

Corning Union High School District Regular School Board Meeting

****Please note that meetings are open to the public again. Facial coverings are required for all in attendance and social distancing measures will be in place.***

Date of Meeting: April 15, 2021

Time of Meeting: 5:45 P.M.

Place of Meeting: CUHS Library – Those attending the meeting must wear a facial covering and practice social distancing.

Agenda

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. APPROVAL OF AGENDA/REORDERING OF AGENDA/ADDITION OF ITEMS Discussion/Action**
- 5. REPORTS**

5.1 Superintendent Report - Superintendent Jared Caylor Information

6. PUBLIC COMMENT ON CLOSED SESSION OR ITEMS NOT ON THE AGENDA

Under this item on the Agenda, the public is invited to address the Board regarding items that will be discussed in closed session or on any other matters within its jurisdiction. Individual speakers will be allowed up to 3 minutes to address the Board. The Board shall limit the total time for public input to 20 minutes. Please note that Government Code Section 54954.2(a) limits the ability of Board Members to respond to public comments. In addition, the Board may not take action on any item which is not on this agenda except as authorized by Government Code 54954.2.

7. ADJOURN TO CLOSED SESSION

7.1 PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE/RESIGNATION

7.2 CONFERENCE W/ LEGAL COUNSEL – Significant Exposure to Litigation GOVERNMENT CODE 54956.9(D)(2)

8. REOPEN TO PUBLIC SESSION

9. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

10. CONSENT AGENDA ITEMS

Discussion/Action

All matters listed under the consent agenda are considered by the Board to be routine and will be enacted by the Board in one motion. Requests by a member of the Board to have any item removed from the consent agenda for discussion will be honored without debate. Requests by the public to have an item taken off the consent agenda will be considered prior to the Board taking action.

- 10.1 Approval of Regular Board Minutes of March 18, 2021**
- 10.2 Approval of Warrants**
- 10.3 Interdistrict Attendance Requests**
- 10.4 Human Resources Report**
- 10.5 Williams Quarterly Report**
- 10.6 Surplus Equipment/Obsolete Equipment Form**

11. ITEMS FOR ACTION AND DISCUSSION

11.1 Pay off Bus and Maintenance Truck Loans

Info/Action

The Board will consider approving early pay offs for loans on buses and a maintenance truck. The total balance on these loans is \$238,353. Early payoff will save the District \$28,576 in interest over the next 2 ½ years.

11.2 Review Terms and Payoff Plan of Rodgers Endowment Loan

Info/Action

The Board will review information on the current plan to repay the Rodgers Endowment loan and consider interest saving payoff options.

11.3 Review and Update Deferred Maintenance Plan

Info/Action

The Board will review the current Deferred Maintenance Plan and consider which projects should be completed using one time federal stimulus revenue.

11.4 Governance Handbook Consultant

Info/Action

Superintendent Caylor will present the Board with information regarding consulting services for continuing the development of the CUHSD Governance Handbook.

11.5 Rodgers Ranch Projects Updates

Info/Discussion

Superintendent Caylor will update the Board on various projects at the Ranch, including the olive orchard, community trail, bridge, pond expansion, and greenhouse.

11.6 Resolution #434 – Sole Sourcing for New Bell System

Info/Action

The Board will consider approving a resolution directing District staff on how secure materials and services for the new bell system.

11.7 2019/20 Audit Report

Info/Action

The Board will discuss the 2019-20 Corning Union High School District Audit Report.

11.8 2019/20 Bond Audit Report

Info/Action

The Board will discuss the 2019-20 Corning Union High School District Bond Audit Report.

11.9 Future Agenda Items

Discussion

The Board will discuss the need for any future agenda items.

12. ADJOURNMENT

Request for documents that are public record and are provided at the time of the meeting to a majority of the Governing Board regarding an open session item will be made available for the public inspection upon request to the Superintendent's Office located at [643 Blackburn Avenue, Corning, CA](#) during normal business hours. Any individual that requires disability-related accommodations or modifications, including auxiliary aids and services, in order to participate in the Board meeting should contact the Superintendent's Office. The Board of Trustees recognizes that the district has the primary responsibility to ensure compliance with applicable state and federal laws and regulations governing educational programs. The Board encourages the early, informal resolution of complaints whenever possible and appropriate. The Board has also adopted policy and procedures for resolving complaints which cannot be resolved through an informal process. The Board has designated Jared Caylor, Superintendent as the compliance officer for complaints. All complaints shall be filed at the district office, [643 Blackburn Ave, Corning, CA 96021](#).

