitor the safety and welfare of all students. Staff members understand their responsibility as child-care custodians and will immediately report all cases of known and suspected child abuse pursuant to Penal Code Section 11166. District employees who are mandated reporters, as defined by law and administrative regulation, are obligated to report all known or suspected incidents of child abuse and neglect.

Penal Code 11166. (a) Except as provided in subdivision (d), and in Section 11166.05, a mandated reporter shall make a report to an agency specified in Section 11165.9 whenever the mandated reporter, in his or her professional capacity or within the scope of his or her employment, has knowledge of or observes a child whom the mandated reporter knows or reasonably suspects has been the victim of child abuse or neglect. The mandated reporter shall make an initial report by telephone to the agency immediately or as soon as is practicably possible, and shall prepare and send, fax, or electronically transmit a written follow up report within 36 hours of receiving the information concerning the incident. The mandated reporter may include with the report any non-privileged documentary evidence the mandated reporter possesses relating to the incident.

Plans are also completed to assure ongoing monitoring of the student. School staff work closely with police and Child Protective Services with follow up actions as needed. Considerable effort is made to maintain the confidentiality of the student and employee in all cases of child abuse reporting. Copies of all written reports are maintained in a confidential file in the principal's office. Board Policy 5141.4 addresses Child Abuse Prevention and Reporting and is included in the Appendix of the Comprehensive School Safety Plan.

Staff is trained on a yearly basis regarding Child Abuse Reporting.

## **Emergency/Disaster Preparedness Training Schedule**

Happy Valley Elementary School will provide all students and staff with emergency/disaster preparedness training in a variety of procedures according to the following schedule:

<b>Training</b>	<b>Date(s)</b>
Fire Procedures	08/24/2023, 10/12/2023, 01/11/2024, 01/24/2024, 02/22/2024, 03/21/2024, 04/24/2024, 05/14/2024
Lock Down Procedures	02/09/2024, 04/26/2024
Code Red Procedures	04/24/2024
Shelter in Place Procedures	04/26/2024
Earthquake Emergency Procedures	09/29/2023, 11/29/2023, 02/22/2024, 04/24/2024

### **Procedures for Emergency Use by Public Agency – BP 3516**

As documented in Board Policy 3516, public agencies, including the American Red Cross, have permission to use school buildings, grounds, and equipment for mass care and welfare shelters during disasters or other emergencies affecting the public health and welfare. The Board will cooperate with such agencies in furnishing and maintaining whatever services they deem necessary to meet the community's needs. Board Policy 3516 is included in the Appendix.

Happy Valley has been used as an evacuation site before and will be of assistance if needed in the future.

### **Suspension/Expulsion Policies – BP 5144.1**

As documented in Board Policy 5144.1, the school desires to provide students access to educational opportunities in an orderly school environment that protects their safety and security, ensures their welfare and well-being, and promotes their learning and development. Rules and regulations set the standards of behavior expected of students and the disciplinary processes and procedures for addressing violations of those standards, including suspension and/or expulsion. Board Policy 5144.1 is included in the Appendix.

There have been 0 expulsions in the history of Happy Valley and there have been 5 suspensions in five years.

### **Procedures to Notify Teachers of Dangerous Pupils – BP 4158**

As documented in Board Policy 5148, the Superintendent or designee shall ensure that employees are informed, in accordance with law, regarding crimes and offenses by students who may pose a danger in the classroom. Board Policy 5148 is included in the Appendix.

### **Nondiscrimination/Harassment Policy – BP 5145.3**

As documented in Board Policy 5145.3, the Board of Education desires to provide a safe school environment that allows all students equal access and opportunities in the district's academic and other educational support programs, services, and activities. The Board prohibits, at any district school or school activity, unlawful discrimination, including discriminatory harassment, intimidation, and/or bullying of any student, based on actual or perceived characteristics of race or ethnicity, color, nationality, national origin, ethnic group identification, age, religion, physical or mental disability, sex, sexual orientation, gender, gender identity, gender expression, or any other characteristic identified in Education Code 200 or 220, Penal Code 422.55, or Government Code 11135, or based on association with a person or group with one or more of these actual or perceived characteristics. Board Policy 5145.3 is included in the Appendix.

Strategies and programs unique to Happy Valley Elementary School that provide a safe school environment for all students, including specifically for LGBTQ students.

There is information in the Parent Handbook regarding bullying and harassment. Student leadership includes Student Councils, the Peace Patrol who support students at recess, and the Green Team.

#### **Dress Code – BP 5132**

As documented in Board Policy 5132, the Board of Education believes that appropriate dress and grooming contribute to a productive learning environment. The Board expects students to give proper attention to personal cleanliness and to wear clothes that are suitable for the school activities in which they participate. Students' clothing must not present a health or safety hazard or a distraction which would interfere with the educational process. Students are prohibited from wearing gang-related apparel when there is evidence of a gang presence that disrupts or threatens to disrupt the school's activities. Board Policy 5132 is included in the Appendix.

Students follow the dress code that is outlined in the Parent/ Student Handbook.

#### **Rules and Procedures for School Discipline – BP 5144**

As documented in Board Policy 5144, the Board of Education is committed to providing a safe, supportive, and positive school environment which is conducive to student learning and to preparing students for responsible citizenship by fostering self-discipline and personal responsibility. The Board believes that high expectations for student behavior, use of effective school and classroom management strategies, provision of appropriate intervention and support, and parent involvement can minimize the need for disciplinary measures that exclude students from instruction as a means for correcting student misbehavior.

Code of Conduct and Procedures and Rules are outlined in the Parent Student Handbook as well as reviewed by the classroom teachers and reviewed at Back to School Night

#### **Bullying Prevention – BP 5131.2**

As documented in Board Policy 5131.2, the Board of Education is committed to creating a safe learning and working environment for all students and employees. The Board of Education recognizes the harmful effects of bullying on student learning and school attendance and desires to provide safe school environments that protect students from physical and emotional harm. District employees shall establish student safety as a high priority and shall not tolerate bullying of any student.

No student or groups of students shall, through physical, written, verbal, or other means, harass, sexually harass, threaten, intimidate, cyberbully, cause bodily injury to, or commit hate violence against any other student or school personnel. Board Policy 5131.2 is included in the Appendix.

Strategies and programs unique to Happy Valley Elementary School that prevent bullying for all students, including specifically for LGBTQ students.

PeaceBuilders, Sanford Harmony Social Emotional Program

#### **Positive School Climate – BP 5137**

As documented in Board Policy 5137, the Board of Education desires to enhance student learning by providing an orderly, caring, and nurturing educational and social environment in which all students can feel safe and take pride in their school and their achievements. The school environment should be characterized by positive interpersonal relationships among students and between students and staff.

The district's curriculum shall include age-appropriate character education which includes, but is not limited to, the principles of equality, human dignity, mutual respect, fairness, honesty, and citizenship. The Superintendent or designee may develop other strategies to enhance students' feelings of connectedness with the schools, such as campus beautification projects, graffiti removal, development of extracurricular activities and after-school programs, pairing of adult mentors with individual students, recognition of student achievement, and encouragement of strong family and community involvement in the schools. Board Policy 5137 is included in the Appendix.

