



BOARD OF EDUCATION - REGULAR MEETING

AGENDA

District Office - Board Room
500 N. Walnut Street, La Habra, CA 90631

Thursday, February 10, 2022 06:00 PM

4:00 p.m. - Work/Study Session

5:00 p.m. - Closed Session

6:00 p.m. – Call to Order/Regular Meeting
(Meetings are recorded for use in official minutes)

1. Work/Study Session

Start time: 04:00 PM

Dr. Sheryl Tecker, Assistant Superintendent of Educational Services

Dr. Marcie Poole, Director of Special Programs and Assessments

- Mid-Year Local Control Accountability Plan (LCAP) Update - Supplement to the Annual Update

2. Formal Call to Order

Start time: 05:00 PM

3. Adjourn to Closed Session

4. Closed Session

- a. Public Employee Appointment/Employment (Title: Superintendent)
Government Code Section 54957
- b. Public Employee Discipline/Dismissal/Release/Personnel Matters
Government Code Sections 54954.5(d), 54957
- c. Expulsion for Student #1218278
Government Code Section 54962

5. Second Call to Order

Start time: 06:00 PM

- Welcome
- Pledge of Allegiance

6. Report from Closed Session

7. Action Item: Adoption of Agenda (Action)

Motion_____ Second_____ Board Action_____

8. Action Item: Approval of Minutes of the Regular Meeting of January 13, 2022 and Special Meeting of January 28, 2022 (Action)

Motion_____ Second_____ Board Action_____

9. Correspondence: Clerk of the Board

10. Public Comment

Members of the audience may address the Board of Education on agenda items during consideration of that item and items not on the agenda that are within the Board's subject matter jurisdiction. Speaking time is limited to three (3) minutes per speaker with a maximum of twenty (20) minutes per topic. Persons wishing to address the Board should complete and submit a Presentation Card, available on the table near the hallway door. The Presentation Card must be completed and given to the Secretary prior to the meeting. Matters not on the agenda may neither be acted upon nor discussed by the Board, but will be researched and responded to in any one of the following ways: 1) by telephone after research; 2) by mail after research; or 3) at a subsequent Board meeting as an agenda item.

11. CONSENT CALENDAR (Action)

Motion_____ Second_____ Board Action_____

a. EDUCATIONAL SERVICES (Consent Agenda)

1. Contract Reports - Educational Services/Special Education/Special Education Master

[Educational Services \(p. 6\)](#)

[Special Education Contracts \(p. 7\)](#)

[Special Education Master Contracts \(p. 8\)](#)

2. Staff Development

[Staff Development \(p. 9\)](#)

3. University Agreements

[Chapman Agreement \(p. 10\)](#)

b. BUSINESS SERVICES (Consent Agenda)

1. Contract Reports - Business Services

[Business Services \(p. 16\)](#)

2. Expenditures Report

[Expenditures \(p. 17\)](#)

3. Field Contracts

[Field Contracts \(p. 18\)](#)

4. Surplus

c. PERSONNEL SERVICES

(Consent Agenda)

1. Separations/New Hires

Separations (p. 20)

New Hires (p. 21)

2. Change of Status

Change of Status (p. 24)

12. INSTRUCTION AND PERSONNEL

a. Action Item: Proclaiming February 7-11, 2022 as February National School Counseling Week (Action)

Presenter: La Habra City School District's Counseling Team

Trustees are requested to approve February 7-11, 2022 as February National School Counseling Week.

Motion_____ **Second**_____ **Roll Call**_____

Proclamation (p. 25)

b. Information Item: Local Control Accountability Plan (LCAP) (Information)

Dr. Tecker will present the LCAP Supplement as required by Assembly Bill 130.

Supplement to Local Control and Accountability Plan (LCAP) (p. 26)

c. Action Item: Early Retirement for Certificated Employees (Action)

Trustees are requested to take action on the certificated employee requests for Early Retirement.

Motion_____ **Second**_____ **Board Action**_____

Early Retirees (p. 31)

d. Information/Action Item: First/Second Possible Reading of New Confidential Job Description (Action)

Trustees are requested to approve a first/second possible reading of a new confidential job description for Program Budget Analyst per the attachment.

Motion_____ **Second**_____ **Board Action**_____

Program Budget Analyst (p. 32)

e. Action Item: Appointment of Employee Agreement for District Superintendent (Action)

Trustees are requested to approve employment agreement for Superintendent of the La Habra City School District effective July 1, 2022.

Motion_____ **Second**_____ **Board Action**_____

Superintendent Agreement (p. 35)

13. BUSINESS MATTERS

a. Action Item: Approval of 2020-21 Annual Audit for Bond Measure O (Action)

Trustees are requested to approve the 2020-21 Annual Audit for Bond Measure O.

Motion_____ **Second**_____ **Board Action**_____

[Annual Audit for Bond Memo \(p. 36\)](#)

[La Habra City Financial and Performance Audits \(p. 37\)](#)

b. Action Item: Approval of Annual Audit Report (Action)

Trustees are requested to approve 2020-21 the Annual Audit Report.

Motion_____ **Second**_____ **Board Action**_____

[2020-21 Financial Audit Memo \(p. 63\)](#)

[La Habra City SD Final Financial Statements \(p. 65\)](#)

c. Action Item: Approval to Adopt Resolution No. 1-2022 - Shade Structure (Action)

Trustees are requested to adopt Resolution No. 1-2022 designating Shade Structures Inc., dba USA Shade & Fabric Structures as the District standard for all outdoor shade structure installations.

Motion_____ **Second**_____ **Roll Call**_____

[Shade Structures Memo \(p. 162\)](#)

[Resolution 1-2022 - Shade Structures \(p. 163\)](#)

14. GENERAL MATTERS

a. Information Item: 2022 Governance Calendar (Information)

Trustees will review the revised 2022 Governance Calendar.

[LHCSO Governance Calendar 2022 \(p. 165\)](#)

b. Action Item: Approval of Second Reading of Select Board Policies (Action)

Trustees are requested to approve the new/revised Board Policies (BP) per California School Board Association recommended for BP 5148.2 Before/After School Programs, BP 6112 - School Day, and Board Bylaw 9320 - Meeting and Notices.

Motion_____ **Second**_____ **Board Action**_____

[Board Policies Memo - 2nd Reading \(p. 166\)](#)

[Policy 5148.2 - Before After School Programs \(p. 168\)](#)

[Policy 6112 - School Day \(p. 170\)](#)

[Bylaw 9320 - Meetings And Notices \(p. 171\)](#)

15. Board/Superintendent Comments:

16. Adjournment

Motion_____ **Second**_____ **Board Action**_____

17. NEXT BOARD MEETING:

The next regular meeting of the Board of Education is scheduled for March 10, 2022 at 6:00 p.m., at the District Education Board Room, 500 N. Walnut Street, La Habra, California.

La Habra City School District is a tobacco-free district. Tobacco use is prohibited on District property at all times. Any individual with a disability who requires reasonable accommodation to participate in a Board meeting may request assistance by contacting the Superintendent's Office at 562-690-2300; fax: 562-690-4154.



La Habra City School District

500 North Walnut, La Habra, California 90631-3769

REQUEST FOR APPROVAL OF CONTRACTS / AGREEMENTS / EDUCATIONAL SERVICES

PROGRAM	LOCATION	START DATE	END DATE	CONSULTANT	INVOICE AMOUNT	FUNDING SOURCE
---------	----------	------------	----------	------------	----------------	----------------

Software to manage, measure, and improve professional learning	District	3/1/2022	2/28/2025	Kickup	\$27,967.00	EEB Grant
--	----------	----------	-----------	--------	-------------	-----------

RATIFICATION

Agreement to provide transportation services as requested by the District	District	1/14/2022	6/30/2022	ALC Schools, Inc.	\$15,000.00	Special Education Transportation
---	----------	-----------	-----------	-------------------	-------------	----------------------------------

Agreement to provide an Associate Marriage and Family Therapist (AMFT) to the District's COMPASS program	District	1/18/2022	6/2/2022	Congruent Lives	\$28,800.00	Out of Home Care
--	----------	-----------	----------	-----------------	-------------	------------------

Licenses for all TK-2 students in math, and professional development webinar for teachers	Ladera Palma	1/31/2022	1/31/2023	Imagine Learning	\$6,500.00	LCAP
---	--------------	-----------	-----------	------------------	------------	------

Provide student counseling for at-risk students identified by school counselors, teachers or administrators	District	1/31/2022	1/31/2023	Sharon Hensley	per rate sheet	Esser II
---	----------	-----------	-----------	----------------	----------------	----------

Provide technical assistance and administrative support in the areas of site leadership, educational services, human resources and leadership training	District	1/31/2022	1/31/2023	Teresa Egan, Ed.D.	per rate sheet	Esser II
--	----------	-----------	-----------	--------------------	----------------	----------

After School Education and Safety Program (ASES) that provides educational enrichment	All sites	7/1/2021	6/30/2022	Boys & Girls Clubs of La Habra	\$898,775.56	ASES Grant
---	-----------	----------	-----------	--------------------------------	--------------	------------

Board Approved: February 10, 2022



La Habra City School District

500 North Walnut, La Habra, California 90631-3769

Board of Education

CYNTHIA AGUIRRE, *President*
OFELIA HANSON, *Clerk/Vice-President*
EMILY PRUITT, *Member*
SUE PRITCHARD, *Ph.D., Member*
ADAM ROGERS, *Member*

JOANNE CULVERHOUSE, *Ed.D., Superintendent*

REQUEST FOR APPROVAL OF SPECIAL EDUCATION SERVICE CONTRACTS

Approval of the following contract(s) will provide services to students with exceptional needs per Education Code 56157 and 56365-56366.7 on the basis of each pupil's Individualized Education Program (IEP).

Contract Agency: ECE 4 Autism
2000 E. Ivy Hill Ln.
Orange, CA 92867

Student	Services Provided	Start Date	End Date	Rate	Max. Sessions	Contract Amount
---------	-------------------	------------	----------	------	---------------	-----------------

RATIFICATION

#1216117	Education Program	1/10/2022	6/14/2022	\$ 190.00	107	\$ 20,330.00
	Speech and Language	1/10/2022	6/14/2022	\$ 22.50	36	\$ 810.00
TOTAL						\$ 21,140.00

BOARD APPROVED: February 10, 2022



La Habra City School District

500 North Walnut, La Habra, California 90631-3769

Board of Education

CYNTHIA AGUIRRE, *President*
OFELIA HANSON, *Clerk/Vice-President*
EMILY PRUITT, *Member*
SUE PRITCHARD, Ph.D., *Member*
ADAM ROGERS, *Member*

JOANNE CULVERHOUSE, Ed.D., *Superintendent*

REQUEST FOR APPROVAL OF SPECIAL EDUCATION MASTER CONTRACTS

Approval of the following Master Contract(s) will provide services to students with exceptional needs per Education Code 56157 and 56365-56366.7 on the basis of each pupil's Individualized Education Program (IEP).

Nonpublic, Nonsectarian School/Agency	Location	Start Date	End Date	Invoice Amount	Funding Source
--	----------	------------	----------	----------------	----------------

RATIFICATION

ECE 4 Autism	Orange, CA	1/10/2022	6/30/2022	per rate sheet	Special Education
--------------	------------	-----------	-----------	----------------	-------------------

Board Approved: February 10, 2022

**LA HABRA CITY SCHOOL DISTRICT
REQUEST FOR APPROVAL/RATIFICATION OF PROFESSIONAL DEVELOPMENT PROGRAMS**

GENERAL PROGRAM	LOCATION	DATE	OVERVIEW	ATTENDEE(S)	ESTIMATED EXPENSE	FUNDING SOURCE
Inquiry Educator Summit 2022	Virtual	Various dates between March and July, 2022	Learn additional information for Toddle Program for IB	Carole Mortl	\$211.00	ESSER II
WestEd - Learning from the Middle	Virtual	Various dates between January and May, 2022	Effective project leadership and team development	Marcie Poole Sheryl Tecker	\$3,000.00	S&C
Break It Down Again: Quarantine, Isolation, Tracking and More	Virtual	2/3/2022	COVID-19 updates for California schools	Danelle Bautista Keri Tucker	\$118.00	Unrestricted

CHAPMAN UNIVERSITY
AFFILIATION AGREEMENT

This Agreement is made and entered into this 5th day of January 2022 by and between **CHAPMAN UNIVERSITY**, hereafter referred to as the "UNIVERSITY," and "**La Habra City School District**", hereafter referred to as the "FACILITY."

WHEREAS:

The UNIVERSITY has a curriculum in Communication Sciences and Disorders that awards a degree and is accredited by the Western Association of Schools and Colleges.

Clinical experience is required as an integral component of the curriculum and professional preparation.

The UNIVERSITY desires the cooperation of the FACILITY and its staff in the development and implementation of the clinical experience and professional preparation of Communication Sciences and Disorders students.

The FACILITY will benefit from having professional services delivered to patients of the FACILITY by qualified students of the UNIVERSITY.

The parties have found it to be in the public interest for the FACILITY to join the UNIVERSITY in satisfying the curriculum requirements and professional preparation of the students.

NOW, THEREFORE, the UNIVERSITY and the FACILITY agree to the following terms and conditions for the establishment and operation of a clinical education program.

I. THE PARTIES MUTUALLY AGREE:

- A. This Agreement shall continue in force and effect from January 5th, 2022 to and including January 31st, 2027. This Agreement may be renewed by mutual written consent of both parties for up to three (3) additional years. This Agreement may be terminated by either party with or without cause upon ninety (90) days written notice, provided that (subject to the other terms of this Agreement) all students currently enrolled in the Program at the FACILITY at the time of notice of termination shall be given the opportunity to complete the Program at the FACILITY.
- B. The parties shall pursue the educational objectives for the clinical education experience, devise methods for their implementation and continually evaluate the effectiveness of the clinical experience in meeting the objectives.
- C. The period of time for each student's clinical experience shall be mutually agreed upon prior to beginning the clinical education program.
- D. The number of students able to participate in the FACILITY'S clinical education program will be mutually determined by agreement of the parties and may be altered by mutual agreement, with due consideration given to the clinical space available.
- E. UNIVERSITY will pay FACILITY a standard stipend of \$350.00 per student, per semester. Such stipend shall be due within thirty (30) days following UNIVERSITY'S receipt of an invoice from FACILITY; provided, however the UNIVERSITY shall have no liability for any due amounts not invoiced within ninety (90) days following the earlier of the applicable

student's completion of the Program or termination of this Agreement with respect to such student.

- F. The FACILITY may request UNIVERSITY to withdraw from the FACILITY'S clinical experience training program any student who the FACILITY determines is not performing satisfactorily, or who refuses to follow the FACILITY'S administrative and patient care policies, procedures, rules and regulations. Such request shall be in writing and must include a statement of the reason or reasons why the FACILITY desires to have the student withdrawn. UNIVERSITY may withdraw a student from the clinical program any time, upon written notice to the FACILITY.
- G. Neither party shall discriminate in the assignment of student on the basis of race, color, disability, sex, religion, national origin, sexual orientation, gender identity or expression, pregnancy, genetic information, age, citizenship status, marital status, military or veteran status, ancestry, or any other basis prohibited by law.
- H. The UNIVERSITY agrees to indemnify, hold harmless, and defend the FACILITY, its agents, and employees from and against all loss or expense (including costs and attorney fees) resulting from liability imposed by law upon the FACILITY because of bodily injury to or death of any person or on account of damages to property, including loss of use thereof, arising out of or in connection with this Agreement and due or claimed to be due to the negligence of the UNIVERSITY, its trustees, officers, agents, or employees.
- I. The FACILITY agrees to indemnify, hold harmless, and at the UNIVERSITY'S request, defend the UNIVERSITY, its trustees, officers, agents and employees from and against all loss or expenses (including costs and attorney fees) resulting from liability imposed by law upon the UNIVERSITY because of bodily injury to or death of any person or on account of damages to property, including loss of use thereof, arising out of or in connection with this Agreement, and due or claimed to be due to the negligence of the FACILITY, its agents, or employees.
- J. The parties agree that the students are fulfilling specific requirements for field experiences as part of a degree requirement and, therefore, regardless of the nature or extent of the acts performed by them the students are not to be considered employees or agents of either the UNIVERSITY or the FACILITY for any purpose, including Workers' Compensation or employee benefit programs, and the students shall not be entitled to any monetary remuneration for services performed by them in the course of their training.
- K. Notices required or permitted to be provided under this Agreement shall be in writing and shall be deemed to have been duly given if mailed first class as follows:

To FACILITY: La Habra City School District

Address: 500 North Walnut Street
La Habra, CA 90631

Attention: Dr. Mario A. Carlos

Phone: 562.690.2305

To UNIVERSITY :

Chapman University
Office of the Executive Vice President
One University Drive

Orange, CA 92866
Attention: Chief Operating Officer
Telephone: (714) 997-6717

- L. Both parties acknowledge that they are independent contractors, and nothing contained in this Agreement shall be deemed to create an agency, joint venture, franchise or partnership relation between the parties and neither party shall so hold itself out. Neither party shall have no right to obligate or bind the other party in any manner whatsoever, and nothing contained in this Agreement shall give or is intended to give any right of any kind to third persons.
- M. Neither party hereto shall have the right, directly or indirectly, to assign, transfer, convey or encumber any of its rights under this Agreement without the prior written consent of the other party hereto. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the UNIVERSITY and the FACILITY.
- N. Any failure of a party to enforce that party's right under any provision of this Agreement shall not be construed or act as a waiver of said party's subsequent right to enforce any provisions contained herein.
- O. If any term or provision of this Agreement is for any reason held to be invalid, such invalidity shall not affect any other term or provision, and this Agreement shall be interpreted as if such term or provision had never been contained in this Agreement.
- P. This Agreement shall be governed by the laws of the state of California. Should either party institute legal action to enforce any obligation contained herein, it is agreed that the proper venue of such action shall be Orange County, California.
- Q. FACILITY and UNIVERSITY each agree to maintain in full force and effect, at its sole expense and written by insurer(s) or by way of a qualified program of self-insurance acceptable to the other party:
 - a. Commercial General Liability Insurance, written on an occurrence form (MINIMUM REQUIREMENTS):

Limits of Liability:
\$1,000,000 Each Occurrence
\$3,000,000 General Aggregate
 - b. Professional Liability Insurance, covering their respective operations in connection with this Agreement (MINIMUM REQUIREMENTS):

Limits of Liability:
\$1,000,000 Each Claim or Occurrence
\$3,000,000 Annual Aggregate

If such insurance is written on a claims-made form, it shall continue for three (3) years following termination of this Agreement. If replaced by another policy, the replacement insurance shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement.
 - c. FACILITY and UNIVERSITY agree to provide the other party notice of not fewer than thirty (30) days' in advance of any cancellation or material change in the

above listed insurance coverages. Upon request, each party shall provide the other party with a Certificate of Insurance ("COI") on an AcordTM 25 form or other form acceptable to the other party stating that there is insurance in effect with the minimum limits shown above.

II. THE FACILITY AGREES:

- A. To designate a Site Coordinator of Clinical Education who will be responsible for the planning and implementation of the clinical education experience. The aforementioned individual shall meet the criteria established by that state's legislative and regulatory agency and the American Speech Language Hearing Association for the supervision of students in the clinical education setting.
- B. To provide the Site Coordinator of Clinical Education or Clinical Instructor with reasonable time to plan and implement the clinical education experience including, when feasible, time to attend relevant meetings and conferences.
- C. To structure the clinical experience as needed to meet the objectives of the clinical education experience and professional preparation of the students. The FACILITY will attempt to meet the objectives set forth by the UNIVERSITY within the constraints of the FACILITY'S physical environment, patient load, and experience available.
- D. To advise the UNIVERSITY of any changes in its personnel, operation, or policies which may affect the clinical education experience.
- E. To provide the assigned students, whenever possible with the use of library resources, reference materials, equipment, and all other items necessary to operate the program at the FACILITY.
- F. To provide all participating students with a copy of the FACILITY'S rules, regulations, policies, and procedures with which the students are expected to comply.
- G. To provide for emergency health care of the student in case of accident at the expense of the student.
- H. The FACILITY shall, upon reasonable request, permit UNIVERSITY and/or appropriate agencies charged with the responsibility of accrediting or approving the training program to inspect the clinical facilities, services available for clinical experience, student records and other materials pertaining to the clinical training program.
- I. To evaluate the performance of the student on a regular basis using the evaluation form provided by the UNIVERSITY or one that is regularly used by the FACILITY. The FACILITY shall notify the UNIVERSITY, by at least midterm, of any serious deficit noted in that assigned student's ability to accomplish the objectives set forth for that clinical experience. It will then be the mutual responsibility of the assigned student, academic Director of Clinical Education and Site Coordinator of Clinical Education to devise a plan by which the student may be assisted to achieve the stated objectives.
- J. To forward a copy of the student's final Written evaluation, upon completion of the clinical education experience to be received by the UNIVERSITY within five (5) working days.
- K. The FACILITY agrees to comply with all federal, state and local statutes and regulations applicable to the operation of the program, including without limitation laws relating to the confidentiality of student records.