Corning Union High School Regular School Board Meeting Livestream for public

DATE March 18, 2021

TYPE OF MEETING:
Regular

TIME: 5:45 P.M.

MEMBERS ABSENT:
Scott Patton

PLACE: Corning Union High School
Library

VISITORS:

MEMBERS PRESENT:

William Mache
Todd Henderson
Jim Bingham (arrived at 5:50)
Larry Glover

SCHOOL DISTRICT REPRESENTATIVES:

Jared Caylor, District Superintendent
Jessica Marquez, Administrative Assistant to Superintendent

THE CORNING UNION HIGH SCHOOL -

- 1. CALL TO ORDER:** The meeting was called to order at 5:45 p.m. by Superintendent Jared Caylor.
- 2. PLEDGE OF ALLEGIANCE:** Superintendent, Jared Caylor asked the Board and audience to stand for the flag salute.
- 3. ROLL CALL:** Superintendent, Jared Caylor asked for a roll call.

Attendance is as follows:

- William Mache
- Todd Henderson
- Larry Glover
- Jim Bingham – Arrived at 5:50 p.m.

4. APPROVAL OF AGENDA/REORDERING OF AGENDA/ADDITION OF ITEMS:

A motion was made by Bill Mache and seconded by Todd Henderson to approve the agenda.

There being no further discussion, the Board voted unanimously to approve the agenda.

The vote is as follows:

Larry Glover	Aye: <u>X</u>	No: _____	Absent: _____	Abstain: _____
William Mache	Aye: <u>X</u>	No: _____	Absent: _____	Abstain: _____
Todd Henderson	Aye: <u>X</u>	No: _____	Absent: _____	Abstain: _____
Scott Patton	Aye: _____	No: _____	Absent: <u>X</u>	Abstain: _____
Jim Bingham	Aye: _____	No: _____	Absent: <u>X</u>	Abstain: _____

5. REPORTS:

5.1 SUPERINTENDENT REPORT:

Superintendent, Jared Caylor shared the following:

Enrollment: CUHS:

On Campus 681
Distance Learning 276
Total 957

Centennial:

On Campus 33
Distance Learning 20
Total 53

Independent Study: 44

District Totals: 1054

Superintendent, Jared Caylor updated the Governing Board on recent FFA Activities. Highlights are as follows:

Advanced Opening and Closing	Alice VonStaden/Bob Safford/Emily Dale	Sections (1st Novice, 1st Officer Team)
Parliamentary Procedure	Alice VonStaden	Red Bluff (2nd), Sections (1st), Golden State (3rd)
Impromptu	Alice VonStaden	Minarets, Sectionals (3rd, 4th), Golden State
Horse Judging	Alice VonStaden	Red Bluff (3rd), Arbuckle (4th), No Name Contest
Novice Opening and Closing	Emily Dale/Bob Safford/Emily Dale	Sections (1st Novice, 1st Officer Team)
Best Informed Greenhand	Emily Dale	Shasta
Creed	Emily Dale	Shasta, Arbuckle, Sectional
Extemporaneous	Emily Dale	Sectional
Prepared Public Speaking	Emily Dale	Golden State, Sectional

Job Interview

Emily Dale

Arbuckle, Davis, Golden State, Sectional

Floral Design

Emily Dale

Shasta, Red Bluff, Arbuckle, No Name Contest, Chico,

Nursery Landscape

Bob Safford

Arbuckle, No Name Contest

Livesock Judging

Bob Safford

No Name Contest

Coming up: Regional Speaking Contests and State Finals!

5.2 BOND CITIZEN'S OVERSIGHT COMMITTEE REPORT:

Superintendent, Jared Caylor shared that that Bond Citizen's Oversight Committee Meets quarterly. The meeting was held the first week in March and the following expenditures were shared at this meeting.