Sanford Harmony Social Emotional program was implemented at Happy Valley in 2017. Since that time, we have implemented PeaceBuilders program that is used in class each and every day. Students read a pledge in their classrooms each day about how they can be a peace builder. There are peace paths in each classroom that children can navigate if they get into conflicts. There is a peace bench on the play ground where a child can sit if they need a friend or help.

Describe strategies and programs that this school uses to promote a positive school climate here:

Teachers were trained in the PeaceBuilders program. There are several themes that the teachers teach in class and then reinforce on the playground and at monthly assemblies. The themes are: Praise People, Give up put-downs, Seek Wise People, Notice Hurts, Right Wrongs, Help others. There is also a focused characteristic each month.

Describe roles and responsibilities of mental health professionals, school counselors, and school resource officers in these strategies and programs, if applicable.

Happy Valley does not have any of the above mentioned personnel. Happy Valley contracts with a Mental Health counselor.

Strategies and programs unique to Happy Valley Elementary School that create a positive school climate for all students, including specifically for LGBTQ students.

PeaceBuilders, Sanford Harmony

### **Uniform Complaint Procedure – BP 1312.3**

As documented in Board Policy 5137, the Board of Education recognizes that the district has the primary responsibility to ensure compliance with applicable state and federal laws and regulations governing educational programs. The Board encourages early resolution of complaints whenever possible. To resolve complaints which may require a more formal process, the Board adopts the uniform system of complaint processes specified in 5 CCR 4600-4670 and the accompanying administrative regulation. Board Policy 1312.3 is included in the Appendix.

Strategies and programs unique to Happy Valley Elementary School that encourage early resolution of complaints for all students, including specifically for LGBTQ students.

Peacebuilders, Sanford Harmony, Code of Conduct and rules and procedures. Also, Ed. code 48900

### **Protocols to Address Mental Health Care of Pupils Who Have Witnessed a Violent Act**

Pupils who have witnessed a violent act at school or at a school-sponsored activity, while going to or coming from school or a school sponsored activity, or during a lunch period on or off campus, will need attention to address their mental health. Witnessing violence and being a victim of violence at school have been found both positively and significantly associated with child psychological trauma symptoms and self-reported violent behavior, even after controlling for the effects of various demographic factors. Serious emotional and behavioral consequences can occur for students who are merely witnesses to violence (Flannery, D. J., Wester, K. L., & Singer, M. I., 2004).

Students who are experiencing mental health or social issues are referred to our Mental Health counselor.

#### **Procedures for Safe Ingress and Egress of Pupils, Parents, and School Employees to and from school**

In an effort to assure the safety and welfare of students, parents, and visitors to Happy Valley Elementary School, the following procedures should be followed when traveling to and from the school site:

- Daily Bus Drop-off & Pick-up at School:
- Students Walking to School:

There are almost no students who bike or walk to school. Parents drive their children to school in private cars as Happy Valley school is in a rural area.

#### **Appendix**

**Board Policy 5141.4 Child Abuse Prevention and Reporting**

**Board Policy 3516 Emergencies and Disaster Preparedness**

**Board Policy 5144.1 Suspension and Expulsion/Due Process**

**Board Policy 4158 Employee Security/Teacher Notification**

**Board Policy 5145.3 Nondiscrimination/Harassment**

**Board Policy 5132 Dress and Grooming**

**Board Policy 5144 Discipline**

**Board Policy 5131.2 Bullying Prevention**

**Board Policy 5137 Positive School Climate**

**Board Policy 1312.3 Uniform Complaint Procedure**

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**Policy 5141.4: Child Abuse Prevention And Reporting**

**Status:** ADOPTED

**Original Adopted Date:** 03/11/2015 | **Last Revised Date:** 07/21/2021 | **Last Reviewed Date:** 07/21/2021

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The Governing Board is committed to supporting the safety and well-being of district students and desires to facilitate the prevention of and response to child abuse and neglect. The Superintendent or designee shall develop and implement strategies for preventing, recognizing, and promptly reporting known or suspected child abuse and neglect.

The Superintendent or designee may provide a student who is a victim of abuse with school-based mental health services or other support services and/or may refer the student to resources available within the community as needed.

**Child Abuse Prevention**

The district's instructional program may provide age-appropriate and culturally sensitive child abuse prevention curriculum which explains students' right to live free of abuse, includes instruction in the skills and techniques needed to identify unsafe situations and react appropriately and promptly, informs students of available support resources, and teaches students how to obtain help and disclose incidents of abuse.

The district's program also may include age-appropriate curriculum in sexual abuse and sexual assault awareness and prevention. Upon written request of a student's parent/guardian, the student shall be excused from taking such instruction. (Education Code 51900.6)

The Superintendent or designee may display posters, in areas on campus where students frequently congregate, notifying students of the appropriate telephone number to call to report child abuse or neglect. (Education Code 33133.5)

In addition, student identification cards for students in grades 7-12 shall include the National Domestic Violence Hotline telephone number. (Education Code 215.5)

The Superintendent or designee shall, to the extent feasible, seek to incorporate community resources into the district's child abuse prevention programs and may use these resources to provide parents/guardians with instruction in parenting skills and child abuse prevention.

**Child Abuse Reporting**

The Superintendent or designee shall establish procedures for the identification and reporting of known and suspected child abuse and neglect in accordance with law.

Procedures for reporting child abuse shall be included in the district and/or school comprehensive safety plan. (Education Code 32282)

District employees who are mandated reporters, as defined by law and administrative regulation, are obligated to report all known or suspected incidents of child abuse and neglect.

The Superintendent or designee shall provide training regarding the duties of mandated reporters as required by law and as specified in the accompanying administrative regulation. (Education Code 44691; Penal Code 11165.7)

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**Policy 3516: Emergencies And Disaster Preparedness Plan**

**Status:** ADOPTED

**Original Adopted Date:** 06/20/2018

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The Board of Trustees recognizes that all district staff and students must be prepared to respond quickly and responsibly to emergencies, disasters, and threats of disaster. The district shall take all reasonable steps to prevent and/or mitigate the impact of a disaster on the district's students, staff, and school.

The Superintendent/Principal or designee shall develop and maintain a disaster preparedness plan which contains routine and emergency disaster procedures, including, but not limited to, earthquake emergency procedures, and adaptations for individuals with disabilities in accordance with the Americans with Disabilities Act. Such procedures shall be incorporated into the comprehensive school safety plan. (Education Code 32282)

In developing the disaster preparedness plan, the Superintendent/Principal or designee shall involve district staff at all levels, including administrators, district police or security officers, facilities managers, transportation managers, food services personnel, school psychologists, counselors, school nurses, teachers, classified employees, and public information officers. As appropriate, he/she shall also collaborate with law enforcement, fire safety officials, emergency medical services, health and mental health professionals, parents/guardians, and students.

The plan shall comply with state-approved Standardized Emergency Management System (SEMS) guidelines established for multiple-jurisdiction or multiple-agency operations and with the National Incident Management System.