- L. To promptly and thoroughly investigate any complaint by any participating student of unlawful discrimination or harassment at the FACILITY or involving employees or agents of the FACILITY, take prompt and effective remedial action when discrimination or harassment is found to have occurred, and promptly notify the UNIVERSITY of the existence and outcome of any complaint of harassment by, against, or involving any participating student.
- M. To provide, upon request by any participating student, with such reasonable accommodations at the FACILITY as required by law in order to allow qualified disabled students to participate in the program.
- III. THE UNIVERSITY AGREES:
 - A. To assume responsibility for the professional preparation of the student and compliance of the curriculum with the education standards set forth by the American Speech Language Hearing Association.
 - B. To establish and maintain ongoing communication with the Site Coordinator of Clinical Education of the FACILITY on items pertinent to the education and the clinical education of students enrolled in the UNIVERSITY. (Such communication might include, but is not limited to, a description of the experience, student biographical information, policies, faculty qualification, etc.) On-site visits will be arranged when feasible or upon request by the FACILITY.
 - C. To refer to the FACILITY only those students who have satisfactorily completed: the prerequisite didactic portion of the curriculum.
 - D. To inform the student of the FACILITY'S requirements for acceptance when applicable.
 - E. To provide the FACILITY written or electronic documentation concerning the student's health and any immunization against communicable diseases requested by the FACILITY.
 - F. To maintain professional liability insurance coverage for any participating student on a "claims-made" basis. If such insurance is required by the FACILITY on an "occurrence" basis rather than a "claims-made" basis, the participating student shall provide evidence of individual professional liability insurance covering the student's professional activities at the FACILITY under this Agreement.
 - G. To supply the Site Coordinator of Clinical Education with an appropriate evaluation instrument for each student's clinical education experience or to accept the instrument regularly used by the FACILITY.
 - H. To have each participating student provide, prior to commencement of the clinical experience, such confidential information as may be required by the FACILITY as deemed necessary for the training and guidance of the students, together with the student's authorization for release of such information, as required by law.
 - I. That participating students are not employees of the FACILITY and they will not receive compensation from said the FACILITY.
 - J. To inform participating students that they must abide by existing rules and regulations of the FACILITY.
 - K. To inform participating students that they must be cleared, if required by the FACILITY, from an absence caused by injury or illness, by a physician.

- L. The student will provide evidence of health insurance coverage at the beginning of the clinical experience.

This Agreement fully supersedes any and all prior agreements or understandings between the parties or any of their respective affiliates with respect to the subject matter hereof, and no change in, modification of or addition, amendment or supplement to this Agreement shall be valid unless set forth in writing and signed and dated by both parties hereto subsequent to the execution of this Agreement.

This Agreement may be executed in one or more counterparts, each of which shall constitute one and the same agreement. Further, the Parties may execute this Agreement via fax or electronic mail transmission. A true and correct copy of the Agreement, as executed by the Parties, may be used in lieu of an original for all purposes permitted by law.

SIGNATURES:

Dated: _____ CHAPMAN UNIVERSITY

By: _____

Name: Harold W. Hewitt, Jr.
Its: Executive Vice President & COO

Dated: _____ FACILITY: La Habra City School District

By: _____

Name: Dr. Mario A. Carlos
Its: Associate Superintendent



La Habra City School District

500 North Walnut, La Habra, California 90631-3769

REQUEST FOR APPROVAL OF CONTRACTS / AGREEMENTS / BUSINESS SERVICES

PROGRAM	LOCATION	START DATE	END DATE	CONSULTANT	INVOICE AMOUNT	FUNDING SOURCE
----------------	-----------------	-----------------------	-----------------	-------------------	---------------------------	---------------------------

RATIFICATION

Covid-19 Testing Services	District	1/18/2022	TBD	Covid Clinic, Inc.	N/A	N/A
File mandated disclosure reports for school bonds	District	7/1/2021	6/30/2027	Greenlee Disclosure Consulting	\$2,850.00	Unrestricted
Grant funds to promote student wellness	District	1/1/2022	12/31/2022	St. Jude Hospital	\$14,402.00	Grant

Board Approved: February 10, 2022

Warrant Reports: December 30, 2021 – January 26, 2022

Approve warrants numbered 30-0088533 through 30-088718
For the amount of \$1,112,152.37 as presented.

0101	General fund	\$940,023.54
1212	Child Development	\$309.92
1313	Nutrition Services	\$97,419.26
2129	Building Fd GO Bond S-2012E	\$70,823.50
2525	Capital Facilities	\$1,544.60
4040	Special Reserve Fd for Capital Outlay	<u>\$2,031.55</u>
TOTAL		\$1,112,152.37



La Habra City School District

500 North Walnut, La Habra, California 90631-3769

REQUEST FOR RATIFICATION OF FIELD CONTRACTS

VENDOR	DESCRIPTION	LOCATION	AMOUNT
Apollo Wood Recovery, Inc.	Labor and materials to replenish playgrounds with 200 cubic yards of PlayFiber chips	Various	\$12,183.00
Bernier Refrigeration Generations, Inc.	Labor and materials to furnish and install an outdoor condensing unit and evaporator for the walk-in refrigerator	Ladera Palma	\$13,085.00
Brea Electric	Labor and materials to furnish, retrofit and install six LED fixtures on poles	Las Positas	\$7,322.57
Golden Coast Construction	Labor and materials to remove cabinets, frame in and drywall door opening, prep, prime and paint in the Business Office	District Office	\$5,900.00
KYA Services	Labor and materials to repair playground surface	Arbolita	\$12,550.88
So Cool Air Conditioning & Heating	Labor and materials to install evaporator, condenser and thermostat in the Business Office	District Office	\$4,711.00
Turboscape, Inc.	Labor and materials to replenish playgrounds with 240 cubic yards of certified PlayFiber chips	Various	\$11,520.00
Weatherproofing Technologies, Inc.	Labor and materials to repair roof leaks	Various	\$1,910.00
Williams Tree Service	Labor and dump fees to trim palms, oak and pine trees	El Cerrito, Ladera Palma	\$14,200.00
Wolverine Fence	Labor and materials to remove and replace fencing, double gate and swing gate at portables	El Cerrito	\$2,800.00
Wolverine Fence	Labor and materials to remove and replace 131' of fencing	El Cerrito	\$12,025.00
Wolverine Fence	Labor and materials to install perimeter fencing	El Cerrito	\$138,350.00

Board Approved: February 10, 2022

La Habra City School District

To: Board of Trustees
From: Manuel Tafoya, Supervisor Purchasing and Stores
Date: February 10, 2022
CC: Superintendent
Re: Surplus Equipment

Background:

Over the course of the past several school years the District warehouse and maintenance yard has accumulated and stored equipment from various departments.

Rationale:

District warehouse and maintenance yard space is always very limited. It is the intention of District staff to dispose of those items that are obsolete, unserviceable, beyond economical repair or otherwise no longer suitable for District use.

Recommended Action:

It is requested that the Board of Trustees declare the below obsolete items as surplus and authorize District staff to dispose of these items at public auction, private sale, donate to charity, dispose of at the local public dump or by other means allowed by Ed. Codes 17545 and 17546.

- | | |
|-----------------------|-------------------------------|
| 1. Ford Ranger Pickup | License# 1288639 Vehicle# 29 |
| 2. Ford F250 Pickup | License# E1024349 Vehicle# 30 |

Financial Implications, if any:

None

La Habra City School District

To: Board of Trustees
From: Danelle Bautista, Director of Classified Personnel/Insurance Supervisor
Date: February 10, 2022
CC: Superintendent
Re: Separations

NAME/JOB TITLE/ SCHOOL	HIRE DATE	REASON	EFFECTIVE DATE
---------------------------	-----------	--------	----------------

CLASSIFIED

*Bustos Medina, Sandra I A III-Sp Ed/Behavior Arbolita	2/21/2017	Resigned	1/21/2022
Garcia, Rhonda School Office Manager Early Learning	12/6/2021	Resigned	1/25/2022
*Gonzalez, Blanca Extended Care Worker KidZone	2/9/2021	Resigned	1/28/2022
Gonzalez, Griselle Educational Asst Ladera Palma	2/9/2016	Resigned	11/4/2021
*Sanchez Fonseca, Paulina I A I-Sp Ed Las Positas	8/27/2019	Resigned	1/19/2022
Weidenbener, Darla Extended Care Worker KidZone	11/25/1996	Resigned	1/21/2022
Wong, Andrew Info Services Tech I Imperial	12/3/2021	Resigned	1/25/2022

*Will continue to work in substitute status

Board Approved: February 10, 2022

La Habra City School District

To: Board of Trustees

From: Danelle Bautista, Director of Classified Personnel/Insurance Supervisor
Mario A. Carlos, Ed.D., Associate Superintendent/Human Resources

Date: February 10, 2022

CC: Superintendent

Re: Ratification of New Employees Hired Subsequent to January 31, 2022

NAME/ JOB TITLE SCHOOL	STATUS	COLUMN/STEP	RATE OF PAY	HIRE DATE
---------------------------	--------	-------------	-------------	-----------

CLASSIFIED

Alatorre, Cristal Student Supervisor Las Lomas	Probationary	Student Supervisor	\$15.00/hour	1/10/2022
*Alatorre, Julie Cafeteria Worker Nutrition Services	Probationary	14-1	\$16.07/hour	12/16/2021
Amador Duenas, Yesenia Student Supervisor Ladera Palma/Walnut	Probationary	Student Supervisor	\$15.00/hour	1/5/2022
**Calleros, Faviola School Office Manager Early Learning	Probationary	28-4 + 10 yr. longevity	\$4,821/month	1/26/2022
Canales, Krista I A I-Sp Ed Imperial	Probationary	17-1	\$17.32/hour	1/11/2022
*Davalos, Maria Student Supervisor Walnut	Probationary	Student Supervisor	\$15.00/hour	1/4/2022
Farias, Valerie Info Svcs Tech I Ladera Palma	Probationary	25-1	\$21.10/hour	1/18/2022
Garcia, Briana Student Supervisor El Cerrito	Probationary	Student Supervisor	\$15.00/hour	1/19/2022
Gomez, Gabriela I A III-Sp Ed/Behavior Las Positas	Probationary	21-1	\$19.11/hour	1/5/2022

La Habra City School District

NAME/ JOB TITLE SCHOOL	STATUS	COLUMN/STEP	RATE OF PAY	HIRE DATE
<u>CLASSIFIED (continued)</u>				
Hellebrand, Jason Info Svcs Tech I Sierra Vista	Probationary	25-1	\$21.10/hour	1/5/2022
*Heptinstall, Angela Cafeteria Worker Nutrition Services	Probationary	14-1	\$16.07/hour	12/16/2021
*Kitchell, Melanie Cafeteria Worker Nutrition Services	Probationary	14-1	\$16.07/hour	12/16/2021
Leyva, Rayleen I A I-Sp Ed Early Learning	Probationary	17-1	\$17.32/hour	1/5/2022
Marquez Leyva, Jovana Physical Education Asst District Office	Probationary	17-1	\$17.32/hour	1/6/2022
**Najarro, Araceli I A I-Sp Ed Las Positas	Probationary	17-1	\$17.32/hour	12/16/2021
Pantaleon, Gaby Extended Care Worker KidZone	Probationary	4-1	\$15.00/hour	1/4/2022
Perez Claudia Student Supervisor El Cerrito	Probationary	Student Supervisor	\$15.00/hour	1/4/2022
*Rojas, Jessica Cafeteria Worker Nutrition Services	Probationary	14-1	\$16.07/hour	12/16/2021
Valenzuela, Nohemi Student Supervisor Walnut	Probationary	Student Supervisor	\$15.00/hour	1/4/2022
Yoon, Elyse Extended Care Worker KidZone	Probationary	4-1	\$15.00/hour	1/4/2022

La Habra City School District

NAME/ JOB TITLE SCHOOL	STATUS	COLUMN/STEP	RATE OF PAY	HIRE DATE
---------------------------	--------	-------------	-------------	-----------

CLASSIFIED (continued)

Zaleski, Ryan Info Svcs Tech I Washington	Probationary	25-1	\$21.10/hour	1/6/2022
---	--------------	------	--------------	----------

CERTIFICATED

Jimenez, Alyssa RSP Teacher Sierra Vista	Intern	A-1	\$25,134/year (pro-rated)	1/24/2022
Kim, Nayeon 50% District Nurse District Office	Temporary	I-1	\$14,810/year (pro-rated)	1/12/2022

*Previously substitute status

**Promoted from another position

Board Approved: February 10, 2022

La Habra City School District

To: Board of Trustees
From: Danelle Bautista, Director of Classified Personnel/Insurance Supervisor
Date: February 10, 2022
CC: Superintendent
Re: Change of Status

NAME/JOB TITLE/ LOCATION	CHANGE	FROM	TO
-----------------------------	--------	------	----


CLASSIFIED

Cabral, Lorinda I A I-Sp Ed El Cerrito	Hours	4/day	8/day
Campos, Albert Student Supervisor Washington	Location	El Cerrito	Washington

Board Approved: February 10, 2022

NATIONAL SCHOOL COUNSELING WEEK



 *La Habra City
School District*

WHEREAS, school counselors are employed in public and private schools to help students reach their full academic, social/emotional and professional potential; and

WHEREAS, school counselors are actively committed to helping students build and explore their academic, personal and social abilities, strengths, interests, and talents; and

WHEREAS, school counselors help empower parents to focus on ways to further the educational, personal and social growth of their children; and

WHEREAS, school counselors work with teachers and other educators to implement restorative practices, incorporate social emotional learning and ensure a safe and inclusive culture in the classroom; and

WHEREAS, school counselors seek to identify and utilize community resources that can enhance and complement comprehensive school counseling programs and help students become productive members of La Habra's caring community and society as a whole; and

WHEREAS, comprehensive developmental school counseling programs are considered an integral part of the educational process that enables all students to achieve success in school;

WHEREAS, on February 10, 2022, the La Habra City School District hereby proclaims February 7 - 11, 2022, as National School Counseling Week.

Board President

Secretary

Supplement to the Annual Update to the 2021–22 Local Control and Accountability Plan

Local Educational Agency (LEA) Name	Contact Name and Title	Email and Phone
La Habra City Elementary School District	Sheryl Tecker Assistant Superintendent, Education Services	stecker@lahabraschools.org 562 690-2392

California’s 2021–22 Budget Act, the federal American Rescue Plan Act of 2021, and other state and federal relief acts have provided local educational agencies (LEAs) with a significant increase in funding to support students, teachers, staff, and their communities in recovering from the COVID-19 pandemic and to address the impacts of distance learning on students. The following is a one-time mid-year report to the local governing board or body and educational partners related to engagement on, and implementation of, these Acts.

A description of how and when the LEA engaged, or plans to engage, its educational partners on the use of funds provided through the Budget Act of 2021 that were not included in the 2020–21 Local Control and Accountability Plan (LCAP).

Consultation with school and community members has been an important part of the process to develop multiple plans over the course of the pandemic. These include the Learning Continuity and Attendance Plan (LCA, Fall 2020), the Expanded Learning Opportunities Grant Plan (ELOGP, May 2021) and the 2021-22 to 2023-24 Local Control Accountability Plan (LCAP, June 2021). Throughout each of these planning processes, the voices of students, families, staff and community members have informed the development of goals, actions, expenditures and metrics. With the new funds provided through the Budget Act of 2021, LHCSO launched a Thought Exchange districtwide in August of 2021 to gather input about how to best use additional funding to address learning loss. In this Thought Exchange, LHCSO had 1,002 participants with 893 thoughts shared, and 19,258 thoughts rated. Of those participants, 65% represented families/community members, 21% LHCSO certificated and classified staff members, and 14% indicated “Other.” The Thought Exchange was accessed in Spanish, Korean, Arabic and Chinese and had participants representing all of our school sites.

A description of how the LEA used, or plans to use, the additional concentration grant add-on funding it received to increase the number of staff who provide direct services to students on school campuses with an enrollment of students who are low-income, English learners, and/or foster youth that is greater than 55 percent.

LHCSO hired 24 new staff members and increased the hours for 125 staff members. These increases support all nine schools and include; additional counselors and a psychologist to support social-emotional needs of students, MTSS assistants for each elementary school to supplement interventions already provided, educational and instructional assistants to provide more small-group instruction, and additional language assessors to support English Language Learners. In addition, support staff such as custodians, nurses and office staff were offered additional hours to promote school safety and student health.

A description of how and when the LEA engaged its educational partners on the use of one-time federal funds received that are intended to support recovery from the COVID-19 pandemic and the impacts of distance learning on pupils.

An important aspect of the engagement process has been the iterative nature of the multiple planning cycles. Beginning with the initial Town Hall meetings to discuss Distance Learning, to the LCA Plan, LCAP and ESSER, each round of community engagement has built upon the last. In addition to the August Thought Exchange, our staff and local community had the opportunity for public comment at a Board of Education meeting held on October 14th, 2021. As we continue to receive funding, we continue to reach out for additional input from our educational partners.

One example of this cumulative engagement is the Expanded Learning Opportunities Programs (ELOP) that will take place at all nine schools with an ELOP lead hired for each. This ELOP Lead will gather site level input on specific programs that align with their instructional focus and the social-emotional needs of their students. The Educator Effectiveness Block Grant provides opportunities to increase professional development for all staff who work directly with students. Both the certificated and classified bargaining units will be providing input as to their needs and priorities at scheduled meetings and through Thought Exchanges. Another example of partner engagement is with the Universal Pre-Kindergarten (UPK) funds. A UPK task force is being created to gather input from those impacted by the growth of UPK in LHCS (teachers, administrators, families, bargaining units).

A description of how the LEA is implementing the federal American Rescue Plan Act and federal Elementary and Secondary School Emergency Relief expenditure plan, and the successes and challenges experienced during implementation.

The feedback we received from the community engagement strategies described above was incorporated into the development of priorities for addressing the loss of instructional time. Family members and staff wanted more interventions and small group instruction. Three broad priorities for interventions have been identified; 1) additional mathematics intervention, 2) additional support for MTSS interventions and 3) additional support for English Learners. We have begun our efforts in each of these areas and so some of the successes and challenges are as follows:

- *The Middle School Math Team has met with a mathematics consultant to develop a plan of action to address gaps in learning. Lack of substitutes has limited the amount of time teachers have been able to plan together.

- *LHCS has an approved job description and is currently screening and interviewing for new full-time classified positions to support the MTSS model at each elementary school. We anticipate that these positions will be filled and ready to support MTSS in March.

- *LHCS purchased and trained administrators and teachers in the use of ELlevation software. ELlevation is designed to help educators use data related to English Learner students to help target and refine their instruction. With a clearer understanding of the needs of our English Learners, professional development can be targeted to support classified and certificated staff to meet their needs. An ongoing challenge is staff absences and substitute shortages, both of which reduce time available for professional development.

A description of how the LEA is using its fiscal resources received for the 2021–22 school year in a manner that is consistent with the applicable plans and is aligned with the LEA’s 2021–22 LCAP and Annual Update.

LHCSD is using its fiscal resources in a manner that is consistent with the Safe Return to In-Person Instruction Plan, Continuity of Services Plan and ESSER III Expenditure Plan, and is aligned to the 2021-2022 LCAP. For example, the actions in the ESSER III plan to address learning loss align with LCAP Goal 1 Academic Achievement, Actions 5, 19, 22 & 23. The additional custodial hours and and purchase off additional personal protective equipment aligns with LCAP Goal 3, School Safety and Climate, Action 1.