BOND REVENUE/EXPENDITURES					
Total Revenue as of 3/5/20 (After Last Oversight Mtg of 1/30/20 FY)			\$5,705,436.00		
Total Spent as of 3/5/20 (After Last Oversight Mtg of 1/30/20 FY)			\$5,438,576.54		
Beginning Balance 3/5/20 (After Last Oversight Mtg of 1/30/20 FY)			\$266,459.46		
DATE	REVENUE	EXPENDITURES	BALANCE	VENDOR	PROJECT
3/5/2020		701.42	295,258.22	JACK SCHREIBER & ASSOC.	Consulting for State Funding
3/5/2020		2,000.00	297,258.22	SCHREIBER ASSOCIATES LLP	Architect for Board Office
6/24/2020		625.34	297,883.57	NORTHERN PROPERTY SERV	Equipment Rental - Landscaping
7/6/2020		71,648.00	369,531.57	AMERICAN MODULAR SYSTEMS	Modular Classrooms
7/26/2020	2,450,000.00		2,450,000.00		
7/30/2020		1,683.06	2,451,683.06	CDM GOVERNMENT	Research from State of Science C
7/30/2020		31,077.50	2,482,760.56	MUSE CONCRETE CONTRACTORS	New Work for Classrooms
7/27/2020		2,321.87	2,485,082.43	CDM GOVERNMENT	Miss Tech Supplies for Classrooms
8/4/2020		254.45	2,485,336.88	CDM GOVERNMENT	Miss Tech Supplies for Classrooms
8/5/2020		83.38	2,485,420.26	CDM GOVERNMENT	Miss Tech Supplies for Classrooms
8/10/2020		2,092.84	2,487,513.10	GANNETT TELEVISION	Newspaper for New Classrooms
8/10/2020		2,209.00	2,489,722.10	JANE SCHREIBER	Construction Manager
8/10/2020		43,617.47	2,533,339.57	JANE SCHREIBER	Construction Manager
8/10/2020		247.58	2,533,587.15	JACK SCHREIBER & ASSOC.	Consulting for State Funding
8/10/2020		987.66	2,534,574.81	PREPACIFIC ENGINEERING INC.	Site Planning for Classrooms
8/10/2020		30,000.00	2,564,574.81	PREPACIFIC ENGINEERING INC.	Equipment for New Classrooms
8/10/2020		800.00	2,565,374.81	US BANK	Miss Tech Supplies for Classrooms
8/10/2020		228.43	2,565,603.24	CDM GOVERNMENT	Miss Tech Supplies for Classrooms
8/10/2020		91.34	2,565,694.58	AMERICAN CAPITAL SERVICES	Miss Tech Supplies for Classrooms
8/10/2020		1,495.00	2,567,189.58	HUE AND CITY	Miss Tech Supplies for Classrooms
8/10/2020		805.00	2,567,994.58	JACK SCHREIBER & ASSOC.	Consulting for State Funding
8/10/2020		103,343.30	2,671,337.88	MUSE CONCRETE CONTRACTORS	New Work for Classrooms
8/10/2020		452.36	2,671,790.24	US BANK	Miss Tech Supplies for Classrooms
8/10/2020		880.15	2,672,670.39	GRANVILLE INC.	Storage for New Classrooms
8/10/2020		16.34	2,672,686.73	CDM GOVERNMENT	Projector Screen for New Classrooms
8/10/2020		3,381.39	2,676,068.12	GANNETT TELEVISION	Newspaper for New Classrooms
8/10/2020		232,657.15	2,908,725.27	AMERICAN MODULAR SYSTEMS	Modular Classrooms
8/10/2020		9,338.42	2,918,063.69	MUSE CONCRETE CONTRACTORS	Architectural Services for New Classrooms
8/10/2020		18,829.57	2,936,893.26	PREPACIFIC ENGINEERING INC.	Architectural Services for New Classrooms
8/10/2020		8,787.75	2,945,681.01	JANE SCHREIBER	Project Manager Fees
8/10/2020		2,024.48	2,947,705.49	CDM GOVERNMENT	Projector Screen for New Classrooms
8/10/2020		18,829.57	2,966,535.06	MUSE CONCRETE CONTRACTORS	Architectural Services for New Classrooms
This Meeting: 1			66,331.82		
TOTAL REVENUE:			\$ 5,705,436.00		
TOTAL EXPENDITURES:			\$ 5,438,576.54		
BALANCE:			\$ 266,459.46		