The Superintendent/Principal or designee shall provide training to employees regarding their responsibilities, including periodic drills and exercises to test and refine staff's responsiveness in the event of an emergency.

The Board shall grant the use of school buildings, grounds, and equipment to public agencies, including the American Red Cross, for mass care and welfare shelters during disasters or other emergencies affecting the public health and welfare. The Board shall cooperate with such agencies in furnishing and maintaining whatever services the district may deem necessary to meet the community's needs. (Education Code 32282)

District employees are considered disaster service workers and are subject to disaster service activities assigned to them. (Government Code 3100)

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**Policy 5144.1: Suspension And Expulsion/Due Process**

**Status: ADOPTED**

**Original Adopted Date:** 11/14/2018 | **Last Revised Date:** 04/15/2020 | **Last Reviewed Date:** 04/15/2020

The Board of Trustees desires to provide district students access to educational opportunities in an orderly school environment that protects their safety and security, ensures their welfare and well-being, and promotes their learning and development. The Board shall develop rules and regulations setting the standards of behavior expected of district students and the disciplinary processes and procedures for addressing violations of those standards, including suspension and/or expulsion.

The grounds for suspension and expulsion and the procedures for considering, recommending, and/or implementing suspension and expulsion shall be only those specified in law, in this policy, and in the accompanying administrative regulation.

Except when otherwise permitted by law, a student may be suspended or expelled only when the behavior is related to a school activity or school attendance occurring within the district school or another school district, regardless of when it occurs, including, but not limited to, the following: (Education Code 48900(s))

1. While on school grounds
2. While going to or coming from school
3. During the lunch period, whether on or off the school campus
4. During, going to, or coming from a school-sponsored activity

District staff shall enforce the rules concerning suspension and expulsion of students fairly, consistently, equally, and in accordance with the district's nondiscrimination policies.

**Appropriate Use of Suspension Authority**

Except when a student's act violates Education Code 48900(a)-(e), as listed in items #1-5 under "Grounds for Suspension and Expulsion: Grades K-12" of the accompanying administrative regulation, or when the student's presence causes a danger to others, suspension shall be used only when other means of correction have failed to bring about proper conduct. (Education Code 48900.5, 48900.6)

A student's parents/guardians shall be notified as soon as possible when there is an escalating pattern of misbehavior that could lead to on-campus or off-campus suspension.

No student may be suspended for disruption or willful defiance, except by a teacher pursuant to Education Code 48910. (Education Code 48900)

Students shall not be suspended or expelled for truancy, tardiness, or absenteeism from assigned school activities.

**On-Campus Suspension**

To ensure the proper supervision and ongoing learning of students who are suspended for any of the reasons enumerated in Education Code 48900 and 48900.2, but who pose no imminent danger or threat to anyone at school and for whom expulsion proceedings have not been initiated, the Superintendent/Principal or designee shall establish a supervised suspension classroom program which meets the requirements of law.

Except where a supervised suspension is permitted by law for a student's first offense, supervised suspension shall be imposed only when other means of correction have failed to bring about proper conduct. (Education Code 48900.5)

**Authority to Expel**

A student may be expelled only by the Board. (Education Code 48918(j))

As required by law, the Superintendent or principal shall recommend expulsion and the Board shall expel any student found to have committed any of the following "mandatory recommendation and mandatory expulsion" acts at school

or at a school activity off school grounds: (Education Code 48915)

1. Possessing a firearm which is not an imitation firearm, as verified by a certificated employee, unless the student had obtained prior written permission to possess the item from a certificated school employee, with the principal or designee's concurrence
2. Selling or otherwise furnishing a firearm
3. Brandishing a knife at another person
4. Unlawfully selling a controlled substance listed in Health and Safety Code 11053-11058
5. Committing or attempting to commit a sexual assault as defined in Penal Code 261, 266c, 286, 288, 288a, or 289, or committing a sexual battery as defined in Penal Code 243.4
6. Possessing an explosive as defined in 18 USC 921

For all other violations listed in the accompanying administrative regulation, the Superintendent or principal shall have the discretion to recommend expulsion of a student. If expulsion is recommended, the Board shall order the student expelled only if it makes a finding of either or both of the following: (Education Code 48915(b) and (e))

1. That other means of correction are not feasible or have repeatedly failed to bring about proper conduct
2. That due to the nature of the violation, the presence of the student causes a continuing danger to the physical safety of the student or others

A vote to expel a student shall be taken in an open session of a Board meeting.

The Board may vote to suspend the enforcement of the expulsion order pursuant to the requirements of law and the accompanying administrative regulation. (Education Code 48917)

No student shall be expelled for disruption or willful defiance. (Education Code 48900)

No child enrolled in a preschool program shall be expelled except under limited circumstances as specified in AR 5148.3 - Preschool/Early Childhood Education.

#### **Due Process**

The Board shall provide for the fair and equitable treatment of students facing suspension and/or expulsion by affording them their due process rights under the law. The Superintendent/Principal or designee shall comply with procedures for notices, hearings, and appeals as specified in law and administrative regulation. (Education Code 48911, 48915, 48915.5, 48918)

#### **Maintenance and Monitoring of Outcome Data**

The Superintendent/Principal or designee shall maintain outcome data related to student suspensions and expulsions in accordance with Education Code 48900.8 and 48916.1, including, but not limited to, the number of students recommended for expulsion, the grounds for each recommended expulsion, the actions taken by the Board, the types of referral made after each expulsion, and the disposition of the students after the expulsion period. For any expulsion that involves the possession of a firearm, such data shall include the name of the school and the type of firearm involved, as required pursuant to 20 USC 7961. Suspension and expulsion data shall be reported to the Board annually and to the California Department of Education when so required.

In presenting the report to the Board, the Superintendent/Principal or designee shall disaggregate data on suspensions and expulsions by numerically significant student subgroups, including, but not limited to, ethnic subgroups, socioeconomically disadvantaged students, English learners, students with disabilities, foster youth, and homeless students. Based on the data, the Board shall address any identified disparities in the imposition of student discipline and shall determine whether and how the district is meeting its goals for improving school climate as specified in its local control and accountability plan.

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**Policy 4158: Employee Security**

**Status:** ADOPTED

**Original Adopted Date:** 06/20/2018 | **Last Revised Date:** 07/21/2021 | **Last Reviewed Date:** 07/21/2021

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The Governing Board desires to provide a safe and orderly work environment for all employees. As part of the district's comprehensive safety plan, the Superintendent or designee shall develop strategies for protecting employees from potentially dangerous persons and situations and for providing necessary assistance and support when emergency situations occur.

Any person who threatens the safety of others at any district facility may be removed by the Superintendent or designee in accordance with AR 3515.2 - Disruptions.

Any employee against whom violence or any threat of violence has been directed in the workplace shall notify the Superintendent or designee immediately. As appropriate, the Superintendent or designee shall initiate legal and security measures to protect the employee and others in the workplace. Such measures may include seeking a temporary restraining order on behalf of the employee pursuant to Code of Civil Procedure 527.8 and/or a gun violence restraining order pursuant to Penal Code 18150 and 18170.