Instructions for the Supplement to the Annual Update for the 2021–22 Local Control and Accountability Plan Year

For additional questions or technical assistance related to the completion of the Supplement to the Annual Update to the 2021–22 Local Control and Accountability Plan (LCAP), please contact the local county office of education (COE), or the California Department of Education’s (CDE’s) Local Agency Systems Support Office, by phone at 916-319-0809 or by email at lcff@cde.ca.gov.

Introduction

California’s 2021–22 Budget Act, the federal American Rescue Plan Act of 2021, and other state and federal relief acts have provided local educational agencies (LEAs) with a significant increase in funding to support students, teachers, staff, and their communities in recovering from the COVID-19 pandemic and to address the impacts of distance learning on students. Section 124(e) of Assembly Bill 130 requires LEAs to present an update on the Annual Update to the 2021–22 LCAP and Budget Overview for Parents on or before February 28, 2022, at a regularly scheduled meeting of the governing board or body of the LEA. At this meeting, the LEA must include all of the following:

- The Supplement to the Annual Update for the 2021–22 LCAP (2021–22 Supplement);
- All available mid-year outcome data related to metrics identified in the 2021–22 LCAP; and
- Mid-year expenditure and implementation data on all actions identified in the 2021–22 LCAP.

When reporting available mid-year outcome, expenditure, and implementation data, LEAs have flexibility to provide this information as best suits the local context, provided that it is succinct and contains a level of detail that is meaningful and accessible for the LEA’s educational partners.

The 2021–22 Supplement is considered part of the 2022–23 LCAP for the purposes of adoption, review, and approval, and must be included with the LCAP as follows:

- The 2022–23 Budget Overview for Parents

- The 2021–22 Supplement
- The 2022–23 LCAP
- The Action Tables for the 2022–23 LCAP
- The Instructions for the LCAP Template

As such, the 2021–22 Supplement will be submitted for review and approval as part of the LEA's 2022–23 LCAP.

Instructions

Respond to the following prompts, as required. In responding to these prompts, LEAs must, to the greatest extent practicable, provide succinct responses that contain a level of detail that will be meaningful and accessible for the LEA's educational partners and the broader public and must, to the greatest extent practicable, use language that is understandable and accessible to parents.

In responding to these prompts, the LEA has flexibility to reference information provided in other planning documents. An LEA that chooses to reference information provided in other planning documents must identify the plan(s) being referenced, where the plan(s) are located (such as a link to a web page), and where in the plan the information being referenced may be found.

Prompt 1: *“A description of how and when the LEA engaged, or plans to engage, its educational partners on the use of funds provided through the Budget Act of 2021 that were not included in the 2020–21 Local Control and Accountability Plan (LCAP).”*

In general, LEAs have flexibility in deciding what funds are included in the LCAP and to what extent those funds are included. If the LEA received funding through the Budget Act of 2021 that it would have typically included within its LCAP, identify the funds provided in the Budget Act of 2021 that were not included in the LCAP and provide a description of how the LEA has engaged its educational partners on the use of funds. If an LEA included the applicable funds in its adopted 2021–22 LCAP, provide this explanation.

Prompt 2: *“A description of how LEA used, or plans to use, the concentration grant add-on funding it received to increase the number of staff who provide direct services to students on school campuses with an enrollment of students who are low-income, English learners, and/or foster youth that is greater than 55 percent.”*

If LEA does not receive a concentration grant or the concentration grant add-on, provide this explanation.

Describe how the LEA is using, or plans to use, the concentration grant add-on funds received consistent with California *Education Code* Section 42238.02, as amended, to increase the number of certificated staff, classified staff, or both, including custodial staff, who provide direct services to students on school campuses with greater than 55 percent unduplicated pupil enrollment, as compared to schools with an enrollment of unduplicated students that is equal to or less than 55 percent.

In the event that the additional concentration grant add-on is not sufficient to increase the number of staff providing direct services to students at a school with an enrollment of unduplicated students that is greater than 55 percent, describe how the LEA is using the funds to retain staff providing direct services to students at a school with an enrollment of unduplicated students that is greater than 55 percent.

Prompt 3: “A description of how and when the LEA engaged its educational partners on the use of one-time federal funds received that are intended to support recovery from the COVID-19 pandemic and the impacts of distance learning on pupils.”

If the LEA did not receive one-time federal funding to support recovery from the COVID-19 pandemic and the impacts of distance learning on students, provide this explanation.

Describe how and when the LEA engaged its educational partners on the use of one-time federal funds it received that are intended to support recovery from the COVID-19 pandemic and the impacts of distance learning on students. See the COVID-19 Relief Funding Summary Sheet web page (<https://www.cde.ca.gov/fg/cr/relieffunds.asp>) for a listing of COVID-19 relief funding and the Federal Stimulus Funding web page (<https://www.cde.ca.gov/fg/cr/>) for additional information on these funds. The LEA is not required to describe engagement that has taken place related to state funds.

Prompt 4: “A description of how the LEA is implementing the federal American Rescue Plan Act and federal Elementary and Secondary School Emergency Relief expenditure plan, and the successes and challenges experienced during implementation.”

If an LEA does not receive ESSER III funding, provide this explanation.

Describe the LEA’s implementation of its efforts to maintain the health and safety of students, educators, and other staff and ensure the continuity of services, as required by the federal American Rescue Plan Act of 2021, and its implementation of the federal Elementary and Secondary School Emergency Relief (ESSER) expenditure plan to date, including successes and challenges.

Prompt 5: “A description of how the LEA is using its fiscal resources received for the 2021–22 school year in a manner that is consistent with the applicable plans and is aligned with the LEA’s 2021–22 LCAP and Annual Update.”

Summarize how the LEA is using its fiscal resources received for the 2021–22 school year to implement the requirements of applicable plans in a manner that is aligned with the LEA’s 2021–22 LCAP. For purposes of responding to this prompt, “applicable plans” include the Safe Return to In-Person Instruction and Continuity of Services Plan and the ESSER III Expenditure Plan.

California Department of Education
November 2021

LA HABRA CITY SCHOOL DISTRICT

To: Board of Trustees

From: Mario A. Carlos, Ed.D., Associate Superintendent of Human Resources

Date: February 10, 2022

Re: CERTIFICATED EARLY RETIREMENT APPLICATIONS

The following candidates have submitted Early Retirement Applications effective July 2022.

Recommend for Board consideration - February 10, 2022 Board Meeting

Name	Age (In July 2022)	Present Assignment	Total Years in Teaching	Years in La Habra	Retirement Request
Catherine Arnold	61	Kinder Teacher - Walnut	25	23	Health and Dental Benefits
Gina Ramirez Kruip	59	2nd grade Teacher - Arbolita	32	32	Preferred Sub/ Health and Dental Benefits

Contract Eligibility Requirements

1. Employed full-time for ten consecutive years, age 55 years or more on or before July 1 prior to retirement.
2. Receive health and dental benefits 55-65, until Medicare is available.
3. May request preferred substitute status at the regular per diem substitute pay rate for as many days as it takes to receive maximum allowable compensation. Participation in the substitute option is limited to 5% of the total staff modified by an attrition figure. This limitation does not affect those requesting health and dental benefits only.

**LA HABRA CITY SCHOOL DISTRICT
JOB DESCRIPTION**

PROGRAM BUDGET ANALYST

Definition

Under general supervision of the Director of Fiscal Services, perform complex technical and financial work in establishing, analyzing, maintaining, and auditing budgetary records for the categorical and non-categorical programs of the District.

Essential Duties

The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment to the class.

- Review warrant transmittals submitted for payment for accuracy, supporting documentation, and proper approvals; submit monthly, quarterly, and yearly fiscal claims, invoices and reports; maintain files containing purchase orders, payments, supporting documentation, and correspondence by project.
- Perform budget adjustments and transfers; analyze and adjust personnel costs given budget changes.
- Assist departments with estimating year-end expenditures for preliminary budget.
- Monitor and maintain revenue, budgets, and expenditures for all State and federal grants and entitlements, and various programs; collect, compile, and calculate data for financial reports; request payments and report financial data as dictated by the terms of the grants and entitlements.
- Establish, analyze, and maintain accurate and auditable fiscal records for the District's different programs and budgets.
- Assist District personnel with budget development, implementation and control requirements, as well as requests for budget numbers, funding sources, and following the proper procedures for expenditure of funds; assist with the budget process during the year; participate in budget meetings.
- Prepare and process confidential materials associated with collective bargaining and position control.
- Perform research and special projects as requested by administrators; prepare reports, gather information and documentation necessary; develop and effectively use spreadsheets for budget preparation and reporting purposes.
- Troubleshoot and resolve discrepancies and assist District personnel in correcting errors; investigate incomplete or inaccurate data on documents; compose correspondence and inquiries regarding the status of information.
- Perform research and analytical tasks for negotiations and management.

Minimum Qualifications

Education/Training/Experience:

A typical way of obtaining the knowledge, skills and abilities outlined above is graduation from an accredited college with a major in Finance or Accounting or its equivalent; or high

school diploma and five years of increasingly responsible budgeting and technical accounting experience; or an equivalent combination of training and experience.

Knowledge of:

Basic financial analysis and research procedures; principles and practices of general accounting; methods of budget control and auditing procedures; State and federal laws pertaining to special funding; correct English usage, grammar, spelling and punctuation; advanced record-keeping methods.

Ability to:

Perform complex technical and financial work following generally accepted principles and practices for accounting and auditing; interpret and follow accounting systems and procedures; prepare clear and concise financial analysis reports; perform statistical and financial analysis; read, understand, interpret and apply various procedures, policies, rules and regulations that apply to categorical programs; communicate effectively both orally and in writing; establish and maintain cooperative and effective working relationships with others; analyze and solve problems; observe and interpret situations; learn and apply new information or skills; use math and mathematical reasoning; perform highly detailed work; work on multiple and concurrent tasks; work with frequent interruptions; work under intensive deadlines; and interact with District and program personnel, managers, staff, vendors, the public, and others encountered in the course of work.

License:

Must have and maintain a California Driver's License and be insured.

PHYSICAL STANDARDS

Work Environment and physical demands of the position as described below are representative of those that must be met by an employee to successfully perform the essential functions of this position. Reasonable accommodations may be made to enable individuals to perform the essential functions.

Work Environment:

This job operates in an office environment, predominately seated. This role routinely uses standard office equipment such as computers, phones, copy machines, filing cabinets, and fax machines. The noise level can vary depending upon daily activity but will remain within moderate noise level range. The incumbent has direct and indirect contact with public and other district staff. The position requires working with high volume, tight deadlines, and being subject to frequent interruptions.

Physical Demands:

Primary functions of the position require physical ability and mobility to work in an office setting as follows: to sit for extended periods of time; to occasionally stand, walk, stoop, kneel and twist; to reach and bend at, below and above shoulder level; to lift, move, push, and/or pull objects up to twenty (20) pounds without assistance; to operate office equipment requiring the use of hands, fingers, repetitive hand movements, and fine coordination to operate a keyboard and other office equipment; to see within normal visual range and hear within normal audio range with or without

Program Budget Analyst

correction; to effectively communicate, both orally and in writing, in order to receive, provide and exchange information with others; daily physical attendance at work is an essential requirement of this job class.

The information contained in this physical standards description is for compliance with ADA and is not an exhaustive list of duties performed. The individuals currently holding this position perform additional duties and additional duties may be assigned.

Salary Range: 53 Confidential Salary Schedule
Schedule: 1 (12 months)

PRESENTED TO THE PERSONNEL COMMISSION: January 18, 2022
PRESENTED TO THE BOARD: February 10, 2022

**La Habra City School District
Board of Education Meeting
February 10, 2022**

Topic: Approve Agreement for the Employment of the Superintendent of the La Habra City School District

Description:

The Board of Education will consider approving the employment of Dr. Mario A. Carlos as the Superintendent of the La Habra City School District effective July 1, 2022. Dr. Carlos would succeed Dr. Joanne Culverhouse following her retirement from the District, effective June 30, 2022.

Dr. Carlos began his education career in 1994 as an Instructional Assistant and Elementary Teacher for the Fontana Unified School District. He was hired by the La Habra City School District in 2000 as a 5th grade Teacher at Walnut Elementary. He then went on to become a Staff Specialist and Language Arts Teacher at Imperial Middle School. His administrative career began in 2006 as an Assistant Principal at Washington Middle School and he was appointed Principal there two years later in 2008. Dr. Carlos served as Principal at Washington Middle School for ten very successful years, during which time they received a California Gold Ribbon and was named a High-Achieving Title I School. Dr. Carlos joined the District Office as the Director of Communications/Special Programs in 2017 and was promoted in 2020 as the Associate Superintendent of Human Resources.

Dr. Carlos has dedicated his service to the La Habra community for over twenty years. His career has been based on his strong belief that forming genuine, lasting relationships is crucial. He relies on clear and authentic communication and he utilizes a systems approach to problem-solving. His experience in LHCSd as a Teacher and Principal, his District-level leadership, and his genuine love for the community, uniquely qualify him for the position of Superintendent for the La Habra City School District.

The proposed employment agreement for Dr. Carlos will be for three years commencing July 1, 2022 through June 30, 2025. The annual salary is \$ 265,000 with health and welfare benefits commensurate with District Management employees. An annual performance evaluation will be completed by the Board of Education during the term of the employment agreement.

Recommendation:

It is recommended that the Board of Education approve the Employment Agreement between the La Habra City School District and Dr. Mario A. Carlos as the Superintendent of the La Habra City School District.

Approved by:

Culverhouse/Legal Counsel
Board Agenda
February 10, 2022

La Habra City School District

To: Board of Trustees
From: Christeen Betz, Assistant Superintendent of Business Services
Date: February 10, 2022
CC: Superintendent
Re: 2020-21 Annual Audit for Bond Measure O

Background:

In November 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges, under certain circumstances and subject to certain conditions.

Pursuant to the requirements of Proposition 39, and related state legislation, the Governing Board of the District established a Citizens' Bond Oversight Committee and appointed its initial members. The principal purpose of the Citizens' Bond Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure O bond authorization.

The Citizens' Bond Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Measure O bond fund have been expended only for the authorized bond projects. The report shall include an audit of income and expenditures.

Rationale:

The La Habra City School District contracts with Eide Bailly LLP to perform the annual bond audit that is required.

Recommended Action:

The District recommends the Board of Trustees approve the 2020-21 Annual Audit for Bond Measure O.

Financial Implications, if any:

None



Financial and Performance Audits
Building Fund (Measure O)
June 30, 2021

La Habra City School District

FINANCIAL AUDIT

Independent Auditor's Report	1
Financial Statements	
Balance Sheets	3
Statement of Revenues, Expenditures, and Change in Fund Balance	4
Notes to Financial Statements	5
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 <i>Government Auditing Standards</i>	10
Schedule of Findings and Questioned Costs	
Financial Statement Findings	12
Summary of Schedule of Prior Audit Findings	13

PERFORMANCE AUDIT

Independent Auditor's Report on Performance	14
Authority for Issuance.....	15
Purpose of Issuance	15
Authority for the Audit	15
Objective of the Audit.....	16
Scope of the Audit.....	16
Methodology.....	16
Conclusion.....	17
Schedule of Findings and Questioned Costs	
Schedule of Findings and Questioned Costs	18
Summary of Schedule of Prior Audit Findings	19



Financial Audit
Building Fund (Measure O)
June 30, 2021

La Habra City School District



Independent Auditor's Report

Governing Board and
Citizens Oversight Committee
La Habra City School District
La Habra, California

Report on the Financial Statements

We have audited the accompanying financial statements of the La Habra City School District's (the District), Building Fund (Measure O), as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure O) of La Habra City School District as of June 30, 2021, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Building Fund specific to Measure O are intended to present the financial position and the change in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of La Habra City School District as of June 30, 2021, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022, on our consideration of La Habra City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of La Habra City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La Habra City School District's internal control over financial reporting and compliance.

The signature is written in a cursive, handwritten style. It appears to read "Eide Bailly LLP".

Rancho Cucamonga, California
January 20, 2022

La Habra City School District
Building Fund (Measure O)
Balance Sheets
June 30, 2021

Assets	
Investments	\$ 11,084,939
Accounts receivable	5,462
Due from Other Funds	<u>129,135</u>
Total Assets	<u>\$ 11,219,536</u>
Liabilities And Fund Balance	
Liabilities	
Accounts payable	\$ 333,043
Due to other funds	<u>186,400</u>
Total Liabilities	<u>519,443</u>
Fund Balance	
Restricted for capital projects	<u>10,700,093</u>
Total Liabilities and Fund Balance	<u>\$ 11,219,536</u>

La Habra City School District
 Building Fund (Measure O)
 Statement of Revenues, Expenditures, and Change in Fund Balance
 Year Ended June 30, 2021

Revenues	
Interest income	\$ 20,360
Net increase in the fair value of investments	<u>22,644</u>
Total revenues	<u>43,004</u>
Expenditures	
Current	
Salaries and benefits	187,677
Supplies	
Materials	1,462
Noncapitalized equipment	81,432
Services	
Consulting/professional services	500,806
Capital outlay	
Buildings & improvements	1,464,438
Equipment	5,525
Equipment Replacement	14,132
Cost of issuance	<u>337,819</u>
Total Expenditures	<u>2,593,291</u>
Deficiency of Revenues Over Expenditures	<u>(2,550,287)</u>
Other Financing Sources	
Other sources - proceeds from issuance of debt	<u>11,855,000</u>
Net Change in Fund Balance	9,304,713
Fund Balance - Beginning	<u>1,395,380</u>
Fund Balance - Ending	<u><u>\$ 10,700,093</u></u>

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the La Habra City School District's (the District) Building Fund (Measure O) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The La Habra City School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

Financial Reporting

The financial statements include only the Building Fund of the La Habra City School District used to account for Measure O projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure O. These financial statements are not intended to present fairly the financial position and results of operations of the La Habra City School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Building Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid, and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Fund Balance - Building Fund (Measure O)

As of June 30, 2021, the fund balance is classified as follows:

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

Spending Order Policy

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

Use of Estimates

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

Note 2 - Investments

Policies and Practices

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

Investment in County Treasury

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

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Orange County Treasury Investment Pool is not required to be rated, nor has been rated as of June 30, 2021.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Orange County Treasury Investment Pool. The District maintains a Building Fund (Measure O) investment of \$11,084,939 with the Orange County Treasury Investment Pool, with an average maturity of 375 days.

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2021, consisted of the following:

Interest	<u>\$ 5,462</u>
----------	-----------------

Note 4 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund payable balance at June 30, 2021, was as follows:

A balance of \$186,400 is due from the Building Fund (Measure O) to the General Fund for the reimbursement of expenditures.

A balance of \$129,135 is due from the General Fund to the Building Fund (Measure O) for the reimbursement of expenditures.

Note 5 - Accounts Payable

Accounts payable at June 30, 2021, consisted of the following:

Salaries and Benefits	\$ 19,185
Services	77,360
Capital outlay	236,264
Other vendor payables	<u>234</u>
Total	<u>\$ 333,043</u>

Note 6 - Commitments and Contingencies

Litigation

The District is not currently a party to any legal proceedings related to the Building Fund (Measure O) as of June 30, 2021.



Independent Auditor's Report
June 30, 2021

La Habra City School District



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

Governing Board and
Citizens Oversight Committee
La Habra City School District
La Habra, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the La Habra City School District (the District) Building Fund (Measure O) as of and for the year ended June 30, 2021, and the related notes of the financial statements, and have issued our report thereon dated January 20, 2022.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Building Fund specific to Measure O are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of La Habra City School District as of June 30, 2021, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Handwritten signature of Erik Bailly LLP in cursive script.

Rancho Cucamonga, California
January 20, 2022



Schedule of Findings and Questioned Costs
June 30, 2021

La Habra City School District

None reported.

La Habra City School District
Building Fund (Measure O)
Summary of Schedule of Prior Audit Findings
June 30, 2021

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



Performance Audit
Building Fund (Measure O)
June 30, 2021
La Habra City School District



Independent Auditor's Report on Performance

Governing Board and
Citizens Oversight Committee
La Habra City School District
La Habra, California

We were engaged to conduct a performance audit of the La Habra City School District (the District) Building Fund (Measure O) for the year ended June 30, 2021.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Building Fund (Measure O) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District, and is not intended to be and should not be used by anyone other than this specified party.