EXPENDITURES BY PROJECT

VENDOR		GENERAL	STADIUM	GYM	SAFETY	CLASSROOMS
JACK SCHREIBER & ASSOC.	Consulting for State Funding	701.42				
SCHREIBER ASSOCIATES LLP	Architect for Board Office	2,000.00				
NORTHERN PROPERTY SERV	Equipment Rental - Landscaping					625.34
AMERICAN MODULAR SYSTEMS	Modular Classrooms					71,648.00
CDM GOVERNMENT	Research from State of Science C					
MUSE CONCRETE CONTRACTORS	New Work for Classrooms					1,683.06
CDM GOVERNMENT	Miss Tech Supplies for Classrooms					31,077.50
CDM GOVERNMENT	Miss Tech Supplies for Classrooms					2,321.87
CDM GOVERNMENT	Miss Tech Supplies for Classrooms					254.45
CDM GOVERNMENT	Miss Tech Supplies for Classrooms					83.38
GANNETT TELEVISION	Newspaper for New Classrooms					1,092.84
JANE SCHREIBER	Construction Manager					2,209.00
JANE SCHREIBER	Construction Manager					43,617.47
JACK SCHREIBER & ASSOC.	Consulting for State Funding	247.58				
PREPACIFIC ENGINEERING INC.	Site Planning for Classrooms					987.66
PREPACIFIC ENGINEERING INC.	Equipment for New Classrooms					30,000.00
US BANK	Miss Tech Supplies for Classrooms					800.00
CDM GOVERNMENT	Miss Tech Supplies for Classrooms					228.43
AMERICAN CAPITAL SERVICES	Miss Tech Supplies for Classrooms					91.34
HUE AND CITY	Miss Tech Supplies for Classrooms					1,495.00
JACK SCHREIBER & ASSOC.	Consulting for State Funding					805.00
MUSE CONCRETE CONTRACTORS	New Work for Classrooms					103,343.30
US BANK	Miss Tech Supplies for Classrooms					452.36
GRANVILLE INC.	Storage for New Classrooms					880.15
CDM GOVERNMENT	Projector Screen for New Classrooms					16.34
GANNETT TELEVISION	Newspaper for New Classrooms					3,381.39
AMERICAN MODULAR SYSTEMS	Modular Classrooms					232,657.15
MUSE CONCRETE CONTRACTORS	Architectural Services for New Classrooms					9,338.42
PREPACIFIC ENGINEERING INC.	Architectural Services for New Classrooms					18,829.57
JANE SCHREIBER	Project Manager Fees					8,787.75
CDM GOVERNMENT	Projector Screen for New Classrooms					2,024.48
MUSE CONCRETE CONTRACTORS	Architectural Services for New Classrooms					18,829.57

TOTAL:	\$147,227.65	\$ 1,808,124.73	\$ 206,253.68	\$ 118,396.32	\$ 3,674,364.65
CUMULATIVE TOTAL SPENT:			\$ 6,824,946.87		

6. PUBLIC COMMENT ON CLOSED SESSION:

There was none.

7. ADJOURN TO CLOSED SESSION:

Board Member, Jim Bingham arrived at 5:50 p.m.

The Board adjourned to closed session at 5:50 p.m.

8. REOPEN TO PUBLIC SESSION:

The Board reopened to public session at 6:28 p.m.

9. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION:

Superintendent, Jared Caylor reported the following:

Announcement #1: The CUHSD Governing Board accepted the resignation of a classified employee. The terms of the resignation are available in Human Resources during normal business hours. The vote was 4-0 voting "Yes" with 1 absent board member.

Announcement #2: The CUHSD Governing Board voted to accept the resignation of three certificated employees and rescinded the non-reelection of 4 certificated employees.

10. CONSENT AGENDA ITEMS:

A motion was made by Todd Henderson and seconded by Larry Glover to approve the consent agenda items.