Upon request by an employee who is a victim of domestic violence, sexual assault, or stalking, the Superintendent or designee shall provide reasonable accommodations in accordance with Labor Code 230-230.1 and the accompanying administrative regulation to protect the employee's safety while at work.

The Superintendent or designee may pursue legal action on behalf of an employee against a student or the student's parent/guardian to recover damages for injury to the employee's person or property caused by the student's willful misconduct that occurred on district property, at a school or district activity, or in retaliation for lawful acts of the employee in the performance of the employee's duties. (Education Code 48904, 48905)

The Superintendent or designee shall provide staff development in crisis prevention and intervention techniques, which may include training in classroom management, effective communication techniques, procedures for responding to an active shooter situation, and crisis resolution.

In accordance with law, the Superintendent or designee shall inform teachers, administrators, and/or counselors of crimes and offenses committed by students who may pose a danger in the classroom. (Education Code 48201, 49079; Welfare and Institutions Code 827)

The Superintendent or designee may make available at appropriate locations, including, but not limited to, district and school offices, gyms, and classrooms, communication devices that would enable two-way communication with law enforcement and others when emergencies occur.

#### **Use of Pepper Spray**

Employees shall not carry or possess pepper spray on school property or at school activities except when authorized by the Superintendent or designee for self-defense purposes. When allowed, an employee may only possess pepper spray in accordance with administrative regulations and Penal Code 22810. Any employee who is negligent or careless in the possession or handling of pepper spray shall be subject to appropriate disciplinary measures.

#### **Reporting of Injurious Objects**

Employees shall take immediate action upon being made aware that any person is in possession of a weapon or unauthorized injurious object on school grounds or at a school-related or school-sponsored activity. Employees shall exercise their best judgment as to the potential danger involved and shall do one of the following:

1. Confiscate the object and deliver it to the principal immediately
2. Immediately notify the principal, who shall take appropriate action
3. Immediately call 911 and the principal

When informing the principal about the possession or seizure of a weapon or dangerous device, an employee shall report the name(s) of persons involved, witnesses, location, and the circumstances of any seizure.

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**Policy 5145.3: Nondiscrimination/Harassment**

**Status:** ADOPTED

**Original Adopted Date:** 06/20/2018 | **Last Revised Date:** 11/08/2023 | **Last Reviewed Date:** 11/08/2023

This policy shall apply to all acts constituting unlawful discrimination or harassment related to school activity or to school attendance occurring within a district school, to acts which occur off campus or outside of school-related or school-sponsored activities but which may have an impact or create a hostile environment at school, and to all acts of the Governing Board and the Superintendent in enacting policies and procedures that govern the district.

The Board desires to provide a welcoming, safe, and supportive school environment that allows all students equal access to and opportunities in the district's academic, extracurricular, and other educational support programs, services, and activities. The Board prohibits, at any district school or school activity, unlawful discrimination, including discriminatory harassment, intimidation, and bullying, targeted at any student by anyone, based on the student's actual or perceived race, color, ancestry, nationality, national origin, immigration status, ethnic group identification, ethnicity, age, religion, marital status, pregnancy, parental status, physical or mental disability, medical condition, sex, sexual orientation, gender, gender identity, gender expression, or genetic information, or association with a person or group with one or more of these actual or perceived characteristics.

Unlawful discrimination, including discriminatory harassment, intimidation, or bullying, may result from physical, verbal, nonverbal, or written conduct based on any of the categories listed above. Unlawful discrimination also occurs when prohibited conduct is so severe, persistent, or pervasive that it affects a student's ability to participate in or benefit from an educational program or activity; creates an intimidating, threatening, hostile, or offensive educational environment; has the effect of substantially or unreasonably interfering with a student's academic performance; or otherwise adversely affects a student's educational opportunities.

Unlawful discrimination also includes disparate treatment of students based on one of the categories above with respect to the provision of opportunities to participate in school programs or activities or the provision or receipt of educational benefits or services.

Because unlawful discrimination may occur when disciplining students, including suspension and expulsion, the Superintendent or designee shall ensure that staff enforce discipline rules fairly, consistently and in a non-discriminatory manner, as specified in Board Policy and Administrative Regulation 5144 - Discipline, Board Policy and Administrative Regulation 5144.1 - Suspension and Expulsion/Due Process, and Administrative Regulation 5144.2 - Suspension and Expulsion/Due Process (Students With Disabilities).

The Board also prohibits any form of retaliation against any individual who reports or participates in the reporting of unlawful discrimination, files or participates in the filing of a complaint, or investigates or participates in the investigation of a complaint or report alleging unlawful discrimination. Retaliation complaints shall be investigated and resolved in the same manner as a discrimination complaint.

The Superintendent or designee shall facilitate students' access to the educational program by publicizing the district's nondiscrimination policy and related complaint procedures to students, parents/guardians, and employees. In addition, the Superintendent or designee shall post the district's policies prohibiting discrimination, harassment, intimidation, and bullying and other required information on the district's website in a manner that is easily accessible to parents/guardians and students, in accordance with law and the accompanying administrative regulation. (Education Code 234.1, 234.6)

The Superintendent or designee shall provide training and/or information on the scope and use of the policy and complaint procedures and take other measures designed to increase the school community's understanding of the requirements of law related to discrimination. The Superintendent or designee shall regularly review the implementation of the district's nondiscrimination policies and practices and, as necessary, shall take action to remove any identified barrier to student access to or participation in the district's educational program. The Superintendent or designee shall report the findings and recommendations to the Board after each review.

Regardless of whether a complainant complies with the writing, timeline, and/or other formal filing requirements, all complaints alleging unlawful discrimination, including discriminatory harassment, intimidation, or bullying, shall be

investigated and prompt action taken to stop the discrimination, prevent recurrence, and address any continuing effect on students.

Students who engage in unlawful discrimination, including discriminatory harassment, intimidation, retaliation, or bullying, in violation of law, Board policy, or administrative regulation shall be subject to appropriate consequence or discipline, which may include suspension or expulsion when the behavior is severe or pervasive as defined in Education Code 48900.4. Any employee who permits or engages in prohibited discrimination, including discriminatory harassment, intimidation, retaliation, or bullying, shall be subject to disciplinary action, up to and including dismissal.

All allegations of unlawful discrimination in district programs and activities shall be brought, investigated, and resolved in accordance with Board Policy 1312.3 - Uniform Complaint Procedures.

#### **Record-Keeping**

The Superintendent or designee shall maintain a record of all reported cases of unlawful discrimination, including discriminatory harassment, intimidation, or bullying, to enable the district to monitor, address, and prevent repetitive prohibited behavior in district schools.

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**Policy 5132: Dress And Grooming**

**Status:** ADOPTED

**Original Adopted Date:** 06/16/2019 | **Last Revised Date:** 11/13/2019

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The Board of Trustees believes that appropriate dress and grooming contribute to a productive learning environment. The Board expects students to wear clothing that is suitable for the school activities in which they participate. Students shall not wear clothing that presents a health or safety hazard or causes a substantial disruption to the educational program.