Eide Bailly LLP

Rancho Cucamonga, California
January 20, 2022

Authority for Issuance

The general obligation bonds associated with Measure O were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Board of Supervisors of the County on August 1, 2012 (the Resolution), pursuant to a request of the District made by a resolution adopted by the Board of Education of the District on July 26, 2012.

The District received authorization at an election held on November 6, 2012, to issue bonds of the District in an aggregate principal amount not to exceed \$31,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2012 Authorization). The bonds represent all series of the authorized bonds to be issued under the 2012 Authorization.

Purpose of Issuance

To modernize and improve classrooms and support facilities, upgrade libraries and science labs, increase student and teacher access to computers and modern classroom technology, improve student safety, replace leaky roofs and upgrade lighting, window, utility, heating, and ventilation systems to reduce annual operating costs shall the La Habra City School District be authorized to issue up to \$31,000,000 in bonds at legal interest rates, with an Independent Citizens' Oversight Committee, annual audits, and no money for administrator salaries.

Authority for the Audit

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a citizen's oversight committee.

4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the Government Auditing Standards issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

Objectives of the Audit

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure O.
2. Determine whether salary transactions, charged to the Building Fund were in support of Measure O and not for District general administration or operations.

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2020 to June 30, 2021. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2021, were not reviewed or included within the scope of our audit or in this report.

Methodology

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2021, for the Building Fund (Measure O). Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure O as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.

2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2020 through June 30, 2021 from Measure O bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures based on our assessment of materiality.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes for period starting July 1, 2020 and ending June 30, 2021.
3. Our sample included transactions totaling \$2,077,640. This represents 80.1 percent of the total expenditures of \$2,593,291, including transfers out.
4. We reviewed the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
5. We determined that the District has met the compliance requirement of Measure O if the following conditions were met:
 - a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
 - b. Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the Districts.

Conclusion

The results of our tests indicated that, in all significant respects, the La Habra City School District has properly accounted for the expenditures held in the Building Fund (Measure O) and that such expenditures were made for authorized Bond projects. Further, it was noted that funds held in the Building Fund (Measure O), and expended by the District, were used for salaries only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.



Schedule of Findings and Questioned Costs
June 30, 2021

La Habra City School District

None reported.

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

La Habra City School District

To: Board of Trustees
From: Christeen Betz, Assistant Superintendent of Business Services
Date: February 10, 2022
CC: Superintendent
Re: 2020-21 Annual Audit Report

Background:

Established in 1984, Governmental Accounting Standards Board (GASB) is an independent, private-sector organization based in Norwalk, Connecticut. GASB establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP). GASB standards are recognized as authoritative by state and local governments, the state Boards of Accountancy, and the American Institute of Certified Public Accountants (AICPA). GASB develops and issues accounting standards through a transparent and inclusive process intended to promote financial reporting which provides useful information to taxpayers, public officials, investors, and others who use financial reports.

Annually, the Superintendent or designee shall provide the necessary financial records the auditor selected by the Governing Board to ensure that the District complies with the GASB. The 2020-21 Annual Audit Report includes an audit of income and expenditures by resource for all funds of the District. The audit also reviews student attendance procedures, associated student body (ASB) processes, and the determination of whether Local Control Funding Formula funds were expended in accordance with the District's local control and accountability plan and/or approved annual update of the plan (Education Code 41020).

Rationale:

The La Habra City School District contracts Eide Bailly LLP to perform the annual audit as required by the California Department of Education and the following Education Codes (EC).

- A. (EC), Section 8448, requires agencies that contract with the CDE under a direct service agreement to have a single independent financial and compliance audit. Such audits shall include an evaluation of the accounting and control systems of the direct service contractor and of the activities by the contractor.
- B. (EC), Section 33420, requires, as a condition to any contract with a private agency for the provision of educational services, that an audit of state and federal funds be conducted by CDE auditors, a certified public accountant (CPA), or a public accountant (PA) licensed by the California Board of Accountancy (Board).

- C. (EC), Section 41020, requires each county superintendent of schools to provide an audit of all funds under his or her jurisdiction and control, and the governing board of each Local Educational Agency (LEA) to either provide an audit of its books and accounts, including an audit of income and expenditures by source of funds, or make arrangements with the county superintendent of schools having jurisdiction over the LEA to provide for the audit.

Recommended Action:

The District recommends the Board of Trustees approve the 2020-21 Annual Audit Report.

Financial Implications, if any:

None



Financial Statements
June 30, 2021

La Habra City School District

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Government Wide Financial Statements	
Statement of Net Position	12
Statement of Activities.....	13
Government Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Notes to Financial Statements	20
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	60
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	61
Schedule of the District's Proportionate Share of the Net Pension Liability	62
Schedule of the District Contributions.....	64
Notes to Required Supplementary Information	66
Supplementary Information	
Schedule of Expenditures of Federal Awards	67
Local Education Agency Organization Structure.....	68
Schedule of Instructional Time	69
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	70
Schedule of Financial Trends and Analysis	71
Combining Balance Sheet – Non-Major Governmental Funds	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds.....	74
Notes to Supplementary Information.....	76
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 <i>Government Auditing Standards</i>	78
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	80
Independent Auditor's Report on State Compliance.....	82

Schedule of Findings and Questioned Costs

Summary of Auditor's Results.....	85
Financial Statement Findings	86
Federal Awards Findings and Questioned Costs.....	88
State Awards Findings and Questioned Costs	89
Summary Schedule of Prior Audit Findings.....	90



Independent Auditor's Report

Governing Board
La Habra City School District
La Habra, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of La Habra City School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of La Habra City School District, as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 17 to the financial statements, La Habra City School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, budgetary comparison information on page 60, schedule of changes in the District's total OPEB liability and related ratios on page 61, schedule of the District's proportionate share of the net pension liability on page 62, and the schedule of District contributions on page 64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise La Habra City School District's financial statements. The combining non-major governmental fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining non-major governmental fund financial statements, the Schedule of Expenditures of Federal Awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major governmental fund financial statements, the Schedule of Expenditures of Federal Awards, and the other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 20, 2022 on our consideration of La Habra City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of La Habra City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La Habra City School District's internal control over financial reporting and compliance.

 Erik Bailly LLP

Rancho Cucamonga, California
January 20, 2022



La Habra City School District

500 North Walnut, La Habra, California 90631-3769

Board of Education

ADAM ROGERS, *President*
CYNTHIA AGUIRRE, *Clerk/Vice-President*
OFELIA HANSON, *Member*
EMILY PRUITT, *Member*
SUE PRITCHARD, Ph.D., *Member*

JOANNE CULVERHOUSE, Ed.D., *Superintendent*

This section of La Habra City School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021, with comparative information for the year ending June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the La Habra City School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

Governmental Activities - All of the District's services are reported in this category. This includes the education of transitional kindergarten through grade eight students, the operation of child development activities, and the ongoing effort to improve and maintain buildings and sites. Property taxes, user fees, interest income, Federal, State, and local grants, as well as proceeds from the general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$(35,211,971) for the fiscal year ended June 30, 2021. Of this amount, \$(61,013,352) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use those net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2021	2020 as restated
Assets		
Current and other assets	\$ 47,618,071	\$ 18,893,922
Capital assets	43,797,049	43,377,349
Total assets	91,415,120	62,271,271
Deferred outflows of resources	20,089,239	20,505,060
Liabilities		
Current liabilities	14,540,168	2,915,573
Long-term liabilities	128,699,221	109,779,573
Total liabilities	143,239,389	112,695,146
Deferred inflows of resources	3,476,941	5,939,399
Net Position		
Net investment in capital assets	17,482,741	18,644,763
Restricted	8,318,640	6,083,830
Unrestricted (deficit)	(61,013,352)	(60,586,807)
Total net position (deficit)	\$ (35,211,971)	\$ (35,858,214)

The \$(61,013,352) in unrestricted deficit net position of governmental activities represents the accumulated results of all past years' operations. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased by 0.7 percent (\$(61,013,352) compared to \$(60,586,807)).

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 13. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2021	2020*
Revenues		
Program revenues		
Charges for services and sales	\$ 243,866	\$ 408,999
Operating grants and contributions	22,373,853	13,038,723
General revenues		
Federal and State aid not restricted	26,458,694	29,331,811
Property taxes	24,033,864	22,316,977
Other general revenues	3,657,295	960,625
Total revenues	<u>76,767,572</u>	<u>66,057,135</u>
Expenses		
Instruction-related	51,037,654	49,339,457
Pupil services	7,839,102	8,139,110
Administration	5,963,297	3,977,831
Plant services	6,385,590	5,538,919
All other services	4,895,686	4,871,349
Total expenses	<u>76,121,329</u>	<u>71,866,666</u>
Change in net position	<u>\$ 646,243</u>	<u>\$ (5,809,531)</u>

*The revenues and expenses for fiscal year 2020 were not restated to show the effects of GASB Statement No. 84 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities* on page 13, the cost of all of our governmental activities this year was \$76,121,329. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$24,033,864 because the cost was paid by those who benefited from the programs (\$243,866) or by other governments and organizations who subsidized certain programs with grants and contributions (\$22,373,853). We paid for the remaining "public benefit" portion of our governmental activities with \$30,696,412 in State unrestricted funds, and with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction and related services, including special instruction programs and other instructional programs, home-to-school transportation, other pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2021	2020*	2021	2020*
Instruction-related	\$ 51,037,654	\$ 49,339,457	\$ (35,521,065)	\$ (40,913,799)
Pupil services	7,839,102	8,139,110	(3,999,400)	(4,143,889)
Administration	5,963,297	3,977,831	(4,693,631)	(3,695,281)
Plant services	6,385,590	5,538,919	(5,602,791)	(5,512,372)
All other services	4,895,686	4,871,349	(3,686,723)	(4,166,587)
Total	\$ 76,121,329	\$ 71,866,666	\$ (53,503,610)	\$ (58,431,928)

*The total and net cost of services for fiscal year 2020 were not restated to show the effects of GASB Statement No. 84 for comparative purposes.

Expenditures have understandably grown during the ongoing COVID-19 pandemic. To help mitigate learning loss, the District has increased spending on extra support staff, needed technology, and additional instructional time. Funds have also been spent on providing protective equipment and continuing our sanitizing protocols to ensure a safe and healthy learning environment for our students and staff. Additionally, the District continues to support the availability of nutritional meals for our students before school and at our after-school programs.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$33,510,352, which is an increase of \$16,342,981 from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			
	June 30, 2020 as restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2021
General Fund	\$ 9,854,769	\$ 67,824,044	\$ 63,413,675	\$ 14,265,138
Building Fund	1,395,380	11,898,004	2,593,291	10,700,093
Student Activity Fund	45,792	11,643	6,967	50,468
Child Development Fund	235,896	250,511	377,256	109,151
Cafeteria Fund	476,217	2,646,261	2,687,757	434,721
Capital Facilities Fund	928,833	2,823,685	123,343	3,629,175
Special Reserve Fund for Capital Outlay Projects	1,220,117	307,737	122,752	1,405,102
Bond Interest and Redemption Fund	2,185,977	3,266,694	2,536,167	2,916,504
Total	<u>\$ 16,342,981</u>	<u>\$ 89,028,579</u>	<u>\$ 71,861,208</u>	<u>\$ 33,510,352</u>

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 60.)

Revenue and expenditure revisions made to the 2020-21 budget were due to changes made to reflect the actual operations of the District, including additional State and Federal revenues and salary increases that were Board approved after the adopted budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had \$43,797,049 in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$419,700, or 1.0 percent, from last year (Table 5).

Table 5

	Governmental Activities	
	2021	2020
Land and construction in progress	\$ 1,208,840	\$ 1,920,871
Land improvements	5,000,002	3,588,582
Buildings and improvements	35,965,016	35,954,173
Furniture and equipment	1,623,191	1,913,723
Total	<u>\$ 43,797,049</u>	<u>\$ 43,377,349</u>

The District completed several capital projects in the 2020-2021 school year. More detailed information about the capital assets are included in Note 5 of the financial statements.

Long-Term Liabilities other than Postemployment Benefits (OPEB) and Pension

At the end of this year, the District had \$45,382,799 in long-term liabilities other than OPEB and pension versus \$34,123,470 last year, an increase of 33.00 percent. Those long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
General obligation bonds	\$ 43,851,207	\$ 33,000,412
Unamortized premium on issuance	1,038,381	564,003
Capital leases	5,654	153,515
Compensated absences	487,557	405,540
Total	<u>\$ 45,382,799</u>	<u>\$ 34,123,470</u>

At year-end, the District had a total OPEB liability of \$14,718,190 versus \$12,817,028 last year, and an increase of \$1,901,162, or 14.8 percent.

At year-end, the District had a net pension liability of \$68,598,232 versus \$62,839,075 last year, and an increase of \$5,759,157, or 9.2 percent.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2020-2021 ARE NOTED BELOW

On March 13, 2021, the La Habra City School District shut down in-person learning due to the COVID-19 Pandemic. The District successfully continued to provide instruction to all students through technology and student supports for the rest of the school year.

For the 2020-2021 school year, The La Habra City School District was one of the few Districts who opened schools for in-person learning. The District welcomed students back with a hybrid model and successfully completed an entire year of in-person learning. The District provided additional support staff and instructional time to mitigate learning loss, provided safe and healthy learning environments by implementing vigorous sanitizing protocols and providing personal protective equipment. The District also supported the availability of healthy meals for students as well as before and after school programs that were open all day to assist parents with the hybrid model.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2021-2022 year, the governing board and management followed the approved budget guidelines and used the following criteria:

The key assumptions in our revenue forecast are:

1. Unduplicated count of 69.96 percent.
2. GAP funding of 100 percent.
3. Funded ADA of 4,450.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant Superintendent, Business Services, Ms. Christeen Betz, at 500 N. Walnut Street, La Habra, CA 90631, or email at cbetz@lahabraschools.org.

La Habra City School District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Deposits and investments	\$ 33,612,828
Receivables	13,864,379
Stores inventories	140,864
Capital assets not depreciated	1,208,840
Capital assets, net of accumulated depreciation	42,588,209
Total assets	<u>91,415,120</u>
Deferred Outflows of Resources	
Deferred charge on refunding	460,770
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	1,852,553
Deferred outflows of resources related to pensions	17,775,916
Total deferred outflows of resources	<u>20,089,239</u>
Liabilities	
Accounts payable	4,019,824
Interest payable	432,449
Unearned revenue	87,895
Current loans	10,000,000
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	1,840,654
Long-term liabilities other than OPEB and pensions due in more than one year	43,542,145
Total OPEB liability	14,718,190
Aggregate net pension liability	68,598,232
Total liabilities	<u>143,239,389</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	499,623
Deferred inflows of resources related to pensions	2,977,318
Total deferred inflows of resources	<u>3,476,941</u>
Net Position	
Net investment in capital assets	17,482,741
Restricted for	
Debt service	2,484,055
Capital projects	3,629,175
Educational programs	1,701,175
Other activities	504,235
Unrestricted (deficit)	(61,013,352)
Total net position (deficit)	<u>\$ (35,211,971)</u>

La Habra City School District

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 41,253,250	\$ 2,420	\$ 12,567,628	\$ (28,683,202)
Instruction-related activities				
Supervision of instruction	3,977,657	10,992	1,301,957	(2,664,708)
Instructional library, media, and technology	1,482,692	2,988	1,199,094	(280,610)
School site administration	4,324,055	58	431,452	(3,892,545)
Pupil services				
Home-to-school transportation	968,618	61	36,158	(932,399)
Food services	2,826,484	48,755	1,994,426	(783,303)
All other pupil services	4,044,000	6	1,760,296	(2,283,698)
Administration				
Data processing	1,778,289	-	658,662	(1,119,627)
All other administration	4,185,008	2,003	609,001	(3,574,004)
Plant services	6,385,590	1,789	781,010	(5,602,791)
Ancillary services	6,967	-	11,642	4,675
Enterprise services	383,789	20,562	26,738	(336,489)
Interest on long-term liabilities	1,914,979	-	-	(1,914,979)
Other outgo	776,197	154,232	995,789	373,824
Depreciation (unallocated) ¹	1,813,754	-	-	(1,813,754)
Total governmental activities	<u>\$ 76,121,329</u>	<u>\$ 243,866</u>	<u>\$ 22,373,853</u>	<u>(53,503,610)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				21,066,999
Property taxes, levied for debt service				2,667,922
Taxes levied for other specific purposes				298,943
Federal and State aid not restricted to specific purposes				26,458,694
Interest and investment earnings				216,178
Miscellaneous				<u>3,441,117</u>
Subtotal, general revenues				<u>54,149,853</u>
Change in Net Position				646,243
Net Position - Beginning, as restated				<u>(35,858,214)</u>
Net Position - Ending				<u>\$ (35,211,971)</u>

¹ This amount excludes any depreciation that is included in the direct expense of the various programs.

La Habra City School District
Balance Sheet – Governmental Funds
June 30, 2021

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Deposits and investments	\$ 14,083,688	\$ 11,084,939	\$ 8,444,201	\$ 33,612,828
Receivables	13,406,470	5,462	452,447	13,864,379
Due from other funds	248,611	129,135	3,822	381,568
Stores inventories	99,855	-	41,009	140,864
Total assets	\$ 27,838,624	\$ 11,219,536	\$ 8,941,479	\$ 47,999,639
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 3,352,634	\$ 333,043	\$ 334,147	\$ 4,019,824
Due to other funds	132,957	186,400	62,211	381,568
Other current liabilities	10,000,000	-	-	10,000,000
Unearned revenue	87,895	-	-	87,895
Total liabilities	13,573,486	519,443	396,358	14,489,287
Fund Balances				
Nonspendable	124,855	-	90,105	214,960
Restricted	1,701,175	10,700,093	7,049,914	19,451,182
Assigned	4,755,427	-	1,405,102	6,160,529
Unassigned	7,683,681	-	-	7,683,681
Total fund balances	14,265,138	10,700,093	8,545,121	33,510,352
Total liabilities and fund balances	\$ 27,838,624	\$ 11,219,536	\$ 8,941,479	\$ 47,999,639

La Habra City School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balance - Governmental Funds	\$ 33,510,352
---	---------------

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

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

The cost of capital assets is	\$ 78,068,547
Accumulated depreciation is	<u>(34,271,498)</u>

Net capital assets	43,797,049
--------------------	------------

In governmental funds, unmatured interest on long-term
liabilities is recognized in the period when it is due. On the
government-wide financial statements, unmatured interest on
long-term liabilities is recognized when it is incurred.

(432,449)

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

Deferred charge on refunding	460,770
Total other postemployment benefits (OPEB) liability	1,852,553
Aggregate net pension liability	<u>17,775,916</u>

Total deferred outflows of resources	20,089,239
--------------------------------------	------------

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

Total OPEB liability	(499,623)
Aggregate net pension liability	<u>(2,977,318)</u>

Total deferred inflows of resources	(3,476,941)
-------------------------------------	-------------

Net pension liability is not due and payable in the current period,
and is not reported as a liability in the funds.