The vote is as follows:

Larry Glover	Aye: <u> X </u>	No: <u> </u>	Absent: <u> </u>	Abstain: <u> </u>
William Mache	Aye: <u> X </u>	No: <u> </u>	Absent: <u> </u>	Abstain: <u> </u>
Todd Henderson	Aye: <u> X </u>	No: <u> </u>	Absent: <u> </u>	Abstain: <u> </u>
Scott Patton	Aye: <u> </u>	No: <u> </u>	Absent: <u> X </u>	Abstain: <u> </u>
Jim Bingham	Aye: <u> X </u>	No: <u> </u>	Absent: <u> </u>	Abstain: <u> </u>

10.1 REGULAR MINUTES:

Approval of Board Minutes of February 11, 2021

10.2 APPROVAL OF WARRANTS:

30125229-40211510, 40211510-40211809, 40211810-40211882, 40211882-40211903, 40211903-40212308, 40212308,-40212332 40212333-40212350

Check # 40212437 Check Amount \$5,843.63

10.3 INTERDISTRICT ATTENDANCE REQUEST:

Ryley Felton, Andrea Gonzalez Munoz
Vanessa Guadalupe, Carson Hopping, Savannah Hopping
Cornelio Maldonado, Keeley Moyer, Cade Ochs,
Camryn Ochs, Arthur Safford, Wyatt Safford

10.4 HUMAN RESOURCES REPORT:

Human Resources Reports is as follows:

Resignation/Retirement Mike Albee CCR Teacher 6/5/21 26 years in the district
Resignation/Probationary James Dodge SS Teacher 6/7/21 Voluntary resignation
Resignation/Probationary Andrew Lumsden Temp English Teacher 6/4/21 Voluntary resignation
Resignation/Probationary Adrian Vidales Art Teacher 6/7/21 Voluntary Resignation
Resignation/Probationary Thomas Reed SS Teacher 6/4/21 Voluntary Resignation
Resignation/Probationary Joshua Jefferson CMUG 3/10/21 Voluntary Resignation

10.5 DONATIONS REPORT:

Paskenta Band of Nomlaki	Books	25 books	\$430.42	Native American Books	CUHS Library/Student Materials
Michelle Kratz	Knife Set	5 knife sets	\$200.00	Knife Sets for each kitchen	Foods & Nutrition/Student Materials
Anderson & Sons (Kristen Coley)	Shirts	100 shirts	\$1,137.30	Heart Healt Shirts	Heart Health Awareness
Anderson & Sons (Kristen Coley)	Walnuts	90 bags	\$1,511.16	119.25 pounds of walnuts	Foods & Nutrition Class/ Baking Ingredients
Western Ready Mix. Concrete Co.	Concrete & Labor	1036 5.0 SK Blend	1,432.84	Slab Pour and Standby Labor Time	JV Baseball Field Donation
Battiato Masonry	Dugout Wall Labor	Block Dug Out	1,840.00	Dugout Block Wall Labor	JV Baseball Field Donation
Battiato Masonry	Dugout Slab Form/Pour Labor	Mason/Hod Carrier	1,674.00	Form & Pour Concrete Slab Labor	JV Baseball Field Donation
Cougar Concrete Pumping	Pump for Slab & Wall/Labor	3/8 & 3/4 Pump	202.00	Pump for Slab and Wall	JV Baseball Field Donation

**10.6 SURPLUS
EQUIPMENT/
OBSOLETE
EQUIPMENT
FORM:**

Enclosed Trailer \$1500 No longer needed - Sell to M & O
Hot Dog Food Stand \$500 No longer needed - Sell

**10.7 CACFP
CENTERS
SUMMATION
REPORT:**

This is a summary of review findings for January.
Review Dates: 2/9/21
A follow up review may be conducted because of non-compliance in PS1, PS 2 or PS 3.

**10.8 AGREEMENT
OF LEGAL
SERVICES
WITH PARKER
AND COVERT
LLP:**

This agreement for Legal Services is entered into between Parker & Covert LLP and the Corning Union High School District and is for the period commencing March 15, 2021.