District and school rules pertaining to student attire shall be included in student handbooks, may be posted in school offices and classrooms, and may be periodically reviewed with all students as necessary.

Students shall not be prohibited from dressing in a manner consistent with their gender identity or gender expression or with their religious or cultural observance.

In addition, the dress code shall not discriminate against students based on hair texture and protective hairstyles, including, but not limited to, braids, locks, and twists. (Education Code 212.1)

The principal or designee is authorized to enforce this policy and shall inform any student who does not reasonably conform to the dress code. The dress code shall not be enforced in a manner that discriminates against a particular viewpoint or results in a disproportionate application of the dress code based on students' gender, sexual orientation, race, ethnicity, household income, or body type or size.

School administrators, teachers, and other staff shall be notified of appropriate and equitable enforcement of the dress code.

When practical, students shall not be directed to correct a dress code violation during instructional time or in front of other students.

Repeated violations or refusal to comply with the district's dress code may result in disciplinary action.

**Gang-Related Apparel**

The principal, staff, and parents/guardians at a school may establish a reasonable dress code that prohibits students from wearing gang-related apparel when there is evidence of a gang presence that disrupts or threatens to disrupt the school's activities. Such a proposed dress code shall be presented to the Board, which shall approve the plan upon determining that it is necessary to protect the health and safety of the school environment. The dress code policy may be included in the school's comprehensive safety plan. (Education Code 35183)

When determining specific items of clothing that may be defined as gang apparel, the school shall ensure that the determination is free from bias based on race, ethnicity, national origin, immigration status, or other protected characteristics.

**Uniforms**

The Board may approve a school-initiated dress code requiring students at the school to wear a school uniform whenever the Board determines that such a dress code will promote student achievement, a positive school climate, and/or student safety.

The Superintendent/Principal or designee shall establish procedures whereby parents/guardians may choose to have their children exempted from the school uniform policy. Students shall not be penalized academically, otherwise discriminated against, or denied attendance to school if their parents/guardians so decide. (Education Code 35183)

The Superintendent/Principal or designee shall ensure that resources are identified to assist economically disadvantaged students in obtaining uniforms. (Education Code 35183)

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**Policy 5144: Discipline**

**Status:** ADOPTED

**Original Adopted Date:** 02/20/2019

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The Board of Trustees is committed to providing a safe, supportive, and positive school environment which is conducive to student learning and achievement and desires to prepare students for responsible citizenship by fostering self-discipline and personal responsibility. The Board believes that high expectations for student behavior, use of effective school and classroom management strategies, provision of appropriate intervention and support, and parent/guardian involvement can minimize the need for disciplinary measures that exclude students from instruction as a means for correcting student misbehavior.

The Superintendent/Principal or designee shall develop effective, age-appropriate strategies for maintaining a positive school climate and correcting student misbehavior at district schools. The strategies shall focus on providing students with needed supports; communicating clear, appropriate, and consistent expectations and consequences for student conduct; and ensuring equity and continuous improvement in the implementation of district discipline policies and practices.

In addition, the Superintendent/Principal or designee's strategies for correcting student misconduct shall reflect the Board's preference for the use of positive interventions and alternative disciplinary measures over exclusionary discipline measures.

Disciplinary measures that may result in loss of instructional time or cause students to be disengaged from school, such as detention, suspension, and expulsion, shall be imposed only when required or permitted by law or when other means of correction have been documented to have failed. (Education Code 48900.5)

School personnel and volunteers shall not allow any disciplinary action taken against a student to result in the denial or delay of a school meal. (Education Code 49557.5)

Seclusion and behavioral restraint are prohibited as a means of discipline and shall not be used to correct student behavior except as permitted pursuant to Education Code 49005.4 and in accordance with district regulations. (Education Code 49005.2)

The Superintendent/Principal or designee shall create a model discipline matrix that lists violations and the consequences for each as allowed by law.

The administrative staff at the school may develop disciplinary rules to meet the school's particular needs consistent with law, Board policy, and district regulations. The Board, at an open meeting, shall review the approved school discipline rules for consistency with Board policy and state law. Site-level disciplinary rules shall be included in the district's comprehensive safety plan. (Education Code 32282, 35291.5)

At all times, the safety of students and staff and the maintenance of an orderly school environment shall be priorities in determining appropriate discipline. When misconduct occurs, staff shall attempt to identify the causes of the student's behavior and implement appropriate discipline. When choosing between different disciplinary strategies, staff shall consider the effect of each option on the student's health, well-being, and opportunity to learn.

Staff shall enforce disciplinary rules fairly, consistently, and in accordance with the district's nondiscrimination policies.

The Superintendent/Principal or designee shall provide professional development as necessary to assist staff in developing the skills needed to effectively and equitably implement the disciplinary strategies adopted for district schools, including, but not limited to, knowledge of school and classroom management skills and their consistent application, effective accountability and positive intervention techniques, and the tools to form strong, cooperative relationships with parents/guardians.

District goals for improving school climate, based on suspension and expulsion rates, surveys of students, staff, and parents/guardians regarding their sense of school safety and connectedness to the school community, and other local measures, shall be included in the district's local control and accountability plan, as required by law.

At the beginning of each school year, the Superintendent/Principal or designee shall report to the Board regarding disciplinary strategies used in district schools in the immediately preceding school year and their effect on student learning.

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**Policy 5131.2: Bullying**

**Status:** ADOPTED

**Original Adopted Date:** 06/16/2019 | **Last Revised Date:** 01/17/2024 | **Last Reviewed Date:** 01/17/2024

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This policy shall apply to all acts constituting bullying related to school activity or to school attendance occurring within a district school, to acts which occur off campus or outside of school-related or school-sponsored activities but which may have an impact or create a hostile environment at school, and to all acts of the Governing Board and the Superintendent in enacting policies and procedures that govern the district.

The Board recognizes the harmful effects of bullying on student well-being, student learning, and school attendance and desires to provide a welcoming, safe, and supportive school environment that protects students from physical, mental, and emotional harm. No individual or group shall, through physical, written, verbal, visual, or other means, harass, sexually harass, threaten, intimidate, cyberbully, cause bodily injury to, or commit hate violence against any student or school personnel, or retaliate against them for filing a complaint or participating in the complaint resolution process.

The Superintendent or designee shall develop strategies for addressing bullying in district schools with the involvement of students, parents/guardians, and staff. As appropriate, the Superintendent or designee may also collaborate with social services, mental health services, law enforcement, courts, and other agencies and community organizations in the development and implementation of effective strategies to promote safety in schools and the community.

Such strategies shall be incorporated into the comprehensive safety plan and, to the extent possible, into the local control and accountability plan and other applicable district and school plans.

Any complaint of bullying shall be investigated and, if determined to be discriminatory, resolved in accordance with law and the district's uniform complaint procedures specified in Administrative Regulation 1312.3. If, during the investigation, it is determined that a complaint is about nondiscriminatory bullying, the principal or designee shall inform the complainant and shall take all necessary actions to resolve the complaint.