(68,598,232)

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

(14,718,190)

La Habra City School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

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

Long-term liabilities at year-end consist of

General obligation bonds	\$ (36,431,136)
Unamortized premium on issuance of general obligation bonds	(1,038,381)
Capital leases	(5,654)
Compensated absences (vacations)	(487,557)

In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is

(7,420,071)

Total long-term liabilities	<u>\$ (45,382,799)</u>
-----------------------------	------------------------

Total net position - governmental activities	<u><u>\$ (35,211,971)</u></u>
--	-------------------------------

La Habra City School District

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

Year Ended June 30, 2021

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Local Control Funding Formula	\$ 46,094,596	\$ -	\$ -	\$ 46,094,596
Federal sources	8,490,340	-	2,032,978	10,523,318
Other State sources	9,213,087	-	2,882,747	12,095,834
Other local sources	3,944,324	43,004	3,401,653	7,388,981
Total revenues	67,742,347	43,004	8,317,378	76,102,729
Expenditures				
Current				
Instruction	37,060,696	-	-	37,060,696
Instruction-related activities				
Supervision of instruction	3,514,680	-	-	3,514,680
Instructional library, media, and technology	1,445,666	-	-	1,445,666
School site administration	3,908,325	-	-	3,908,325
Pupil services				
Home-to-school transportation	933,336	-	-	933,336
Food services	26,770	-	2,675,376	2,702,146
All other pupil services	3,728,647	-	-	3,728,647
Administration				
Data processing	1,695,660	-	-	1,695,660
All other administration	3,907,372	-	20,103	3,927,475
Plant services	5,860,954	-	39,197	5,900,151
Ancillary services	-	-	6,967	6,967
Other outgo	776,197	-	-	776,197
Enterprise services	-	-	357,153	357,153
Facility acquisition and construction	225	2,224,441	137,582	2,362,248
Debt service				
Principal	147,861	-	1,690,000	1,837,861
Interest and other	5,728	368,850	846,167	1,220,745
Total expenditures	63,012,117	2,593,291	5,772,545	71,377,953
Excess (Deficiency) of Revenues Over Expenditures	4,730,230	(2,550,287)	2,544,833	4,724,776
Other Financing Sources (Uses)				
Transfers in	81,697	-	401,558	483,255
Other sources - proceeds from issuance of general obligation bonds	-	11,855,000	-	11,855,000
Other sources - premium from issuance of general obligation bonds	-	-	587,595	587,595
Transfers out	(401,558)	-	(81,697)	(483,255)
Net Financing Sources (Uses)	(319,861)	11,855,000	907,456	12,442,595
Net Change in Fund Balances	4,410,369	9,304,713	3,452,289	17,167,371
Fund Balance - Beginning, as restated	9,854,769	1,395,380	5,092,832	16,342,981
Fund Balance - Ending	\$ 14,265,138	\$ 10,700,093	\$ 8,545,121	\$ 33,510,352

See Notes to Financial Statements

La Habra City School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds \$ 17,167,371

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

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

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

Capital outlays	\$	2,233,454
Depreciation expense		<u>(1,813,754)</u>

Net expense adjustment		419,700
------------------------	--	---------

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation earned was more than the amount used by \$82,017. (82,017)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and aggregate pension liability during the year. (4,816,342)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. (743,501)

Proceeds received from sale of bonds is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. This year the District issued the following debt: (11,855,000)

General obligation bonds

La Habra City School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2021

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

Premium on issuance	\$ (587,595)
---------------------	--------------

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

General obligation bonds	1,690,000
Capital leases	147,861

Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following balances:

Amortization of premium on issuance	113,217
Amortization of deferred charge on refunding	(53,839)

Interest on long-term liabilities in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds increased by \$67,817, and second, \$685,795 of accumulated interest was accreted on the District's capital appreciation general obligation bonds.

(753,612)

Change in net position of governmental activities	<u>\$ 646,243</u>
---	-------------------

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The La Habra City School District (the District) was organized in 1896 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades TK-8 as mandated by the State and/or Federal agencies. The District operates seven elementary schools and two middle schools.

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

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

Major Governmental Funds

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

Building Fund The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Non-Major Governmental Funds

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

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

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

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

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

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

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

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

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

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

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

Investments

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

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds when consumed rather than when purchased.

Capital Assets and Depreciation

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

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 10 to 20 years; equipment, 5 to 10 years.

Interfund Balances

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

Current Loans

Current loans consist of amounts outstanding at yearend for a Bridge Transfer Agreement with the County of Orange. The notes were issued as short-term liabilities to provide cashflow needs. This liability is offset with cash deposits in the County Treasurer, which have been set aside to repay the notes.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid. The compensated absence liability will be paid by the following funds: General Fund, Child Development Fund, Cafeteria Fund, and Building Fund.

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

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities 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 liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums, and Discounts

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to contributions subsequent to measurement date, change in proportion and differences between contributions and the District's proportionate share of contributions, differences between expected and actual experience, differences between expected and actual earnings on investments, and changes of assumptions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items. The deferred amounts related to pension and OPEB relate to change in proportion and differences between contributions and the District's proportionate share of contributions, differences between expected and actual experiences, and changes of assumptions.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB, deferred inflows of resources, and OPEB expense have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The OPEB liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Fund Balances - Governmental Funds

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$8,318,640 of restricted net position.

Interfund Activity

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

Estimates

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

Property Tax

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

Change in Accounting Principles

As of July 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of the District's student body activities from fiduciary to governmental. The effect of the implementation of this standard on beginning fund balance and net position is disclosed in Note 17.

New Accounting Pronouncements

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

The requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 33,612,828
--------------------	---------------

Deposits and investments as of June 30, 2021, consist of the following:

Cash on hand and in banks	\$ 50,468
Cash in revolving	74,096
Investments	<u>33,488,264</u>
 Total deposits and investments	 \$ <u>33,612,828</u>

Policies and Practices

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

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

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

Investments Authorized Under Debt Agreement

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Federal Financing Bank	N/A	None	None
Export-Import Bank	N/A	None	None
Rural Economic Community Development Administration	N/A	None	None
U.S. Treasury Obligations	N/A	None	None
Registered State Bonds, Notes, Warrants	N/A	None	None
Federal Housing Administration Debentures	N/A	None	None
Farmers Home Administration Certificates	N/A	None	None
Federal Home Loan Mortgage Corporation Obligations	N/A	None	None
Farm Credit Banks Bonds and Notes	N/A	None	None
Federal Home Loan Banks Obligations	N/A	None	None
Federal National Mortgage Association Obligations	N/A	None	None
Student Loan Marketing Association Obligations	N/A	None	None
Financing Corporation Obligations	N/A	None	None
Resolution Funding Corporation Obligations	N/A	None	None
Federal Housing Administration Certificates	N/A	None	None
General Services Administration Certificates	N/A	None	None
Government National Mortgage Association Mortgage-Backed Securities and Certificates	N/A	None	None
Small Business Administration Certificates	N/A	None	None
U.S. Department of Housing and Urban Development Bonds	N/A	None	None
U.S. Maritime Administration Financings	N/A	None	None
Washington Metropolitan Area Transit Authority Bonds	N/A	None	None
Unsecured Certificates of Deposit, Time Deposits, and Bankers' Acceptances	30 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	N/A	None	None
Investment Agreement	N/A	None	None
Pre-Funded Municipal Obligations	N/A	None	None
State Sponsored Investment Pools (LAIF)	N/A	None	None
Guaranteed Pool Certificates	N/A	None	None

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Orange County Treasury Investment Pool and the California Domestic Water Company are not required to be rated, nor have been rated as of June 30, 2021.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation and the actual rating as of year-end for each investment is provided by the following schedule that shows the distribution of the District's investment by type and maturity.

Investment Type	Reported Amount	Maturity Date/ Average Maturity in Days
Orange County Treasury Investment Pool	\$ 33,130,139	375
California Domestic Water Company	358,125	N/A
Total	<u>\$ 33,488,264</u>	

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2021, the District did not have any balance exposed to custodial credit risk.

Note 3 - Fair Value Measurements

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. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District's fair value measurements are as follows at June 30, 2021:

Investment Type	Reported Amount	Fair Value Measurements Using Level 3 Inputs
California Domestic Water Company	\$ 358,125	\$ 358,125
Investments not measured for fair value or subject to fair value hierarchy:		
Orange County Treasury Investment Pool	\$ 33,130,139	
Total investments	\$ 33,488,264	

All assets have been valued using a market approach, with quoted market prices.

Note 4 - Receivables

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal Government				
Categorical aid	\$ 3,045,536	\$ -	\$ 384,378	\$ 3,429,914
State Government				
LCFF apportionment	8,169,034	-	-	8,169,034
Categorical aid	1,499,080	-	52,294	1,551,374
Lottery	307,698	-	-	307,698
Local Government				
Interest	5,971	5,462	4,510	15,943
Other local sources	379,151	-	11,265	390,416
	<u>\$ 13,406,470</u>	<u>\$ 5,462</u>	<u>\$ 452,447</u>	<u>\$ 13,864,379</u>
Total	<u>\$ 13,406,470</u>	<u>\$ 5,462</u>	<u>\$ 452,447</u>	<u>\$ 13,864,379</u>

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,208,840	\$ -	\$ -	\$ 1,208,840
Construction in progress	712,031	-	(712,031)	-
Total capital assets not being depreciated	<u>1,920,871</u>	<u>-</u>	<u>(712,031)</u>	<u>1,208,840</u>
Capital assets being depreciated				
Land improvements	9,030,197	1,684,176	-	10,714,373
Buildings and improvements	57,200,489	1,123,865	-	58,324,354
Furniture and equipment	7,683,536	137,444	-	7,820,980
Total capital assets being depreciated	<u>73,914,222</u>	<u>2,945,485</u>	<u>-</u>	<u>76,859,707</u>
Total capital assets	<u>75,835,093</u>	<u>2,945,485</u>	<u>(712,031)</u>	<u>78,068,547</u>
Accumulated depreciation				
Land improvements	(5,441,615)	(272,756)	-	(5,714,371)
Buildings and improvements	(21,246,316)	(1,113,022)	-	(22,359,338)
Furniture and equipment	(5,769,813)	(427,976)	-	(6,197,789)
Total accumulated depreciation	<u>(32,457,744)</u>	<u>(1,813,754)</u>	<u>-</u>	<u>(34,271,498)</u>
Governmental activities capital assets, net	<u>\$ 43,377,349</u>	<u>\$ 1,131,731</u>	<u>\$ (712,031)</u>	<u>\$ 43,797,049</u>
Depreciation expense was unallocated.				
Governmental Activities				
Unallocated				<u>\$ 1,813,754</u>

Note 6 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances at June 30, 2021, between major and non-major governmental funds, are as follows:

Due To	Due From			Total
	General Fund	Building Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 186,400	\$ 62,211	\$ 248,611
Building Fund	129,135	-	-	129,135
Non-Major Governmental Funds	3,822	-	-	3,822
Total	<u>\$ 132,957</u>	<u>\$ 186,400</u>	<u>\$ 62,211</u>	<u>\$ 381,568</u>

A balance of \$3,822 is due from the General Fund to the Cafeteria Non-Major Governmental Fund for reimbursement of expenditures.

A balance of \$129,135 due from the General Fund to the Building Fund for reimbursement of expenditures.

A balance of \$25,304 is due from the Cafeteria Non-Major Governmental Fund to the General Fund for payroll, benefits, and other operating expenditures.

A balance was \$186,400 is due from the Building Fund to the General Fund for reimbursement of expenditures.

A balance of \$28,907 is due from the Child Development Non-Major Governmental Fund to the General Fund for payroll, benefits and other operating expenditures.

A balance was \$8,000 is due from the Capital Facilities Non-Major Governmental Fund to the General Fund for correction of developer fees.

Operating Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Transfer To	Transfer From		Total
	General Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 81,697	\$ 81,697
Non-Major Governmental Funds	401,558	-	401,558
Total	<u>\$ 401,558</u>	<u>\$ 81,697</u>	<u>\$ 483,255</u>

The General Fund transferred \$401,558 to the Cafeteria Non-Major Governmental Fund to cover negative cash.

The Special Reserve Non-Major Governmental Fund for Capital Outlay Projects transferred \$81,697 to the General Fund for reimbursement of expenditures.

Note 7 - Accounts Payable

Accounts payable at June 30, 2021, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Salaries and benefits	\$ 2,066,840	\$ 19,185	\$ 241,258	\$ 2,327,283
State LCFF apportionment	51,255	-	-	51,255
Supplies	224,238	-	84,752	308,990
Services	501,025	77,360	-	578,385
Capital outlay	103,163	236,264	7,189	346,616
Due to OCDE	406,113	-	-	406,113
Other vendor payables	-	234	948	1,182
Total	<u>\$ 3,352,634</u>	<u>\$ 333,043</u>	<u>\$ 334,147</u>	<u>\$ 4,019,824</u>

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2021, consisted of the following:

	General Fund
Federal financial assistance	\$ 87,895

Note 9 - Current Loans

On March 15, 2021, in accordance with the California Constitution Article XVI, Section 6, and *Education Code* Section 42620, the District entered into a Bridge Transfer Agreement with the County of Orange, whereby the District borrowed during the fiscal year from the County Treasurer for funding the District's short-term cashflow. Repayment terms require installments to be paid with interest by October 31, 2021. Interest on the loan will accrue at a rate of 0.739 percent. At June 30, 2021, the District had an outstanding balance in the amount of \$10,000,000.

Note 10 - Long-Term Liabilities Other than OPEB and Pensions

Summary

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 33,000,412	\$ 12,540,795	\$ (1,690,000)	\$ 43,851,207	\$ 1,835,000
Unamortized premium on issuance	564,003	587,595	(113,217)	1,038,381	-
Capital leases	153,515	-	(147,861)	5,654	5,654
Compensated absences	405,540	82,017	-	487,557	-
Total	<u>\$ 34,123,470</u>	<u>\$ 13,210,407</u>	<u>\$ (1,951,078)</u>	<u>\$ 45,382,799</u>	<u>\$ 1,840,654</u>

Payments on the General Obligation Bonds will be made by the Bond Interest and Redemption Fund with local revenues. Payment for the capital leases are made from the General Fund. Compensated absences will be paid by the General Fund, Child Development Fund, Cafeteria Fund, and Building Fund.

General Obligation Bonds

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2020	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2021
8/1/2000	8/1/2025	3.90-5.35%	\$ 11,046,713	\$ 4,001,999	\$ -	\$ 315,637	\$ -	\$ 4,317,636
8/2/2001	8/1/2026	3.00-5.25%	2,267,884	1,211,745	-	88,108	(215,000)	1,084,853
8/1/2002	8/1/2027	3.35-5.98%	2,684,699	4,851,668	-	282,050	(285,000)	4,848,718
12/13/2012	8/1/2038	2.00-5.11%	6,495,425	2,360,000	-	-	(15,000)	2,345,000
12/17/2014	8/1/2021	3.00-5.00%	5,135,000	1,850,000	-	-	(1,045,000)	805,000
3/10/2015	8/1/2039	2.00-4.50%	3,700,000	3,650,000	-	-	-	3,650,000
3/16/2017	8/1/2036	2.00-5.00%	3,740,000	3,365,000	-	-	(130,000)	3,235,000
10/25/2018	8/1/2043	2.00-5.00%	5,205,000	5,205,000	-	-	-	5,205,000
10/15/2019	8/1/2037	2.45-3.22%	6,505,000	6,505,000	-	-	-	6,505,000
3/18/2021	8/1/2045	2.12-4.00%	11,855,000	-	11,855,000	-	-	11,855,000
				<u>\$ 33,000,412</u>	<u>\$11,855,000</u>	<u>\$ 685,795</u>	<u>\$ (1,690,000)</u>	<u>\$43,851,207</u>

2000 General Obligation Bonds, Series A

In August 2000, the District issued the \$11,046,713 Election of 2000 General Obligation Bonds, Series A. The Series A bonds were issued as both current interest bonds and capital appreciation bonds, with the value of the capital appreciation bonds accreting to \$4,498,287, and an aggregate principal debt service balance of \$15,545,000. The bonds have a final maturity of August 1, 2025, with interest rate of 3.90 to 5.35 percent. Proceeds from the sale of the bonds were used to finance new construction, reconstruction, or modernization at each of the District's schools. At June 30, 2021, the principal balance outstanding of the 2000 General Obligation Bonds, Series A was \$4,317,636.

2000 General Obligation Bonds, Series 2001A

In August 2001, the District issued the \$2,267,884 Election of 2000 General Obligation Bonds, Series 2001A. The Series 2001A bonds were issued as both current interest bonds and capital appreciation bonds, with the value of the capital appreciation bonds accreting to \$1,437,116, and an aggregate principal debt service balance of \$3,705,000. The bonds have a final maturity of August 1, 2026, with interest rate of 3.00 to 5.25 percent. Proceeds from the sale of the bonds were used to finance new construction, reconstruction, or modernization at each of the District's schools. At June 30, 2021, the principal balance outstanding of the 2000 General Obligation Bonds, Series 2001A was \$1,084,853.

2000 General Obligation Bonds, Series 2002A

In August 2002, the District issued the \$2,684,699 Election of 2000 General Obligation Bonds, Series 2002A. The Series 2002A bonds were issued as capital appreciation bonds, with the value of the capital appreciation bonds accreting to \$5,745,301, and an aggregate principal debt service balance of \$8,430,000. The bonds have a final maturity of August 1, 2027, with interest rate of 3.35 to 5.98 percent. Proceeds from the sale of the bonds were used to finance new construction, reconstruction, or modernization at each of the District's schools. At June 30, 2021, the principal balance outstanding of the 2000 General Obligation Bonds, Series 2002A was \$4,848,718.

2012 General Obligation Bonds, 2012 Series A

In December 2012, the District issued the \$6,495,425 Election of 2012 General Obligation Bonds, 2012 Series A. The 2012 Series A bonds were issued as both current interest bonds and capital appreciation bonds, with the value of the capital appreciation bonds accreting to \$6,374,575, and an aggregate principal debt service balance of \$12,870,000. The bonds have a final maturity of August 1, 2038, with interest rate of 2.00 to 5.11 percent. Proceeds from the sale of the bonds were used to finance the construction, acquisition, furnishing and equipping of District facilities, to fund capitalized interest through August 1, 2014, and to pay certain costs of issuing the bonds. At June 30, 2021, the principal balance outstanding of the 2012 General Obligation Bonds, 2012 Series A was \$2,345,000.

2015 General Obligation Refunding Bonds

In December 2014, the District issued the \$5,135,000 2015 General Obligation Refunding Bonds. The 2015 General Obligation Refunding Bonds were issued as current interest bonds. The bonds have a final maturity of August 1, 2021, with interest rate of 3.00 to 5.00 percent. Proceeds from the sale of the bonds were used to provide refunding of \$5,450,000 in current interest bonds associated with the District's 2005 General Obligation Refunding Bonds that were issued in the amount of \$8,715,000. At June 30, 2021, the principal balance outstanding of the 2016 General Obligation Refunding Bonds was \$805,000, and unamortized premium on issuance and deferred charge on refunding were \$34,847 and \$7,107, respectively.

2012 General Obligation Bonds, 2015 Series B

In March 2015, the District issued the \$3,700,000 Election of 2012 General Obligation Bonds, 2015 Series B. The 2015 Series B bonds were issued as current interest bonds. The bonds have a final maturity of August 1, 2039, with interest rate of 2.00 to 4.50 percent. Proceeds from the sale of the bonds will be used to finance the construction, acquisition, furnishing and equipping of District facilities, to pay capitalized interest, and to pay certain costs of issuing the bonds. At June 30, 2021, the principal balance outstanding of the 2012 General Obligation Bonds, 2015 Series B was \$3,650,000, and unamortized premium on issuance \$94,878.

2012 General Obligation Bonds, 2017 Series C

In March 2017, the District issued the \$3,740,000 Election of 2012 General Obligation Bonds, 2017 Series C. The 2017 Series C bonds were issued as current interest bonds. The bonds have a final maturity of August 1, 2036, with interest rate of 2.00 to 5.00 percent. Proceeds from the sale of the bonds will be used to finance acquisition, construction, furnishing and equipping certain District facilities, and to pay certain costs of issuing the bonds. At June 30, 2021, the principal balance outstanding of the 2012 General Obligation Bonds, 2017 Series C was \$3,235,000, and unamortized premium on issuance \$182,330.

2012 General Obligation Bonds, 2017 Series D

In October 2018, the District issued the \$5,205,000 Election of 2012 General Obligation Bonds, 2017 Series D. The 2017 Series D bonds were issued as current interest bonds. The bonds have a final maturity of August 1, 2043, with interest rate of 3.00 to 5.00 percent. Proceeds from the sale of the bonds will be used to finance acquisition, construction, furnishing and equipping certain District facilities, and to pay certain costs of issuing the bonds. At June 30, 2021, the principal balance outstanding of the 2012 General Obligation Bonds, 2017 Series D was \$5,205,000, and unamortized premium on issuance \$145,212.

General Obligation Refunding Bonds, 2019 Series A

In October 2019, the District issued the \$6,505,000 General Obligation Refunding Bonds, 2019 Series A. The General Obligation Refunding Bonds, 2019 Series A were issued as current interest bonds. The bonds have a final maturity of August 1, 2037, with interest rate of 2.45 to 3.22 percent. Proceeds from the sale of the bonds were used to provide refunding of \$5,629,832 in capital appreciation bonds associated with the District's 2012 General Obligation Bonds, 2012 Series A that were issued in the amount of \$6,495,425. At June 30, 2021, the principal balance outstanding of the General Obligation Refunding Bonds, 2019 Series A was \$6,505,000, and deferred charge on refunding were \$453,663.