**11. ITEMS FOR
ACTION
AND DISCUSSION:**

**11.1 SECOND
INTERIM
REPORT ON
FINANCIAL
SERVICES:**

Chief Business Official, Christine Fears shared the following highlights:

Total Revenue Summary:

Local Revenue: 6.32%
State Revenue: 8.25%
Federal Revenue: 13.97%
LCFF Revenue: 71.46%

Comparison Unrestricted Revenues

	1st Interim	2nd Interim	Difference
LCFF Sources	12,216,496	12,250,68	34,188
Federal Revenue	0	0	0
Other State Revenue	221,348	221,348	0
Other Local Revenue	233,943	290,606	56,663
Total Revenues	12,671,787	12,762,638	90,851

Comparison Unrestricted Expenditures

	1st Interim	2nd Interim	Difference
Certificated Salaries	4,618,167	4,603,865	-14,302
Classified Salaries	1,420,430	1,422,566	2,136
Employee Benefits	2,530,495	2,520,163	-10,332
Books & Supplies	309,856	343,167	33,311
Services	745,819	730,574	-15,245

Capital Outlay	98,942	864,362	765,420
Other Outgo	271,778	231,976	-39,802
Total Expenditures	9,995,487	10,716,673	721,186

Comparison Unrestricted Fund Balance, Reserves

	1 st Interim	2 nd Interim	Difference
Beginning Fund Balance	4,272,729	4,272,729	
Increase	714,416	111,571	
Ending Fund Balance	4,987,145	4,384,300	-602,845

Other Funds

Adult Education
Cafeteria
Deferred Maintenance
Ranch
Bond
Capital Facilities
Facilities
Scholarships

	Unrestricted Multi-Year Projection		
	2020-21	2021-22	2022-23
Revenue/Sources	\$10,828,244	\$10,471,687	\$10,236,793
Expenditures/Uses	\$10,716,673	\$10,222,183	\$10,597,738
Net Change	\$111,571	\$249,504	-\$360,945
Beginning Fund Balance	\$4,272,729	\$4,384,300	\$4,633,859

There was a minor discussion regarding the Café fund. There are less students eating due to the Distance Learning students that are not on campus. There is less being spent on food however, Administration is trying to brainstorm ideas to have the students that are on campus eat. Some students go through the snack bar line but do not eat regular lunch. These students are being flagged and encouraged to eat the free meal that is offered. The district receives \$3.50 extra per meal plus possibly an additional .75. Board Member, Jim Bingham suggested to send a letter to parents communicating that the Café serves meals to every student for free right now in hopes that they would encourage their student to eat.

11.2 CERTIFICATION OF THE DISTRICTS FIANANCIAL CONDITION:

A motion was made by Todd Henderson and seconded by Jim Bingham to approve the certification of the CUHSD financial status with a positive certification. There being no further discussion, the Board voted unanimously to approve and certify the financial status of the district.

The vote is as follows:

Larry Glover	Aye:	<u>X</u>	No:	_____	Absent:	_____	Abstain:	_____
William Mache	Aye:	<u>X</u>	No:	_____	Absent:	_____	Abstain:	_____
Todd Henderson	Aye:	<u>X</u>	No:	_____	Absent:	_____	Abstain:	_____
Scott Patton	Aye:	_____	No:	_____	Absent:	<u>X</u>	Abstain:	_____
Jim Bingham	Aye:	<u>X</u>	No:	_____	Absent:	_____	Abstain:	_____

11.3 CUHSD 2020 SOLAR PLANT ANNUAL REPORT:

The period of this report is January 1, 2020- December 31, 2020.

Safety and Environment

There were no safety/accident issues or reports of any environmental disturbances during the twelve-month period ending on December 31,

Additional Services

In addition to continuously monitoring the systems via the PowerTrack web interface, IEC has performed the following services at the systems:

Annual equipment inspection/maintenance
Equipment warranty repair/replacement

Inspections & Engineering Investigations

IEC performed a set of inspections at all the solar sites to ensure installations are fully functional and properly serviced. The Annual Inspection was performed on August 27, 2020. Results of the inspections have been provided in the Annual Inspection Report.

Action Required by Operator and Owner

Below is summary of action items for the Owner (District)

1. Replace the one (1) broken PV module listed above. Notify IEC that the District wishes to replace the broken modules and IEC will prepare a Work Order Request.

Below is a summary of action items for the Operator (IEC)

All items have been addressed, resolved and closed out, with exception of the items listed below.

1. None.

Next Steps

- The next “Annual Inspection” is tentatively scheduled for August 2021
- The next “Annual Report” is due March 1, 2022

11.4 RESOLUTION NO. 433:

A motion was made by Todd Henderson and seconded by Jim Bingham to approve Resolution No. 433. This is regarding lease leaseback Construction delivery methods and adopting guidelines and Procedures. This Resolution is effective upon the date of adoption.