If the Superintendent or designee believes it is in the best interest of a student who has been the victim of an act of bullying, as defined in Education Code 48900, the Superintendent or designee shall advise the student's parents/guardians that the student may transfer to another school. If the parents/guardians of a student who has been the victim of an act of bullying requests a transfer for the student pursuant to Education Code 46600, the Superintendent or designee shall allow the transfer in accordance with law and district policy on intradistrict or interdistrict transfer, as applicable.

District families are encouraged to model respectful behavior, contribute to a safe and supportive learning environment, and monitor potential causes of bullying.

Any employee who permits or engages in bullying or retaliation related to bullying shall be subject to disciplinary action, up to and including dismissal.

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**Policy 5137: Positive School Climate**

**Status:** ADOPTED

**Original Adopted Date:** 09/09/2009

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The Board of Trustees desires to enhance student learning by providing an orderly, caring, and nurturing educational and social environment in which all students can feel safe and take pride in their school and their achievements. The school environment should be characterized by positive interpersonal relationships among students and between students and staff.

All staff are expected to serve as role models for students by demonstrating positive, professional attitudes and respect toward each student and other staff members. Teachers shall use effective classroom management techniques based on clear expectations for student behavior.

Staff shall consistently enforce Board policies and regulations which establish rules for appropriate student conduct, including prohibitions against bullying, cyberbullying, harassment of students, hazing, other violence or threats of violence against students and staff, and drug, alcohol, and tobacco use.

The district's curriculum shall include age-appropriate character education which includes, but is not limited to, the principles of equality, human dignity, mutual respect, fairness, honesty, and citizenship. Teachers are encouraged to employ cooperative learning strategies that foster positive interactions in the classroom among students from diverse backgrounds.

The Superintendent/Principal or designee may develop other strategies to enhance students' feelings of connectedness with the schools, such as campus beautification projects, graffiti removal, development of extracurricular activities and after-school programs, pairing of adult mentors with individual students, recognition of student achievement, and encouragement of strong family and community involvement in the schools.

Students shall have opportunities to voice their concerns about school policies and practices and to share responsibility for solving problems that affect their school.

The school shall promote nonviolent conflict resolution techniques in order to encourage attitudes and behaviors that foster harmonious relations. As part of this effort, students shall be taught the skills necessary to reduce violence, including communication skills, anger management, bias reduction, and mediation skills.

Staff shall receive professional development designed to improve classroom management, conflict resolution techniques, and communications with students and parents/guardians including persons of diverse backgrounds.

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**Policy 1312.3: Uniform Complaint Procedures**

**Status:** ADOPTED

**Original Adopted Date:** 04/17/2019 | **Last Revised Date:** 11/08/2023 | **Last Reviewed Date:** 11/08/2023

The Governing Board recognizes that the district has the primary responsibility to ensure compliance with applicable state and federal laws and regulations governing educational programs. The Board encourages the early resolution of complaints whenever possible. To resolve complaints which may require a more formal process, the Board adopts the uniform system of complaint processes specified in 5 CCR 4600-4670 and the accompanying administrative regulation.

**Complaints Subject to UCP**

The district's uniform complaint procedures (UCP) shall be used to investigate and resolve complaints regarding the following programs and activities:

1. After School Education and Safety programs (Education Code 8482-8484.65)
2. Child care and development programs (Education Code 8200-8488)
3. Discrimination, harassment, intimidation, or bullying in district programs and activities, including in those programs or activities funded directly by or that receive or benefit from any state financial assistance, based on a person's actual or perceived characteristics of race or ethnicity, color, ancestry, nationality, national origin, immigration status, ethnic group identification, age, religion, marital status, pregnancy, parental status, physical or mental disability, medical condition, sex, sexual orientation, gender, gender identity, gender expression, or genetic information, or any other characteristic identified in Education Code 200 or 220, Government Code 11135, or Penal Code 422.55, or based on the person's association with a person or group with one or more of these actual or perceived characteristics (5 CCR 4610)

Discrimination includes, but is not limited to, the Board's refusal to approve the use or prohibit the use of any textbook, instructional material, supplemental instructional material, or other curriculum for classroom instruction, or any book or other resource in a school library, on the basis that it includes a study of the role and contributions of any individual or group consistent with the requirements of Education Code 51204.5 and 60040, unless such study would violate Education Code 51501 or 60044. A complaint alleging such unlawful discrimination may, in addition to or in lieu of being filed with the district, be directly filed with the Superintendent of Public Instruction (SPI). (Education Code 243)

4. Educational and graduation requirements for students in foster care, students experiencing homelessness, students from military families, students formerly in a juvenile court school, students who are migratory, and students participating in a newcomer program (Education Code 48645.7, 48853, 48853.5, 49069.5, 51225.1, 51225.2)
5. Every Student Succeeds Act (Education Code 5209.5; 20 USC 6301 et seq.)
6. Local control and accountability plan (Education Code 52075)
7. Migrant education (Education Code 54440-54445)
8. Physical education instructional minutes (Education Code 51210, 51222, 51223)
9. Student fees (Education Code 49010-49013)
10. School plans for student achievement as required for the consolidated application for specified federal and/or state categorical funding (Education Code 64001)
11. School site councils as required for the consolidated application for specified federal and/or state categorical funding (Education Code 65000)
12. Any complaint alleging retaliation against a complainant or other participant in the complaint process or anyone who has acted to uncover or report a violation subject to this policy
13. Any other state or federal educational program the SPI or designee deems appropriate

The Board recognizes that alternative dispute resolution (ADR) can, depending on the nature of the allegations, offer a process for resolving a complaint in a manner that is acceptable to all parties. An ADR process such as mediation may be offered to resolve complaints that involve more than one student and no adult. However, mediation shall not be offered or used to resolve any complaint involving sexual assault or where there is a reasonable risk that a party to the mediation would feel compelled to participate. The Superintendent or designee shall ensure that the use of ADR is consistent with state and federal laws and regulations.

The district shall protect all complainants from retaliation. In investigating complaints, the confidentiality of the parties involved shall be protected as required by law. For any complaint alleging retaliation or unlawful discrimination (such as discriminatory harassment, intimidation, or bullying), the Superintendent or designee shall keep the identity of the complainant, and/or the subject of the complaint if different from the complainant, confidential when appropriate and as long as the integrity of the complaint process is maintained.

When an allegation that is not subject to UCP is included in a UCP complaint, the district shall refer the non-UCP allegation to the appropriate staff or agency and shall investigate and, if appropriate, resolve the UCP-related allegation(s) through the district's UCP.

The Superintendent or designee shall provide training to district staff to ensure awareness and knowledge of current law and requirements related to UCP, including the steps and timelines specified in this policy and the accompanying administrative regulation.

The Superintendent or designee shall maintain a record of each complaint and subsequent related actions, including steps taken during the investigation and all information required for compliance with 5 CCR 4631 and 4633.