Election of 2012 General Obligation Bonds, Series E

In March 2021, the District issued the \$11,855,000 Election of 2012 General Obligation Bonds, Series E. The Series E bonds were issued as current interest bonds. The bonds have a final maturity of August 1, 2045, with interest rate of 2.12 to 4.00 percent. Proceeds from the sale of the bonds will be used to finance acquisition, construction, furnishing and equipping certain District facilities, and to pay certain costs of issuing the bonds. At June 30, 2021, the principal balance outstanding of the 2012 General Obligation Bonds, Series E was \$11,855,000, and unamortized premium on issuance \$581,474.

The bonds mature through 2046 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Interest to Maturity	Total
2022	\$ 1,817,998	\$ 17,002	\$ 1,073,369	\$ 2,908,369
2023	2,202,717	192,283	1,099,210	3,494,210
2024	1,907,611	322,389	1,085,060	3,315,060
2025	1,920,179	459,821	1,075,017	3,455,017
2026	1,938,107	601,893	1,062,742	3,602,742
2027-2031	6,919,595	1,390,405	5,027,471	13,337,471
2032-2036	6,670,000	-	4,214,095	10,884,095
2037-2041	9,605,000	-	2,664,909	12,269,909
2042-2046	10,870,000	-	778,000	11,648,000
Total	<u>\$ 43,851,207</u>	<u>\$ 2,983,793</u>	<u>\$ 18,079,873</u>	<u>\$ 64,914,873</u>

Capital Leases

The District has entered into agreements to lease equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

	Ford Transit	Apple Finance	Total
Balance, July 1, 2020	\$ 13,495	\$ 145,878	\$ 159,373
Payments	<u>(7,712)</u>	<u>(145,878)</u>	<u>(153,590)</u>
Balance, July 1, 2021	<u>\$ 5,783</u>	<u>\$ -</u>	<u>\$ 5,783</u>

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2022	<u>\$ 5,783</u>
Total	5,783
Less amount representing interest	<u>(129)</u>
Present value of minimum lease payments	<u>\$ 5,654</u>

At June 30, 2021, the financed equipment is reported in capital assets as follows:

	Ford Transit	Apple Finance	Total
Furniture and equipment	\$ 33,836	\$ 422,203	\$ 456,039
Less accumulated depreciation	<u>(17,270)</u>	<u>(422,203)</u>	<u>(439,473)</u>
Balance, July 1, 2021	<u>\$ 16,566</u>	<u>\$ -</u>	<u>\$ 16,566</u>

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to \$487,557.

Note 11 - Total Other Postemployment Benefit (OPEB) Liability

Plan Administration

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

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	34
Active employees	<u>330</u>
Total	<u><u>364</u></u>

Benefits Provided

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

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the La Habra Education Association (LHEA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, CTA, CSEA, and the unrepresented groups. For the measurement period June 30, 2020, the District paid \$546,969 in benefits. The amount paid by the District for OPEB as benefits come due subsequent to measurement date was \$632,893.

Total OPEB Liability of the District

The District's total OPEB liability of \$14,718,190 was measured as of June 30, 2020. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as June 30, 2019.

Actuarial Assumptions

The total OPEB liability as of June 30, 2020 was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total OPEB liability to June 30, 2020. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.63 percent for 2020
Salary increases	2.75 percent, average, including inflation
Discount rate	2.20 percent for 2020
Healthcare cost trend rates	4.00 percent

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

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study for the period July 1, 2018 to June 30, 2019.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2019	\$ 12,817,028
Service cost	871,690
Interest	454,279
Changes of assumptions	1,122,162
Benefit payments	(546,969)
Net change in total OPEB liability	1,901,162
Balance, June 30, 2020	\$ 14,718,190

Changes to the benefits terms: There were no changes to the benefit terms.

Changes of assumptions reflect a change in the discount rate from 3.50 percent for measurement period June 30, 2019 to 2.20 percent for measurement period June 30, 2020.

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

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

<u>Discount Rate</u>	<u>Total OPEB Liability</u>
1% decrease (1.20%)	\$ 15,313,928
Current discount rate (2.20%)	14,718,190
1% increase (3.20%)	13,819,471

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

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

<u>Healthcare Cost Trend Rates</u>	<u>Total OPEB Liability</u>
1% decrease (3.0%)	\$ 14,168,113
Current healthcare cost trend rate (4.0%)	14,718,190
1% increase (5.0%)	15,051,658

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,923,363. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Amount paid by the District for OPEB as the benefits come due subsequent to measurement date	\$ 632,893	\$ -
Differences between expected and actual experience in the measurement of the total OPEB liability	-	319,089
Changes of assumptions	<u>1,219,660</u>	<u>180,534</u>
Total	<u>\$ 1,852,553</u>	<u>\$ 499,623</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ 50,425
2023	50,425
2024	50,425
2025	50,425
2026	50,425
Thereafter	<u>467,912</u>
Total	<u>\$ 720,037</u>

Note 12 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	\$ 25,000	\$ -	\$ 49,096	\$ 74,096
Stores inventories	99,855	-	41,009	140,864
Total nonspendable	124,855	-	90,105	214,960
Restricted				
Legally restricted programs	1,701,175	-	504,235	2,205,410
Capital projects	-	10,700,093	3,629,175	14,329,268
Debt services	-	-	2,916,504	2,916,504
Total restricted	1,701,175	10,700,093	7,049,914	19,451,182
Assigned				
Reserve for deficit spending	4,755,427	-	-	4,755,427
Capital projects	-	-	1,405,102	1,405,102
Total assigned	4,755,427	-	1,405,102	6,160,529
Unassigned				
Reserve for economic uncertainties	1,899,959	-	-	1,899,959
Remaining unassigned	5,783,722	-	-	5,783,722
Total unassigned	7,683,681	-	-	7,683,681
Total	\$ 14,265,138	\$ 10,700,093	\$ 8,545,121	\$ 33,510,352

Note 13 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2021, the District contracted with Northern Orange County Liability and Property Self-Insurance Authority, a joint powers authority, for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2021, the District participated in the Northern Orange County Self-Funded Workers' Compensation Insurance Agency (the Agency), a joint powers authority. The intent of the Agency is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Agency. 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 Agency. Each participant pays its workers' compensation premium based on its individual rate. Participation in the Agency is limited to districts that can meet the Agency's selection criteria.

Employee Medical Benefits

The District has contracted with Metropolitan Employee Benefits Association (MEBA) and Self-Insured Schools of California (SISC III), joint powers authority, to provide employee health and welfare benefits. SISC III also provides dental benefits. MEBA and SISC III are shared risk pools comprised of several local educational agencies. Rates are set through an annual calculation process. The District is not entitled to any share of the reserves maintained by MEBA and SISC III upon their withdrawal from the pool.

The District has contracted with Orange County Fringe Benefits (OCFB), a joint powers authority, to provide employee health and welfare benefits, specifically for dental and life insurance benefit. OCFB is a shared pool comprised of several local educational agencies. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claims payments are made for all participating districts. Claims are paid for all participants regardless of cash flow. The Board of Directors has a right to allocate assets or obligations to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

Note 14 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2021. The District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 47,908,023	\$ 13,712,431	\$ 2,819,706	\$ 6,471,691
CalPERS	20,690,209	4,063,485	157,612	4,578,108
Total	<u>\$ 68,598,232</u>	<u>\$ 17,775,916</u>	<u>\$ 2,977,318</u>	<u>\$ 11,049,799</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2021, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.15%	16.15%
Required state contribution rate	10.328%	10.328%

Contributions

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were \$4,379,959.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total Net Pension Liability, including State share	
District's proportionate share of net pension liability	\$ 47,908,023
State's proportionate share of the net pension liability	<u>24,696,591</u>
Total	<u>\$ 72,604,614</u>

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.0494 percent and 0.0483 percent, resulting in a net increase in the proportionate share of 0.0011 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$6,471,691. In addition, the District recognized pension expense and revenue of \$3,459,750 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,379,959	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	3,438,207	1,468,617
Differences between projected and actual earnings on pension plan investments	1,138,019	-
Differences between expected and actual experience in the measurement of the total pension liability	84,536	1,351,089
Changes of assumptions	4,671,710	-
	<u>\$ 13,712,431</u>	<u>\$ 2,819,706</u>
Total	<u>\$ 13,712,431</u>	<u>\$ 2,819,706</u>

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (694,413)
2023	387,744
2024	773,593
2025	671,095
	<u>\$ 1,138,019</u>
Total	<u>\$ 1,138,019</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 1,262,950
2023	1,859,765
2024	1,616,099
2025	497,941
2026	32,131
Thereafter	105,861
Total	<u>\$ 5,374,747</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020 are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 72,382,349
Current discount rate (7.10%)	47,908,023
1% increase (8.10%)	27,701,020

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.70%	20.70%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were \$1,853,498.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$20,690,209. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively, was 0.0674 percent and 0.0659 percent, resulting in a net increase in the proportionate share of 0.0015 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$4,578,108. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,853,498	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	677,239	157,612
Differences between projected and actual earnings on pension plan investments	430,705	-
Differences between expected and actual experience in the measurement of the total pension liability	1,026,171	-
Changes of assumptions	75,872	-
	<u>\$ 4,063,485</u>	<u>\$ 157,612</u>
Total	<u>\$ 4,063,485</u>	<u>\$ 157,612</u>

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (161,179)
2023	143,766
2024	249,888
2025	198,230
Total	<u>\$ 430,705</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 1,071,688
2023	478,554
2024	69,068
2025	2,360
Total	<u>\$ 1,621,670</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 29,745,949
Current discount rate (7.15%)	20,690,209
1% increase (8.15%)	13,174,400

Public Agency Retirement System (PARS)

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the PARS as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 3.75 percent of an employee's gross earnings. An employee is required to contribute 3.75 percent of his or her gross earnings to the pension plan. The District's contributions to PARS for fiscal year ending June 30, 2021, was \$80,971.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$2,794,907 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on-behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves.

Note 15 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

Litigation

The District is involved in various litigations arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2021.

Note 16 - Participation in Public Entity Risk Pools, Joint Powers Authorities and Other Related Party Transactions

The District is a member of the Northern Orange County Liability and Property Self-Insurance Authority, Northern Orange County Self-Funded Workers' Compensation Insurance Agency, Metropolitan Employee Benefits Association, Self-Insured Schools of California, and the Orange County Fringe Benefits joint powers authorities. The District pays an annual premium to the applicable entity for its property liability, workers' compensation and health and welfare insurance coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2021, the District made payments of \$373,527, \$1,046,754, \$443,113, \$4,879,736, and \$31,469 to the Northern Orange County Liability and Property Self-Insurance Authority, Northern Orange County Self-Funded Workers' Compensation Insurance Agency, Metropolitan Employee Benefits Association, Self-Insured Schools of California, and the Orange County Fringe Benefits, respectively, for its property liability, workers' compensation, and health and welfare insurance premiums.

Note 17 - Restatement of Prior Year Net Position and Fund Balance

As of July 1, 2020, the La Habra City School District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, the District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund. The following table describes the effects of the implementation on beginning fund balance/net position.

	Non-Major Governmental Funds	Total Governmental Funds
Beginning Fund Balance previously reported at June 30, 2020	\$ 5,047,040	\$ 16,297,189
Reclassification of student activity funds from agency funds to a special revenue fund	<u>45,792</u>	<u>45,792</u>
Fund Balance - Beginning as Restated at July 1, 2020	<u>\$ 5,092,832</u>	<u>\$ 16,342,981</u>
Government-Wide Financial Statements		
Beginning Government-Wide Net Position previously reported at June 30, 2020		\$ (35,904,006)
Reclassified student body funds from fiduciary fund to special revenue fund		<u>45,792</u>
Net Position - Beginning as Restated at July 1, 2020		<u>\$ (35,858,214)</u>



Required Supplementary Information
June 30, 2021

La Habra City School District

La Habra City School District
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Local Control Funding Formula	\$ 43,563,797	\$ 47,080,829	\$ 46,094,596	\$ (986,233)
Federal sources	2,805,653	12,200,582	8,490,340	(3,710,242)
Other State sources	5,231,172	10,598,058	9,213,087	(1,384,971)
Other local sources	2,583,032	3,055,072	3,944,324	889,252
Total revenues	54,183,654	72,934,541	67,742,347	(5,192,194)
Expenditures				
Current				
Certificated salaries	26,452,059	28,069,941	28,387,192	(317,251)
Classified salaries	9,537,927	9,760,371	10,154,746	(394,375)
Employee benefits	15,127,503	15,745,293	14,977,593	767,700
Books and supplies	1,749,866	4,271,031	3,211,064	1,059,967
Services and operating expenditures	4,151,478	5,046,692	5,327,169	(280,477)
Other outgo	674,138	726,514	756,094	(29,580)
Capital outlay	-	-	44,670	(44,670)
Debt service				
Debt service - principal	-	-	147,861	(147,861)
Debt service - interest and other	-	-	5,728	(5,728)
Total expenditures	57,692,971	63,619,842	63,012,117	607,725
Excess (Deficiency) of Revenues Over Expenditures	(3,509,317)	9,314,699	4,730,230	(4,584,469)
Other Financing Uses				
Transfers in	-	-	81,697	81,697
Transfers out	-	-	(401,558)	(401,558)
Net Change in Fund Balances	(3,509,317)	9,314,699	4,410,369	(4,904,330)
Fund Balance - Beginning	9,854,769	9,854,769	9,854,769	-
Fund Balance - Ending	\$ 6,345,452	\$ 19,169,468	\$ 14,265,138	\$ (4,904,330)

La Habra City School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 871,690	\$ 868,381	\$ 891,273	\$ 867,419
Interest	454,279	465,978	437,963	370,307
Differences between expected and actual experience in the measurement of the total OPEB liability	-	(373,173)	-	-
Changes of assumptions	1,122,162	209,123	(237,546)	-
Benefit payments	(546,969)	(363,361)	(322,639)	(310,230)
Net change in total OPEB liability	1,901,162	806,948	769,051	927,496
Total OPEB Liability - Beginning	12,817,028	12,010,080	11,241,029	10,313,533
Total OPEB Liability - Ending	<u>\$ 14,718,190</u>	<u>\$ 12,817,028</u>	<u>\$ 12,010,080</u>	<u>\$ 11,241,029</u>
Covered Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Total OPEB Liability as a Percentage of Covered Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

La Habra City School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2021

	2021	2020	2019	2018
CalSTRS				
District's proportion of the net pension liability	0.0494%	0.0483%	0.0479%	0.0437%
Proportionate share of the net pension liability	\$ 47,908,023	\$ 43,635,769	\$ 44,011,390	\$ 40,417,059
State's proportionate share of the net pension liability	24,696,591	23,806,225	25,198,579	23,910,390
Total	\$ 72,604,614	\$ 67,441,994	\$ 69,209,969	\$ 64,327,449
Covered payroll	\$ 26,887,333	\$ 26,247,033	\$ 25,618,240	\$ 23,363,370
Proportionate share of the net pension liability as a percentage of its covered payroll	178%	166%	172%	173%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CalPERS				
District's proportion of the net pension liability	0.0674%	0.0659%	0.0617%	0.0574%
Proportionate share of the net pension liability	\$ 20,690,209	\$ 19,203,306	\$ 16,453,052	\$ 13,700,543
Covered payroll	\$ 9,722,108	\$ 9,128,662	\$ 8,517,906	\$ 7,044,448
District's proportionate share of the net pension liability as a percentage of its covered payroll	213%	210%	193%	194%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

La Habra City School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>
CalSTRS			
District's proportion of the net pension liability	<u>0.0467%</u>	<u>0.0435%</u>	<u>0.0484%</u>
Proportionate share of the net pension liability	<u>\$ 37,732,719</u>	<u>\$ 29,313,018</u>	<u>\$ 28,268,236</u>
State's proportionate share of the net pension liability	<u>21,480,564</u>	<u>15,503,335</u>	<u>17,069,582</u>
Total	<u><u>\$ 59,213,283</u></u>	<u><u>\$ 44,816,353</u></u>	<u><u>\$ 45,337,818</u></u>
Covered payroll	<u>\$ 23,238,500</u>	<u>\$ 21,616,160</u>	<u>19,893,845</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>162%</u>	<u>136%</u>	<u>142%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS			
District's proportion of the net pension liability	<u>0.0577%</u>	<u>0.0575%</u>	<u>0.0580%</u>
Proportionate share of the net pension liability	<u>\$ 11,391,499</u>	<u>\$ 8,468,284</u>	<u>\$ 6,588,218</u>
Covered payroll	<u>\$ 6,931,746</u>	<u>\$ 6,393,628</u>	<u>6,096,717</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>164%</u>	<u>132%</u>	<u>108%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74%</u>	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014

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

La Habra City School District
Schedule of the District Contributions
Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CalSTRS				
Contractually required contribution	\$ 4,379,959	\$ 4,597,734	\$ 4,273,017	\$ 3,696,712
Less contributions in relation to the contractually required contribution	<u>4,379,959</u>	<u>4,597,734</u>	<u>4,273,017</u>	<u>3,696,712</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 27,120,489</u>	<u>\$ 26,887,333</u>	<u>\$ 26,247,033</u>	<u>\$ 25,618,240</u>
Contributions as a percentage of covered payroll	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>
CalPERS				
Contractually required contribution	\$ 1,853,498	\$ 1,917,297	\$ 1,648,819	\$ 1,322,916
Less contributions in relation to the contractually required contribution	<u>1,853,498</u>	<u>1,917,297</u>	<u>1,648,819</u>	<u>1,322,916</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 8,954,097</u>	<u>\$ 9,722,108</u>	<u>\$ 9,128,662</u>	<u>\$ 8,517,906</u>
Contributions as a percentage of covered payroll	<u>20.700%</u>	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>

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

La Habra City School District
Schedule of the District Contributions
Year Ended June 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>
CalSTRS			
Contractually required contribution	\$ 2,939,112	\$ 2,493,491	\$ 1,919,515
Less contributions in relation to the contractually required contribution	<u>2,939,112</u>	<u>2,493,491</u>	<u>1,919,515</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 23,363,370</u>	<u>\$ 23,238,500</u>	<u>\$ 21,616,160</u>
Contributions as a percentage of covered payroll	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
CalPERS			
Contractually required contribution	\$ 978,333	\$ 821,204	\$ 752,594
Less contributions in relation to the contractually required contribution	<u>978,333</u>	<u>821,204</u>	<u>752,594</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 7,044,448</u>	<u>\$ 6,931,746</u>	<u>\$ 6,393,628</u>
Contributions as a percentage of covered payroll	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedules

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 the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

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

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

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

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

- **Change in Benefit Terms** – There were no changes in benefit terms.
- **Change of Assumptions** – The discount rate changed from 3.50 percent for measurement period June 30, 2019 to 2.20 percent for measurement period June 30, 2020.