- Recommended by Project Manager
- Specifically for foundations and site work on new classrooms
- Will allow us to specify our own priorities, other than cost, in selecting a contractor
- Due to delays in delivery of buildings, the timeline for these classrooms is much tighter than previous phases
 - School will begin with numerous teachers in temporary spaces
 - If all goes well, all classrooms will be completed and occupied by Oct 1
 - This requires the site contractor to complete their finish work in a tight window

There being no further discussion, the Board voted unanimously to approve Resolution No. 433.

The vote is as follows:

Larry Glover	Aye:	<u> X </u>	No:	<u> </u>	Absent:	<u> </u>	Abstain:	<u> </u>
William Mache	Aye:	<u> X </u>	No:	<u> </u>	Absent:	<u> </u>	Abstain:	<u> </u>
Todd Henderson	Aye:	<u> X </u>	No:	<u> </u>	Absent:	<u> </u>	Abstain:	<u> </u>
Scott Patton	Aye:	<u> </u>	No:	<u> </u>	Absent:	<u> X </u>	Abstain:	<u> </u>
Jim Bingham	Aye:	<u> X </u>	No:	<u> </u>	Absent:	<u> </u>	Abstain:	<u> </u>

11.5 FUTURE AGENDA ITEMS:

Superintendent, Jared Caylor discussed the upcoming Board Retreat dates.

- Dates are currently next week, Friday 3/26 & Sat 3/27
 Friday 3/26 conflicts w/ first home football game
 Other potential dates: 4/23 (Conflicts w/ Orland FB Game) or 4/30 (No FB, Home Baseball)
 Likely that most admin won't be able to come on 3/26

Board President, Bill Mache suggested to the Board to hold the meeting on Saturday, March 27th only to avoid the Friday conflicts with football. The Board agreed that this was a good suggestion. Board Clerk, Jim Bingham will confirm and get back in touch with Superintendent, Jared Caylor soon to finalize the date.

- Agenda Items to be discussed:
 - Budget Update - One Time Funds/Large Expenses
 - CUHSD Governance Handbook
 - Strategic Planning/LCAP/District Priorities
 - Superintendent Evaluation (Saturday)

12. ADJOURNMENT:

The meeting adjourned at 6:58 p.m.

Approved

William Mache, President

James Bingham, Clerk

Checks Dated 03/01/2021 through 03/31/2021

Board Meeting Date April 15, 2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
40212437	03/02/2021	U.S. BANK CORPORATE PAYMENT SYSTEM	01-4300	AUTO SHOP BREAKER	112.18	
				CAFE EMERGENCY BALLAST	80.80	
				DIRECT BURIAL NETWORK CABLE	112.60	
				ELECTRODE WIRE	59.05	
				FEBRUARY - FOOD/NUTRITION CLASS	225.59	
				FLORAL COMP MATERIALS (IN LOU OF REGISTRATION)	78.56	
				J-6 BLINDS	56.85	
				JANUARY - FOOD/NUTRITION CLASS	403.70	
				KITCHEN OVEN IGNITION CONTROL BOARD	86.08	
				RIDGID IMPACT & DRILL (INSURANCE)	149.77	
			01-5200	ENTRELEADERSHIP	1,500.00	
				CONF- ADMIN/DIRECTORS		
				HOTEL ROOM - PICKING UP FFA LIVESTOCK BOX	139.00	
				PAPA WEBINARS	280.00	
			01-5300	PAPA MEMBERSHIP	50.00	
			01-5800	ANIME CLUB MONTHLY COST	11.98	
				ASSETS CPR/ FIRST AID CLASSES	198.00	
				PEAR DECK SUBSCRIPTION (19 TEACHERS)	149.99	
				SAVAGE CTE CREDENTIAL #2	102.50	
40212539	03/02/2021	2NDGEAR	13-4700	COSTCO - SNACK BAR ITEMS	2,046.98	5,843.63
40212540	03/02/2021	A-Z BUS SALES	01-4400	MICRO PC FOR ZOOM CART		519.55
40212541	03/02/2021	ALBERS, MELINDA S	01-4300	TRANS PARTS/SUPPLIES		130.69
40212542	03/02/2021	AMAZON CAPITAL SERVICES, INC	01-5200	ASB-NOV-FEB21 MILEAGE REIM		11.19
			01-4300	ATTENDANCE OFFICE	75.40	
				CENTENNIAL PE EQUIPMENT	96.90	
				HEAD PHONES	484.50	
				OFFICE SUPPLIES	65.10	
40212543	03/02/2021	AMERICAN RED CROSS HEALTH & SAFTY SRVS	01-5800	TORX SECURITY SCREWDRIVER SET	27.99	749.89
40212544	03/02/2021	AMERICAN TRASH MANAGEMENT, INC	01-5800	ASSETS CPR/ FIRST AID CLASSES		240.00
40212545	03/02/2021	ARAMARK	01-5500	MONTHLY COMPACTOR MONITOR		80.00
				CUSTODIAL LAUNDRY SVC	601.11	
				TRANS LAUNDRY SVC	74.64	
			01-5508	UNIFORMS M&O	446.51	
			13-5500	CAFE LAUNDRY SERVICE	190.35	1,312.61