### **Non-UCP Complaints**

The following complaints shall not be subject to the district's UCP but shall be investigated and resolved by the specified agency or through an alternative process:

1. Any complaint alleging child abuse or neglect shall be referred to the County Department of Social Services Protective Services Division or the appropriate law enforcement agency. (5 CCR 4611)
  2. Any complaint alleging health and safety violations by a child development program shall, for licensed facilities, be referred to Department of Social Services. (5 CCR 4611)
  3. Any complaint alleging that a student, while in an education program or activity in which the district exercises substantial control over the context and respondent, was subjected to sexual harassment as defined in 34 CFR 106.30 shall be addressed through the federal Title IX complaint procedures adopted pursuant to 34 CFR 106.44-106.45, as specified in Administrative Regulation 5145.71 - Title IX Sexual Harassment Complaint Procedures.
  4. Any complaint alleging employment discrimination or harassment shall be investigated and resolved by the district in accordance with the procedures specified in Administrative Regulation 4030 - Nondiscrimination in Employment, including the right to file the complaint with the California Civil Rights Department.
  5. Any complaint alleging a violation of a state or federal law or regulation related to special education, a settlement agreement related to the provision of a free appropriate public education (FAPE), failure or refusal to implement a due process hearing order to which the district is subject, or a physical safety concern that interferes with the district's provision of FAPE shall be submitted to the California Department of Education (CDE) in accordance with Administrative Regulation 6159.1 - Procedural Safeguards and Complaints for Special Education. (5 CCR 3200-3205)
  6. Any complaint alleging noncompliance of the district's food service program with laws regarding meal counting and claiming, reimbursable meals, eligibility of children or adults, or use of cafeteria funds and allowable expenses shall be filed with or referred to CDE in accordance with Board Policy 3555 - Nutrition Program Compliance. (5 CCR 15580-15584)
  7. Any allegation of discrimination based on race, color, national origin, sex, age, or disability in the district's food service program shall be filed with or referred to the U.S. Department of Agriculture in accordance with Board Policy 3555 - Nutrition Program Compliance. (5 CCR 15582)
  8. Any complaint related to sufficiency of textbooks or instructional materials, emergency or urgent facilities conditions that pose a threat to the health or safety of students or staff, or teacher vacancies and misassignments shall be investigated and resolved in accordance with Administrative Regulation 1312.4 - Williams Uniform Complaint Procedures. (Education Code 35186)
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## ReqPay12d

## Board Report

Checks Dated 01/01/2024 through 01/31/2024

Check Number	Check Date	Pay to the Order of	FF-RRRR-Y-GGGG-FFFF-OOOO-SSS-MMM	Comment	Expensed Amount	Check Amount
1052917	01/08/2024	AT&T	01-0000-0-0000-2700-5900-200-2801	INTERNET		185.66
1052918	01/08/2024	BOWIE, CRAIG	01-0084-0-1110-1000-5800-200-0000	GARDEN CONSULT	40.00	
1052919	01/08/2024	CUNNINGHAM, GARY	01-9009-0-1110-1000-5800-200-0PLL	GARDEN CONSULT	1,400.00	1,440.00
1052920	01/08/2024	DASSEL'S PETROLEUM	01-9009-0-1110-1000-5800-200-MURT	MUSIC PERF		100.00
1052921	01/08/2024	MRC SMART TECHNOLOGY SOLUTIONS	01-0000-0-0000-8100-5511-200-2801	PROPANE	1,039.07	
			01-2600-0-0000-8100-5511-200-0000	PROPANE	346.35	1,385.42
1052922	01/08/2024	PACIFIC GAS & ELECTRIC	01-1100-0-0000-7100-5600-200-3000	COPIER USAGE	31.66	
			01-1100-0-0000-7200-5600-200-3000	COPIER USAGE	126.65	
			01-1100-0-1110-1000-5600-200-3000	COPIER USAGE	474.95	633.26
1052923	01/08/2024	SC SYSTEMS INC	01-0000-0-0000-8100-5511-200-2801	ELECTRICITY	911.56	
				PUMP HOUSE	29.18	
				STREET LIGHT	9.57	
			01-2600-0-0000-8100-5511-200-0000	ELECTRICITY	303.85	1,254.16
1052924	01/08/2024	STAPLES	01-0000-0-0000-8100-5800-200-2801	FIRE MONITORING SERVICE		105.00
1052925	01/08/2024	TROTTER, CARLY	01-1100-0-0000-2700-4350-200-3000	OFFICE SUPPLIES AND MATERIALS	89.57	
			01-1100-0-0000-7200-4350-200-3000	OFFICE SUPPLIES AND MATERIALS	29.85	119.42
1053767	01/16/2024	19six Architects	01-0000-0-0000-7100-5200-200-2801	REIMBURSE BOARD CONFERENCE		500.00
1053768	01/16/2024	ABRITE	25-0000-0-0000-8100-5800-200-2801	DSA CLOSEOUT PROJECT	571.25	
			35-9719-0-0000-8500-5800-200-0000	MODERNIZATION PORTABLES	8,760.00	9,331.25
1053769	01/16/2024	AT&T	01-6500-0-5760-1190-5800-200-1304	SPED AIDE		5,415.30
			01-0000-0-0000-2700-5900-200-2801	PHONE	116.25	
			01-0000-0-0000-7200-5900-200-2801	PHONE	38.75	155.00
1053770	01/16/2024	Bewleys Cleaning, Inc.	01-0000-0-0000-8100-5524-200-2801	JANITORIAL	2,655.00	
			01-2600-0-0000-8100-5524-200-0000	JANITORIAL	885.00	3,540.00