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

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

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

Schedule of District Contributions

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



Supplementary Information
June 30, 2021

La Habra City School District

La Habra City School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of the Treasury			
Passed Through California Department of Education (CDE)			
COVID-19: Coronavirus Relief Fund: Learning Loss Mitigation	21.019	25516	\$ 4,168,277
Total U.S. Department of the Treasury			<u>4,168,277</u>
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	1,078,721
Title II, Part A, Supporting Effective Instruction	84.367	14341	97,956
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	93,909
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	960,376
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	647,059
COVID-19: CARES Act Supplemental Meal Reimbursement	84.425D	15535	58,099
COVID-19: Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C	15517	<u>297,627</u>
Subtotal			<u>1,963,161</u>
Passed through North Orange County SELPA			
Special Education Cluster (IDEA)			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	1,106,659
Preschool Grants, Part B, Sec 619	84.173	13430	<u>39,756</u>
Total Special Education Cluster (IDEA)			<u>1,146,415</u>
Total U.S. Department of Education			<u>4,380,162</u>
U.S. Department of Agriculture			
Passed Through CDE			
Child Nutrition Cluster			
National School Lunch Program	10.555	13396	1,040,729
Especially Needy Breakfast Program	10.553	13526	656,313
Meal Supplements	10.555	13755	56,488
Commodities	10.555	13396	<u>221,349</u>
Total Child Nutrition Cluster			<u>1,974,879</u>
Total U.S. Department of Agriculture			<u>1,974,879</u>
Total Federal Financial Assistance			<u>\$ 10,523,318</u>

ORGANIZATION

The La Habra City School District was established in 1896 and covers eight square miles and is located in Orange County. The District operates under a locally elected five-member Board form of government and provides educational services to grades TK-8 as mandated by the State and/or Federal agencies. The District operates seven elementary schools and two middle schools. There were no boundary changes during the year.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Mr. Adam Rogers	President	2022
Ms. Cynthia Aguirre	Vice President/Clerk	2022
Ms. Ofelia Hanson	Member	2024
Ms. Emily Pruitt	Member	2022
Ms. Sue Pritchard	Member	2024

ADMINISTRATION

Dr. Joanne Culverhouse	Superintendent
Dr. Mario Carlos	Associate Superintendent and Human Resources
Ms. Christeen Betz	Chief Business Official
Dr. Sheryl Tucker	Assistant Superintendent of Education Services
Dr. Cammie Nguyen	Administrative Director of Special Education and Student Services
Mr. David Soto	Chief Technology Officer

La Habra City School District

Schedule of Instructional Time

Year Ended June 30, 2021

Grade Level	Number of Actual Days		Number of Days Credited Form J-13A	Total Days Offered	Status
	Traditional Calendar	Multitrack Calendar			
Kindergarten	180	-	-	180	Complied
Grades 1 - 3					
Grade 1	180	-	-	180	Complied
Grade 2	180	-	-	180	Complied
Grade 3	180	-	-	180	Complied
Grades 4 - 6					
Grade 4	180	-	-	180	Complied
Grade 5	180	-	-	180	Complied
Grade 6	180	-	-	180	Complied
Grades 7 - 8					
Grade 7	180	-	-	180	Complied
Grade 8	180	-	-	180	Complied

La Habra City School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2021

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements:

	<u>General Fund</u>
Fund Balance	
Balance, June 30, 2021, Unaudited Actuals	\$ 14,845,561
Decrease in	
Accounts receivable	<u>(580,423)</u>
Balance, June 30, 2021, Audited Financial Statements	<u><u>\$ 14,265,138</u></u>

La Habra City School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2021

	(Budget) 2022 ¹	2021	2020	2019
General Fund				
Revenues	\$ 64,075,583	\$ 67,742,347	\$ 60,041,979	\$ 61,113,138
Other sources	-	81,697	-	1,000,000
Total Revenues and Other Sources	<u>64,075,583</u>	<u>67,824,044</u>	<u>60,041,979</u>	<u>62,113,138</u>
Expenditures	64,657,193	63,012,117	60,627,992	61,055,620
Other uses and transfers out	<u>350,000</u>	<u>401,558</u>	<u>21,069</u>	<u>28,489</u>
Total Expenditures and Other Uses	<u>65,007,193</u>	<u>63,413,675</u>	<u>60,649,061</u>	<u>61,084,109</u>
Increase/(Decrease) in Fund Balance	<u>(931,610)</u>	<u>4,410,369</u>	<u>(607,082)</u>	<u>1,029,029</u>
Ending Fund Balance	<u>\$ 13,333,528</u>	<u>\$ 14,265,138</u>	<u>\$ 9,854,769</u>	<u>\$ 10,461,851</u>
Available Reserves ²	<u>\$ 7,912,512</u>	<u>\$ 7,683,681</u>	<u>\$ 2,471,547</u>	<u>\$ 5,543,135</u>
Available Reserves as a Percentage of Total Outgo ³	<u>12.17%</u>	<u>12.12%</u>	<u>4.08%</u>	<u>9.41%</u>
Long-Term Liabilities	<u>N/A</u>	<u>\$ 128,699,221</u>	<u>\$ 109,779,573</u>	<u>\$ 106,746,533</u>
K-12 Average Daily Attendance at P-2	<u>4,327</u>	<u>4,450</u>	<u>4,450</u>	<u>4,426</u>

The General Fund balance has increased by \$3,803,287 over the past two years. The fiscal year 2021-2022 budget projects a decrease of \$931,160 (6.3 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surplus in two of the past three years, but anticipates incurring an operating deficit during the 2021-2022 fiscal year. Total long-term obligations have increased by \$21,952,688 over the past two years.

Average daily attendance has increased by 24 over the past two years. However, a decline of 123 ADA is anticipated during fiscal year 2021-2022.

¹ Budget 2022 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the General Fund.

³ On-behalf payments of \$2,171,467 relating to Senate Bill 90 have been excluded from the calculation of available reserves for the fiscal year ending June 30, 2019.

La Habra City School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2021

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund
Assets				
Deposits and investments	\$ 50,468	\$ 179,429	\$ 252,541	\$ 3,642,595
Receivables	-	10,924	437,314	1,758
Due from other funds	-	-	3,822	-
Stores inventories	-	-	41,009	-
Total assets	\$ 50,468	\$ 190,353	\$ 734,686	\$ 3,644,353
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 52,295	\$ 274,661	\$ 7,178
Due to other funds	-	28,907	25,304	8,000
Total liabilities	-	81,202	299,965	15,178
Fund Balances				
Nonspendable	-	-	90,105	-
Restricted	50,468	109,151	344,616	3,629,175
Assigned	-	-	-	-
Total fund balances	50,468	109,151	434,721	3,629,175
Total liabilities and fund balances	\$ 50,468	\$ 190,353	\$ 734,686	\$ 3,644,353

La Habra City School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2021

	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds
Assets			
Deposits and investments	\$ 1,404,590	\$ 2,914,578	\$ 8,444,201
Receivables	525	1,926	452,447
Due from other funds	-	-	3,822
Stores inventories	-	-	41,009
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,405,115</u>	<u>\$ 2,916,504</u>	<u>\$ 8,941,479</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 13	\$ -	\$ 334,147
Due to other funds	-	-	62,211
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>13</u>	<u>-</u>	<u>396,358</u>
Fund Balances			
Nonspendable	-	-	90,105
Restricted	-	2,916,504	7,049,914
Assigned	1,405,102	-	1,405,102
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,405,102</u>	<u>2,916,504</u>	<u>8,545,121</u>
Total liabilities and fund balances	<u>\$ 1,405,115</u>	<u>\$ 2,916,504</u>	<u>\$ 8,941,479</u>

La Habra City School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2021

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund
Revenues				
Federal sources	\$ -	\$ -	\$ 2,032,978	\$ -
Other State sources	-	-	150,593	2,716,456
Other local sources	11,643	250,511	61,132	107,229
Total revenues	11,643	250,511	2,244,703	2,823,685
Expenditures				
Current				
Pupil services				
Food services	-	-	2,675,376	-
Administration				
All other administration	-	20,103	-	-
Plant services	-	-	12,381	-
Ancillary services	6,967	-	-	-
Enterprise services	-	357,153	-	-
Facility acquisition and construction	-	-	-	123,343
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total expenditures	6,967	377,256	2,687,757	123,343
Excess (Deficiency) of Revenues Over Expenditures	4,676	(126,745)	(443,054)	2,700,342
Other Financing Sources (Uses)				
Transfers in	-	-	401,558	-
Other sources - premium from issuance of general obligation bond	-	-	-	-
Transfers out	-	-	-	-
Net Financing Sources (Uses)	-	-	401,558	-
Net Change in Fund Balances	4,676	(126,745)	(41,496)	2,700,342
Fund Balance - Beginning, as restated	45,792	235,896	476,217	928,833
Fund Balance - Ending	\$ 50,468	\$ 109,151	\$ 434,721	\$ 3,629,175

La Habra City School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2021

	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds
Revenues			
Federal sources	\$ -	\$ -	\$ 2,032,978
Other State sources	-	15,698	2,882,747
Other local sources	307,737	2,663,401	3,401,653
Total revenues	307,737	2,679,099	8,317,378
Expenditures			
Current			
Pupil services			
Food services	-	-	2,675,376
Administration			
All other administration	-	-	20,103
Plant services	26,816	-	39,197
Ancillary services	-	-	6,967
Enterprise services	-	-	357,153
Facility acquisition and construction	14,239	-	137,582
Debt service			
Principal	-	1,690,000	1,690,000
Interest and other	-	846,167	846,167
Total expenditures	41,055	2,536,167	5,772,545
Excess (Deficiency) of Revenues Over Expenditures	266,682	142,932	2,544,833
Other Financing Sources (Uses)			
Transfers in	-	-	401,558
Other sources - premium from issuance of general obligation bond	-	587,595	587,595
Transfers out	(81,697)	-	(81,697)
Net Financing Sources (Uses)	(81,697)	587,595	907,456
Net Change in Fund Balances	184,985	730,527	3,452,289
Fund Balance - Beginning, as restated	1,220,117	2,185,977	5,092,832
Fund Balance - Ending	\$ 1,405,102	\$ 2,916,504	\$ 8,545,121

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the La Habra City School District (the District) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the La Habra City School District, it is not intended to and does not present the financial position, or changes in net position and fund balance of the District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

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

Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District did not report any commodities in inventory.

Local Education Agency Organization Structure

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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



Independent Auditor's Reports
June 30, 2021

La Habra City School District



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

Governing Board
La Habra City School District
La Habra, 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 La Habra City School District, as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise La Habra City School District's basic financial statements and have issued our report thereon dated January 20, 2022.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 and 17 to the financial statements, La Habra City School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs*, as item 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

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

La Habra City School District's Response to Findings

La Habra City School District's response to the finding identified in our audit is described in the accompanying *Schedule of Financial Statement Findings*. La Habra City School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
January 20, 2022



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Governing Board
La Habra City School District
La Habra, California

Report on Compliance for Each Major Federal Program

We have audited La Habra City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of La Habra City School District's major federal programs for the year ended June 30, 2021. La Habra City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, La Habra City School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

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



Rancho Cucamonga, California
January 20, 2022



Independent Auditor's Report on State Compliance

Governing Board
La Habra City School District
La Habra, California

Report on State Compliance

We have audited La Habra City School District's (the District) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the state laws and regulations listed in the table below for the year ended June 30, 2021.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Compliance Requirements Tested

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

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

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.

The District does not offer an Apprenticeship Program; therefore, we did not perform any procedures for the Apprenticeship Program.

The District does not offer a District of Choice Program; therefore, we did not perform any procedures for the District of Choice Program.

The District did not have any expenditures related to the California Clean Energy Jobs Act and the District did not submit any final completion reports during the fiscal year; therefore, we did not perform any procedures related to the California Clean Energy Jobs Act.

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

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

Unmodified Opinion

In our opinion, La Habra City School District complied, in all material aspects, with the laws and regulations of the state programs referred to above for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
January 20, 2022



Schedule of Findings and Questioned Costs
June 30, 2021

La Habra City School District

Financial Statements

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

Federal Awards

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

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing Federal CFDA Number
Special Education Cluster (IDEA)	84.027, 84.173
COVID-19: Coronavirus Relief Fund: Learning Loss Mitigation	21.019
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D
COVID-19: CARES Act Supplemental Meal Reimbursement	84.425D
COVID-19: Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
--	-----------

Auditee qualified as low-risk auditee?	Yes
--	-----

State Compliance

Type of auditor's report issued on compliance for programs	Unmodified
--	------------

The following finding represents a material weakness related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Controls

2021-001 30000

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all adjusting journal entries reclassifying journal entries, and conversion entries used in the preparation of the District's financial statements. Additionally, the District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of our engagement, we identified material misstatement of balances presented within the District's General Fund (Fund 01), as reported on the 2020-2021 unaudited financial statements. The description of the misstatement is as follows:

- The District over reported year-end accounts receivable in the amount of \$259,193. Specifically, the amount in question was associated with the State's Local Control Funding Formula (LCFF) revenue.
- The District over reported year-end accounts receivable in the amount of \$321,230. Specifically, the amount in question was associated with the state categorical funding related to Expanded Learning Opportunities (ELO) Grant revenue.

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The condition was identified through inquiry with District personnel and through review of available District records related to balances reported in the District's 2020-2021 unaudited financial statements.

Effect

The effect of these errors resulted in a misstatement in the District's 2020-2021 unaudited financial statements. The District's General Fund's (Fund 01) ending fund balance was overstated by \$580,423 as of June 30, 2021.

Cause

The condition identified appears to be caused by changes in the accounting treatment of certain state program funding that was released near the year-end closing process that was not applied.

Repeat Finding

No.

Recommendation

In light of condition identified, the District should carefully monitor changes guidance related to accounting treatments of program and allocations of revenues during its annual year-end closing process. The District should implement a process to review all balances during its year-end closing process to determine the proper cut-off period for revenues.

Corrective Action Plan/Views of Responsible Officials

The District will implement an internal control system prior to final close to document all revenue allocations from State and Federal sources and review documented amounts in the unaudited financials for any possible changes.

None reported.

None reported.

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

La Habra City School District

To: Board of Trustees
From: Christeen Betz, Assistant Superintendent of Business Services
Date: February 10, 2022
CC: Superintendent
Re: District Standard for Outdoor Shade Structures

Background:

California Public Contract Code Section 3400(c) authorizes a school District to designate a particular material or product by specific brand name on such terms as the District's governing board determines are in the best interest of the District.

It is in the best interest of the District to utilize standardized shade structures in order to maintain uniformity in appearance among its campuses and match existing projects in the course of completion.

Rationale:

The District has found that Shade Structures Inc., dba USA Shade & Fabric Structures offers the best performing products in this field and has the greatest cost benefit to the District. There shade structures are unique and contain several proprietary properties in the materials used which are not typically found in other brands. They provide superior resistance to UV light, regular wear and tear, enhanced durability, and reduce maintenance and repairs.

Recommended Action:

The Board of Trustees is hereby requested to adopt Resolution No. 1-2022 designating Shade Structures Inc., dba USA Shade & Fabric Structures as the District standard for all outdoor shade structure installations.

Financial Implications, if any:

None

RESOLUTION NO. 1-2022

RESOLUTION OF THE BOARD OF TRUSTEES
OF THE LA HABRA CITY SCHOOL DISTRICT

Resolution Approving Standardization of Outdoor Shade Structures

WHEREAS, Section 3400(c) of the Public Contract Code authorizes the awarding authority to make findings described in the invitation for bids or request for proposals to designate a particular material, product, thing, or service by specific brand or trade name; and,

WHEREAS, the District, has found it is in its best interest to utilize standardized shade structures in order to maintain uniformity, where possible, among its campuses and to match other projects in the course of completion, to maximize durability of the shade structures, and to streamline maintenance; and

WHEREAS, the District has found based on projects either completed or in the course of completion throughout the District that shade structures manufactured by Shade Structures Inc., dba USA Shade & Fabric Structures are unique and contain several proprietary properties in the materials used not found in other brands;

WHEREAS, the District has found that Shade Structures Inc., dba USA Shade & Fabric Structures' resistance to UV light and regular wear and tear has proven the materials used to be more durable than other shade structure brands; and,

WHEREAS, the availability of a unique warranty will increase efficiency in the District's operation in terms of maintenance and repairs;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the La Habra City School District

That the Board finds and approves Shade Structures Inc., dba USA Shade & Fabric Structures as the District-wide standard product for outdoor shade structures.

PASSED AND ADOPTED by the Board of Trustees of the La Habra City School District at La Habra, California this 10th day of February 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA)

COUNTY OF ORANGE)

I, _____, Clerk of the Governing Board of the La Habra City School District, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by said Board at the regular meeting thereof at the time and place of vote stated, which resolution is on file and of record in the Office of said Board.

Date

Clerk

2022 LA HABRA CITY SCHOOL DISTRICT GOVERNANCE CALENDAR

JOB AREA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
EFFECTIVE GOVERNANCE	ATTEND OCSBA SEMINAR		ATTEND OCSBA/ACSA DINNER & ETC MEETING		ATTEND OCSBA DINNER MEETING			REVIEW BOARD PROTOCOLS	ATTEND OCSBA SEMINAR	ATTEND OCSBA/ACSA DINNER & ETC MEETING		HOLD ANNUAL ORGANIZATIONAL MEETING
	UPDATE GOVERNANCE CALENDAR				ATTEND OCSBA SEMINAR			UPDATE BOARD HANDBOOK	ATTEND BOARD CANDIDATE FORUM (PRIOR TO ELECTION)			ATTEND CSBA AEC
	BROWN ACT REVIEW (IF NECESSARY)				CONDUCT BOARD SELF-EVALUATION & REVIEW RESULTS				REVISIT GOVERNANCE CALENDAR			
SETTING DIRECTION FOR THE DISTRICT	REVIEW/APPROVE SPSAS		REVIEW DISTRICT MISSION, VISION, CORE VALUES			DISCUSS PRIORITIES AND PRELIMINARY GOALS FOR CURRENT YEAR		EMPLOYEE BREAKFAST			REPORT PROGRESS GOALS TO THE COMMUNITY	
				EQUITY STATEMENT		ESTABLISH AND DISCUSS GOALS FOR COMING YEAR					REVIEW DISTRICT MISSION, VISION, CORE VALUES	
						HOLD PUBLIC HEARING & ADOPT LCAP						
STUDENT LEARNING AND ACHIEVEMENT		RECEIVE PROGRESS REPORT ON DISTRICT GOALS & STRATEGIES, LCAP, STUDENT ACHIEVEMENT		SUMMER SCHOOL PLAN		PROMOTION CEREMONIES		RECEIVE REPORT ON STATE ASSESSMENT RESULTS & STUDENT ACHIEVEMENT (CAASPP)				
						APPROVE CONAPP		ELPAC RESULTS				
				INFO - MS DUAL IMMERSION STRATEGIC PLAN		SCIENCE ADOPTION		SCHOOL OPENINGS	ADOPT RESOLUTION: RED RIBBON WEEK	ADOPT RESOLUTION: TEXTBOOK SUFFICIENCY		APPROVE SARCS
FINANCE	RECEIVE AUDIT REPORT		CERTIFY 2 ND INTERIM REPORT			HOLD PUBLIC HEARING & ADOPT BUDGET			APPROVE UNAUDITED ACTUALS	ADOPT RESOLUTION: TEMPORARY INTERFUND TRANSFER		CERTIFY 1 ST INTERIM REPORT
						ADOPT RESOLUTION: EPA			ADOPT RESOLUTION: GANN LIMIT			
	APPROVE PURCHASE ORDERS & CHECKS											
	APPROVE CONTRACTS/AGREEMENTS											
FACILITIES	RECEIVE QUARTERLY WILLIAMS REPORT		APPROVE COMPREHENSIVE SCHOOL SAFETY PLANS	RECEIVE QUARTERLY WILLIAMS REPORT			RECEIVE QUARTERLY WILLIAMS REPORT			RECEIVE QUARTERLY WILLIAMS REPORT		
POLICY	ADOPT UPDATED BOARD POLICIES/ADMINISTRATIVE REGULATIONS/BOARD BYLAWS											
JUDICIAL REVIEW	MAINTAIN CONFIDENTIALITY ON ISSUES THAT MAY COME BEFORE THE BOARD — HOLD HEARINGS AND DECIDE APPEALS TO THE BOARD AS NECESSARY.											
HUMAN RESOURCES		REVIEW DISTRICT HIRING & EVALUATION PROCEDURES	APPROVE CERTIFICATED & CLASSIFIED LAYOFF NOTICES BY MARCH 15 (AS NECESSARY)		RECOGNIZE RETIREES					SUPERINTENDENT’S PRIORITIES, GOALS & OBJECTIVES		
	APPROVE SCHOOL CALENDARS		ADOPT RESOLUTION: STAFF APPRECIATION WEEK									
	ANNOUNCEMENT OF OCDE CLASSIFIED EOTY		ANNOUNCEMENT OF OCDE CERTIFICATED TOTY									
	CSEA RECLASSIFICATIONS/JOB DESCRIPTION UPDATES											
	APPROVE CERTIFICATED & CLASSIFIED HR REPORTS											
COMMUNITY RELATIONS		ATTEND EVERY STUDENT SUCCEEDING BREAKFAST	KINDERCAMINATA	MASONIC AWARDS	CITRUS FAIR			ATTEND BACK-TO-SCHOOL NIGHTS		TEACHER OF THE YEAR DINNER		PTA HOLIDAY LUNCHEON
		IBM CELEBRATION	ATTEND PTA ADMINISTRATORS DINNER		MAYOR’S PRAYER BREAKFAST			SERVICE PIN RECOGNITION	NEW TEACHER RECOGNITION	RED RIBBON WEEK		
			LITERACY FAIR		ATTEND COUNCIL PTA HSA AWARDS			NATIONAL NIGHT OUT (PORTOLA PARK)		GREAT SHAKEOUT		
							HEALTH FAIR		CORN FESTIVAL			
			ATTEND OPEN HOUSES									
	ATTEND SCHOOL SITE VISITS											
	ATTEND SCHOOL ACTIVITIES/PERFORMANCES/SHOWCASES											
PUBLIC INTEREST/ INFORMATION	TBD	TBD	TBD	TBD	TBD			TBD	TBD	TBD	TBD	TBD
	STUDENT PRESENTATIONS	STUDENT PRESENTATIONS	STUDENT PRESENTATIONS	STUDENT PRESENTATIONS	STUDENT PRESENTATIONS			STUDENT PRESENTATIONS	STUDENT PRESENTATIONS	STUDENT PRESENTATIONS	STUDENT PRESENTATIONS	STUDENT PRESENTATIONS

La Habra City School District

To: Board of Trustees
From: Gina Cosylyon, Executive Assistant to Superintendent
Date: February 10, 2022
CC: Superintendent
Re: Second Reading of Select Board Policies

Background:

La Habra City School District has existing policies in place, but on occasion, certain policies need to be updated and/or new policies need to be adopted using California School Board Association's (CSBA) samples.