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

## ReqPay12d

## Board Report

Checks Dated 01/01/2024 through 01/31/2024

Check Number	Check Date	Pay to the Order of	FF-RRRR-Y-GGGG-FFFF-OOOO-SSS-MMM	Comment	Expensed Amount	Check Amount
1053771	01/16/2024	CARLY PERLMAN	01-0700-0-1110-1000-5800-200-2801	DEC COUNSELING	68.00	
			01-6546-0-1110-3120-5800-200-0000	DEC COUNSELING	907.00	
			01-6546-0-5760-3120-5800-200-0000	DEC COUNSELING	650.00	1,625.00
1053772	01/16/2024	CUMMING MANAGEMENT GROUP, INC	35-9719-0-0000-8500-5800-200-0000	MODERNIZATION PROJECT MANAGER		4,167.50
1053773	01/16/2024	EMPLOYMENT DEVELOPMENT DEPT	01-0000-0- - -9515- - 4TH QUARTER SUI			160.23
1053774	01/16/2024	ESTRADA HERRERA, CARLOS	01-0000-0-0000-8100-5800-200-2801	YARD MAINT		300.00
1053775	01/16/2024	GREENWASTE RECOVERY INC	01-0000-0-0000-8100-5523-200-2801	GARBAGE		571.08
1053776	01/16/2024	HANCOCK PARK & DELONG, INC	35-9719-0-0000-8500-5800-200-0000	MODERNIZATION CONSULT		306.25
1053777	01/16/2024	IXL LEARNING, INC	01-0084-0-1110-1000-5800-200-0000	MATH SUBSCRIPTION		1,000.00
1053778	01/16/2024	KT MECHANICAL INC	01-0000-0-0000-8100-5600-200-2801	HVAC CIRCUIT BOARD MPR	1,019.50	
				SERVICE ALL HEATERS,HVAC AND H2O HEATER	1,090.00	
				SERVICE ART/MUSIC HEATER	252.50	2,362.00
1053779	01/16/2024	OHLSEN FOODS	01-0000-0-0000-3700-5800-200-3007	DECEMBER LUNCHES		4,018.50
1053780	01/16/2024	ORBACH HUFF & HENDERSON LLP	01-0000-0-0000-7191-5809-200-2801	LEGAL MODERNIZATION CONSULT		2,263.50
1053781	01/16/2024	PROJECT SUPPORT SERVICES, INC	25-0000-0-0000-8100-5800-200-2801	DSA CLOSEOUT		481.25
1053782	01/16/2024	ROBERTSON & ASSOC CPAS	01-0000-0-0000-7191-5809-200-2801	AUDIT		270.00
1053783	01/16/2024	SISC 3	01- - - - -9514- - JANUARY MEDICAL		9,817.00	
			01-0000-0- - -9524- - JANUARY MEDICAL		3,175.00	12,992.00
1053784	01/16/2024	SPROUTS SC	01-2600-0-1110-1000-5800-200-0000	AFTER SCHOOL SERVICES		1,320.00
1053785	01/16/2024	US BANK	01-0000-0-0000-2700-5900-200-2801	CONF, LUNCHES, TK GRAND, ROOM 5, ADOBE, SMORE	228.79	

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

## ReqPay12d

## Board Report

Checks Dated 01/01/2024 through 01/31/2024						
Check Number	Check Date	Pay to the Order of	FF-RRRR-Y-GGGG-FFFF-0000-SSS-MMM	Comment	Expensed Amount	Check Amount
1053785			01-0000-0-0000-3700-4300-200-3007	CONF, LUNCHES, TK GRAND, ROOM 5, ADOBE, SMORE	22.82	
			01-4035-0-0000-2700-5200-200-2356	CONF, LUNCHES, TK GRAND, ROOM 5, ADOBE, SMORE	699.36	
			01-6053-0-1110-1000-4300-200-0000	CONF, LUNCHES, TK GRAND, ROOM 5, ADOBE, SMORE	737.28	
			01-9009-0-1110-1000-4300-200-RM05	CONF, LUNCHES, TK GRAND, ROOM 5, ADOBE, SMORE	212.90	1,901.15
1053786	01/16/2024	US BANK EQUIPMENT FINANCE	01-1100-0-0000-7100-5600-200-3000	COPIER LEASE	33.13	
			01-1100-0-0000-7200-5600-200-3000	COPIER LEASE	132.54	
1054549	01/22/2024	DASSEL'S PETROLEUM	01-1100-0-1110-1000-5600-200-3000	COPIER LEASE	497.03	662.70
1054550	01/22/2024	PACIFIC GAS & ELECTRIC	01-0000-0-0000-8100-5511-200-2801	PROPANE	750.50	
			01-2600-0-0000-8100-5511-200-0000	PROPANE	250.16	1,000.66
1054551	01/22/2024	PROTECH CONSULTING ENGINEERING	01-0000-0-0000-8100-5511-200-2801	PUMP HOUSE		27.81
			35-9719-0-0000-8500-5800-200-0000	MODERNIZATION HAZ MAT ADMIN PROJECT		2,265.00
1054552	01/22/2024	ROBERTSON & ASSOC CPAS	01-0000-0-0000-7191-5809-200-2801	AUDIT		1,600.00
1055290	01/29/2024	BLOOM PEDIATRIC OT	01-6500-0-5760-3140-5800-200-1304	SPED OT AND ASSESSMENT OT	375.00	
			01-7435-0-0000-3140-5800-200-0000	OT LEARNING RECOVERY	412.50	
				SPED OT AND ASSESSMENT OT	500.00	1,287.50
1055291	01/29/2024	Document Tracking Services	01-0000-0-0000-7200-5800-200-2801	DOCUMENT TRACKING SERVICES		425.00
1055292	01/29/2024	IVAN DEI ROSSI	01-0084-0-1110-1000-5800-200-0000	TECH PARCEL TAX		3,160.00
1055293	01/29/2024	KT MECHANICAL INC	01-0000-0-0000-8100-5600-200-2801	ROOM 2 AND RESOURCE HEATER SERVICE		368.00
1055294	01/29/2024	MRC SMART TECHNOLOGY SOLUTIONS	01-1100-0-0000-7100-5600-200-3000	COPIER USAGE	10.72	
			01-1100-0-0000-7200-5600-200-3000	COPIER USAGE	42.89	
			01-1100-0-1110-1000-5600-200-3000	COPIER USAGE	160.84	214.45

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

002 - Happy Valley Elementary School District

Generated for Paige Lynd (PLYND), Jan 29 2024 1:22PM

Checks Dated 01/01/2024 through 01/31/2024

Check Number	Check Date	Pay to the Order of	FF-RRRR-Y-GGGG-FFFF-0000-SSS-MMM	Comment	Expensed Amount	Check Amount
1055295	01/29/2024	NASCO	01-9009-0-1110-1000-4300-200-MURT ART MATERIALS AND SUPPLIES			69.43
1055296	01/29/2024	PACIFIC GAS & ELECTRIC	01-0000-0-0000-8100-5511-200-2801 ELECTRIC GF AND ELOP STREET LIGHT		931.74 9.93	
1055297	01/29/2024	Seffinger, Steve H	01-2600-0-0000-8100-5511-200-0000 ELECTRIC GF AND ELOP		310.58	1,252.25
1055298	01/29/2024	STAPLES	01-0084-0-1110-1000-4300-200-0000 REIMBURSE MATERIALS AND SUPPLIES PARCEL			68.76
1055299	01/29/2024	Stewart, Michelle A	01-1100-0-0000-2700-4350-200-3000 OFFICE SUPPLIES 01-1100-0-0000-7200-4350-200-3000 OFFICE SUPPLIES 01-9009-0-1110-1000-4300-200-RM01 ROOM 1 MATERIALS AND SUPPLIES 01-0000-0-0000-7200-5200-200-2801 CONF		22.25 7.41 97.36	127.02
Total Number of Checks					43	70,459.99

## Fund Recap

Fund	Description	Check Count	Expensed Amount
01	GENERAL FUND	38	53,908.74
25	CAPITAL FACILITIES	2	1,052.50
35	COUNTY SCHOOL FACILITIES	4	15,498.75
Total Number of Checks		43	70,459.99
Less Unpaid Tax Liability			.00
Net (Check Amount)			70,459.99

The preceding Checks have been issued in accordance with the District's Policy and authorization of the Board of Trustees. It is recommended that the preceding Checks be approved.

002 - Happy Valley Elementary School District

Generated for Paige Lynd (PLYND), Jan 29 2024 1:22PM