Rationale:

Due to changes and updates to the law, below are recommended updates and/or new policies for our District:

NEW Board Policy 5148.2 - Before/After School Programs Policy updated to reflect NEW LAW (AB 130, 2021) which (1) establishes the Expanded Learning Opportunities (ELO) Program, (2) allocates ELO funding to districts under a formula based on a district's percentage of unduplicated students and average daily attendance, (3) requires districts receiving funds to, for the 2021-22 school year, offer access to ELO programs to all unduplicated students in grades TK-6, provide access to such programs to at least 50 percent of enrolled unduplicated students and, commencing in the 2022-23 school year, offer access to all students in grades TK-6 inclusive and ensure that access is provided to any student whose parent/guardian requests their placement in an ELO program, and (4) requires After School Education and Safety, 21st Century Community Learning Center, and ELO programs that charge family fees to schedule fees on a sliding scale that considers family income and ability to pay and to waive the cost of such fees for a student who is eligible for free or reduced-price meals.

NEW Board Policy 6112 - School Day Policy updated to reflect clarification in the California Department of Education's Frequently Asked Questions about Independent Study that minimum school day requirements for regular school attendance apply to traditional independent study programs.

Board Bylaw 9320 - Meetings and Notices Bylaw updated to clarify that it is discussion among themselves, via technology, of a majority of the governing board regarding an item within the subject matter jurisdiction of the board that can result in a violation of the Brown Act, and that agenda materials are required to be made available for public inspection at the time the materials are distributed to all or a majority of the board when agenda materials relating to an open session of a regular meeting are distributed to the board less than 72 hours before the meeting. Bylaw also updated to add a new section "Teleconferencing

During a Proclaimed State of Emergency" which reflects NEW LAW (AB 361, 2021) that (1) authorizes boards, until January 1, 2024, to conduct board meetings by teleconference, as specified, without meeting certain requirements otherwise required of teleconference meetings when holding a board meeting during a proclaimed state of emergency when state or local officials have imposed or recommend measures to promote social distancing; to determine whether, as a result of an emergency, meeting in person would present imminent risks to the health or safety of attendees; or when it has been determined, as a result of an emergency, that meeting in person would present imminent risks to the health or safety of attendees, (2) includes that the district may, in its discretion, provide a physical location from which the public may attend or comment and, (3) provides that the board may continue to conduct meetings by teleconference during proclaimed states of emergency by a majority vote finding within 30 days after teleconferencing for the first time and every 30 days thereafter that either the state of emergency continues to directly impact the ability of the board to meet safely in person or that state or local officials continue to impose or recommend measures to promote social distancing.

Recommended Action:

It is requested that the Board of Trustees approve the new/updated Board Policies.

La Habra City School District

NEW Policy 5148.2 - Before/After School Programs

The Governing Board desires to provide before-school and/or after-school enrichment programs that support the regular education program in a supervised environment. In order to increase academic achievement of participating students, the content of such programs shall be coordinated with the district's vision and goals for student learning, local control and accountability plan, curriculum, and academic standards.

The district's program shall be planned through a collaborative process that includes parents/guardians, students, and representatives of participating schools, governmental agencies including city and county parks and recreation departments, local law enforcement, community organizations, and, if appropriate, the private sector. (Education Code 8422, 8482.5, 46120)

To the extent feasible, the district shall give priorities to establishing before-school and/or after-school programs in low-performing schools and/or programs that serve low-income and other at-risk students.

Any After School Education and Safety Program (ASES), ~~21st Century Community Learning Center Program (21st CCLC), 21st Century High School After School Safety and Enrichment for Teens Program (ASSETs)~~, or other program to be established pursuant to Education Code 8421, 8482.3 or 8484.75 shall be approved by the Board and the principal of each participating school.

The Superintendent or designee shall ensure that all staff who directly supervise students in the district's before-school and/or after-school program possess appropriate knowledge and experience. As needed, staff and volunteers shall receive ongoing training related to their job responsibilities.

Each program shall include academic and enrichment elements in accordance with law and administrative regulation. In addition, each program may include support services that reinforce the educational component and promote student health and well-being.

~~No fee shall be charged for participation in the program.~~

~~However, for the ASSETs program, a family fee shall be waived or reduced for families with students who are eligible for free or reduced-price meals. (Education Code 8422)~~

For ASES, 21st CCLC, and/or Expanded Learning Opportunities programs, no fee shall be charged for a student who is eligible for free or reduced-price meals, or a student who the district knows is a homeless youth or in foster care. In addition, family fees shall be calculated on a sliding scale that considers family income and ability to pay. (Education Code 8482.6, 46120)

Eligible students who are 11 or 12 years of age shall be placed in a before-school or after-school program, if and when available, rather than subsidized child care and development services. During the time that the before-school or after-school program does not operate, such students may be provided the option of enrolling in child care and development services in accordance with the enrollment priorities established in AR 5148- Child Care and Development. (Welfare and Institutions Code 10273)

The Board and the Superintendent or designee shall monitor student participation rates and shall identify multiple measures that shall be used to evaluate program effectiveness. Such measures may

include, but are not limited to, student outcome data; program self-assessments; feedback from staff, participating students, and parents/guardians; and observations of program activities.

Every three years, the Superintendent or designee shall review the after-school program plan, including, but not limited to, program goals, program content, and outcome measures. Documentation of the program plan shall be maintained for a minimum of five years.

LA HABRA CITY SCHOOL DISTRICT

Policy

1st Reading: January 13, 2022

2nd Reading: February 10, 2022

La Habra, California

La Habra City School District

NEW Policy 6112 - School Day

The Governing Board shall fix the length of the school day in accordance with law. (Education Code 46100)

At each school, the length of the school day shall be the same for all students, except as otherwise permitted by law. For any student with a disability, the length of the school day shall be as specified in the student's individualized education program or Section 504 plan.

The daily schedule for elementary schools shall include at least one period of recess of at least 20 minutes, during which students shall be provided supervised opportunities to engage in unstructured physical activity.

In establishing the daily instructional schedule for each secondary school, the Superintendent or designee shall give consideration to course requirements and curricular demands, availability of school facilities, and applicable legal requirements.

The Board encourages flexibility in scheduling so as to provide longer time blocks or class periods when appropriate and desirable to support student learning, provide more intensive study of core academic subjects or extended exploration of complex topics, and reduce transition time between classes.

Prior to implementing a block or alternative schedule that will allow secondary students to attend school for fewer school days than the total number of school days for which the school is in session, the Board shall consult in good faith, in an effort to reach agreement with the certificated and classified employees of the school, parents/guardians of the students who would be affected by the change, and the community at large. Such consultation shall include at least one public hearing for which the Board shall give adequate notice to the employees and to the parents/guardians of affected students. (Education Code 46162)

LA HABRA CITY SCHOOL DISTRICT

Policy

1st Reading: January 13, 2022

2nd Reading: February 10, 2022

La Habra, California

La Habra City School District

Bylaw 9320 - Meetings And Notices

Meetings of the Governing Board are conducted for the purpose of accomplishing district business. In accordance with state open meeting laws {Brown Act}, the Board shall hold its meetings in public and shall conduct closed sessions during such meetings only as authorized by law. To encourage community involvement in the schools, Board meetings shall provide opportunities for questions and comments by members of the public. All meetings shall be conducted in accordance with law and the Board's bylaws, policies, and administrative regulations.

A Board meeting exists whenever a majority of Board members gathers at the same time ~~and place and location~~, *including teleconference location as permitted by Government Code 54953*, to hear, discuss, or deliberate, *or take action upon* any item within the subject matter jurisdiction of the Board or district. {Government Code 54952.2}

A majority of the Board shall not, outside of an authorized meeting, use a series of communications of any kind, directly or through intermediaries, *including social media and other electronic communications*, to discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the Board.

However, an employee or district official may engage in separate conversations with Board members in order to answer questions or provide information regarding an item within the subject matter jurisdiction of the Board, as long as that employee or district official does not communicate the comments or position of any Board members to other Board members. {Government Code 54952.2}

In order to help ensure participation of individuals with disabilities at Board meetings the Superintendent or designee shall provide appropriate disability-related accommodations or modifications upon request in accordance with the Americans with Disabilities Act. {Government Code 54953.2, 54954.1}

Regular Meetings

The Board shall hold one ~~or two~~ regular meeting each month. Regular meetings shall be held at 6:00 p.m. *on the second Thursday of each month* at the District Office.

At least 72 hours prior to a regular meeting, the agenda shall be posted at one or more locations freely accessible to members of the public on the District's ~~Internet~~ website. {Government Code 54954.2}

Whenever agenda materials relating to an open session of a regular meeting are distributed to the Board less than 72 hours before the meeting, the Superintendent or designee shall make the materials available for public inspection at a public office or location designated for that purpose *at the time the materials are distributed to all or a majority of the Board*. {Government Code 54957.5}

~~The Superintendent or designee shall make the materials available for public inspection at a public office or location designated for that purpose. {Government Code 54957.5}~~

Special Meetings

Special meetings of the Board may be called at any time by the presiding officer or a majority of the Board members. However, a special meeting shall not be called regarding the salary, salary schedule, or other

compensation of the Superintendent, assistant superintendent, or other management employee as described in Government Code 3511.1.{Government Code 54956)

Written notice of special meetings shall be delivered personally or by any other means to all Board members and the local media who have requested such notice in writing. The notice also shall be posted on the district's ~~Internet~~-website. The notice shall be received at least 24 hours before the time of the meeting. The notice shall also be posted at least 24 hours before the meeting in a location freely accessible to the public. The notice shall specify the time and place of the meeting and the business to be transacted or discussed. No other business shall be considered at this meeting. (Education Code 35144; Government Code 54956)

Any Board member may waive the 24-hour written notice requirement prior to the time of the meeting by filing a written waiver of notice with the clerk or secretary of the Board or by being present at the meeting at the time it convenes. (Government Code 54956)

Every notice of a special meeting shall provide an opportunity for members of the public to directly address the Board concerning any item that has been described in the meeting notice, before or during the item's consideration. (Government Code 54954.3)

Emergency Meetings

In the case of an emergency *situation* for which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with the 24-hour notice and/or 24- hour posting requirement for special meetings pursuant to Government Code 54956. The Board shall comply with all other requirements for special meetings during an emergency meeting. (Government Code 54956.5)

An emergency situation means either of the following: (Government Code 54956.5)

1. An emergency, which shall be defined as a work stoppage, crippling activity, or other activity that severely impairs public health and/or safety as determined by a majority of the members of the Board.

(cf. 4141.6/4241.6- Concerted Action/Work Stoppage)

2. A dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist activity, or threatened terrorist *activity* that poses peril so immediate and significant that requiring the Board to provide one-hour notice before holding an emergency meeting may endanger the public health and/or safety as determined by a majority of the members of the Board.

(cf. 3516- Emergencies and Disaster Preparedness Plan)

Except in the case of a dire emergency, the Board president or designee shall give notice of the emergency meeting by telephone at least one hour before the meeting to the local media that have requested notice of special meetings. All telephone numbers provided by the media in the most recent request for notification must be exhausted. If telephone services are not functioning, the notice requirement of one hour is waived and, as soon after the meeting as possible, the Board shall notify those media representatives of the meeting and shall describe the purpose of the meeting and any action taken by the Board. In the case of a dire emergency, the Board president or designee shall give such notice at or near the time ~~he/she notifies~~ *notification is given to* the other members of the Board about the meeting. (Government Code 54956.5)

The minutes of the meeting, a list of persons the Board president or designee notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be posted for at least 10 days in a public place as soon after the meeting as possible. (Government Code 54956.5)

Adjourned/Continued Meetings

~~A majority vote~~ by The Board may adjourn/continue any regular or special meeting to a later time and ~~place~~ *location* that shall be specified in the order of adjournment. Less than a quorum of the Board may adjourn such a meeting. If no Board members are present, the secretary or the clerk may declare the meeting adjourned to a later time and shall give notice in the same manner required for special meetings. (Government Code 54955)

Within 24 hours after the time of adjournment, a copy of the order or notice of adjournment/continuance shall be conspicuously posted on or near the door of the place where the meeting was held. (Government Code 54955)

Study Sessions, Retreats, Public Forums, and Discussion Meetings

The Board may occasionally convene a study session or public forum to study an issue in more detail or to receive information from staff or feedback from members of the public.

The Board may also convene a retreat or discussion meeting to discuss Board roles and relationships.

Public notice shall be given in accordance with law when a quorum of the Board is attending a study session, retreat, public forum, or discussion meeting. All such meetings shall comply with the Brown Act and shall be held in open session and within district boundaries. Action items shall not be included on the agenda for these meetings.

Other Gatherings

Attendance by a majority of Board members at any of the following events is not subject to the Brown Act provided that a majority of the Board members do not discuss specific district business among themselves other than as part of the scheduled program: (Government Code 54952.2)

1. A conference or similar public gathering open to the public that involves a discussion of issues of general interest to the public or to school board members
2. An open, publicized meeting organized by a person or organization other than the district to address a topic of local community concern
3. An open and noticed meeting of another body of the district
4. An open and noticed meeting of a legislative body of another local agency
5. A purely social or ceremonial occasion
6. An open and noticed meeting of a standing committee of the Board provided that the Board members who are not members of the standing committee attend only as observers.

Individual contacts or conversations between a Board member and any other person are not subject to the Brown Act. (Government Code 54952.2)

Location of Meetings

Meetings shall not be held in a facility that prohibits the admittance of any person on the basis of ancestry or any characteristic listed in Government Code 11135, ~~including, but not limited to, religion, sex, or sexual orientation.~~ In addition, meetings shall not be held in a facility ~~which that~~ is inaccessible to ~~disabled persons~~ *individuals with disabilities* or where members of the public must make a payment or purchase in order to be admitted. (Government Code 54961)

Meetings shall be held within district boundaries, except to do any of the following: (Government Code 54954)

1. Comply with state or federal law or court order or attend a judicial or administrative proceeding to which the district is a party
2. Inspect real or personal property, which cannot conveniently be brought into the district, provided that the topic of the meeting is limited to items directly related to the property
3. Participate in meetings or discussions of multiagency significance, provided these meetings are held within one of the other agencies' boundaries, with all participating agencies giving the notice required by law
4. Meet in the closest meeting facility if the district has no meeting facility within its boundaries or if its principal office is located outside the district
5. Meet with elected or appointed state or federal officials when a local meeting would be impractical, solely to discuss legislative or regulatory issues affecting the district over which the state or federal officials have jurisdiction
6. Meet in or near a facility owned by the district but located outside the district, provided the meeting agenda is limited to items directly related to that facility
7. Visit the office of the district's legal counsel for a closed session on pending litigation, when doing so would reduce legal fees or costs
8. Attend conferences on nonadversarial collective bargaining techniques
9. Interview residents of another district regarding the Board's potential employment of an applicant for Superintendent of the district
10. Interview a potential employee from another district

Meetings exempted from the boundary requirements, as specified in items #1-10 above, shall still be subject to the notice and open meeting requirements for regular and special meetings when a quorum of the Board attends the meeting.

If a fire, flood, earthquake, or other emergency renders the regular meeting place unsafe, meetings shall be held for the duration of the emergency at a *location* designated by the Board president or designee, who shall so inform all news media who have requested notice of special meetings by the most rapid available means of communication. (Government Code 54954)

Teleconferencing

A teleconference is a meeting of the Board in which Board members are in different locations, connected by electronic means through audio and/or video. (Government Code 54953)

The Board may use teleconferences for all purposes in connection with any meeting within the Board's subject matter jurisdiction. All votes taken during a teleconference meeting shall be by roll call. (Government Code 54953)

During the teleconference, at least a quorum of the members of the Board shall participate from locations within district boundaries. (Government Code 54953)

Agendas shall be posted at all teleconference locations and shall list all teleconference locations whenever they are posted elsewhere. Additional teleconference locations may be provided to the public. (Government Code 54953)

All teleconference locations shall be accessible to the public. All teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the Board, including the right of the public to address the Board directly at each teleconference location. (Government Code 54953)

~~All Board policies, administrative regulations, and bylaws shall apply equally to meetings that are teleconferenced. The Superintendent or designee shall facilitate public participation in the meeting at each teleconference location.~~

Teleconferencing During a Proclaimed State of Emergency

The Board may conduct Board meetings by teleconference without posting agendas at all teleconference locations, identifying teleconference locations in meeting notices and agendas, allowing public access to each teleconference location, providing an opportunity for members of the public to address the Board directly at each teleconference location, and ensuring that at least a quorum of the Board participate from locations within district boundaries, during a proclaimed state of emergency pursuant to Government Code 8625-8629 in any of the following circumstances: (Government Code 54953)

- 1. State or local officials have imposed or recommended measures to promote social distancing*
- 2. For the purpose of determining, by majority vote, whether as the result of the emergency meeting in person would present imminent risks to the health or safety of attendees*
- 3. When it has been determined, by majority vote as described in Item #2 above, that as a result of the emergency meeting in person would present imminent risks to the health or safety of attendees*

To conduct a teleconference meeting for these purposes the following requirements shall be satisfied: (Government Code 54953)

- 1. The notice and agenda shall be given and posted as otherwise required by the Brown Act*
- 2. The notice and agenda of the meeting shall specify the means by which members of the public may access the meeting and offer public comments, including via a call-in or internet-based*

service option

3. *Members of the public may be required to register to log in to a meeting when making public comments through an internet web site or other online platform that is operated by a third-party and not under the control of the Board.*
4. *Members of the public shall be allowed to access the meeting, and the agenda shall provide an opportunity for members of the public to address the Board directly pursuant to Government Code 54954.3*
5. *Members of the public shall not be required to submit public comments in advance of a Board meeting and shall be provided an opportunity to address the Board and offer comments in real time*
6. *Public comment periods shall not be closed until the timed public comment period, if such is offered by the Board, has elapsed or, if not timed, until a reasonable amount of time per agenda item has been allowed*
7. *If during a Board meeting a disruption occurs which prevents the district from broadcasting the meeting to members of the public or for members of the public to offer public comments, the Board shall take no further action on any agenda item until public access via the call-in or internet-based service option to the meeting is restored*

The district may, in its discretion, provide a physical location from which the public may attend or comment. (Government Code 54953)

The Board may continue to conduct meetings by teleconference, as specified above for teleconferencing during proclaimed states of emergency, by a majority vote finding within 30 days after teleconferencing for the first time, and every 30 days thereafter, that either: (Government Code 54953)

1. *The state of emergency continues to directly impact the ability of the Board to meet safely in person*
2. *State or local officials continue to impose or recommend measures to promote social distancing*

LA HABRA CITY SCHOOL DISTRICT
Policy

adopted: April 13, 2017

1st Reading: January 13, 2022

2nd Reading: February 10, 2022

La Habra, California