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

ESCAPE

ONLINE

Checks Dated 03/01/2021 through 03/31/2021

Board Meeting Date April 15, 2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
40212546	03/02/2021	AT&T	01-5901	CALNET 3 - TELEPHONE SVC		326.40
40212547	03/02/2021	CDW GOVERNMENT	01-4300	COVID CHROMEBOOKS	4,028.48	
40212548	03/02/2021	CORNING LUMBER COMPANY	01-5833	WINDOWS 10 UPGRADE LICENSES	9,975.00	14,003.48
40212549	03/02/2021	COUGAR CONCRETE PUMPING, INC.	01-4300	MISC/VARIOUS SUPPLIES		460.15
40212550	03/02/2021	CRYSTAL CREAMERY	01-5800	JV BASEBALL DUGOUTS		650.00
40212551	03/02/2021	DANNIS WOLIVER KELLEY	13-4700	NSLP DAIRY		1,693.25
40212552	03/02/2021	FEARS, CHRISTINE D	01-5801	LEGAL - RANCH BUSINESS		6,181.00
40212553	03/02/2021	FLORA FRESH	01-5200	CBOJAN-FEB21 MILEAGE REIM		167.22
40212554	03/02/2021	GOLD STAR FOODS, INC	01-4300	WEDDING FLOWER ORDER		1,390.23
40212555	03/02/2021	GREEN WASTE OF TEHAMA	13-5800	FEE (COMMODITY STORAGE)		688.75
40212556	03/02/2021	HAPPY VALLEY FRESH FRUIT CO. WESTABY ENTERPRISES	01-5506	DISPOSAL R-FARM 4018-2763626		170.87
40212557	03/02/2021	HCI AUDIOMETRICS GORDON N. STOWE & ASSOCIATES	13-4700	NSLP PRODUCE		232.00
40212558	03/02/2021	HUNT & SONS, INC	01-5800	AUDIOMETRIC CALIBRATION		90.00
40212559	03/02/2021	IEC POWER, LLC	01-4311	TRANS FUEL-GASOLINE	603.01	
40212560	03/02/2021	JACK SCHREDER & ASSOCIATES	01-4312	TRANS FUEL-DIESEL	790.06	1,393.07
40212561	03/02/2021	JRD FOOD SERVICES CORNING PAPA MURPHY'S PIZZA	01-5699	SOLAR MAINT		1,253.76
40212562	03/02/2021	MCCOY'S HARDWARE & FARM SUPPLY	01-6250	MODERNIZATION - SCHOOL FACILITY PROGRAM		536.25
40212563	03/02/2021	NASCO	13-4700	NSLP PIZZA		14,607.50
40212564	03/02/2021	NORTHSTAR AV LLC	01-4300	VARIOUS SUPPLIES	65.69	
40212565	03/02/2021	OFFICE DEPOT	19-4300	RANCH - VARIOUS MATERIALS/SUPPLIES	81.95	147.64
			01-4300	ART DEPT MATERIALS		23.71
			01-4300	PROJECTOR BULB SPARES		592.63
			01-4300	20/21 BUSINESS OFFICE SUPPLIES	180.98	
				CLASSROOM SUPPLIES	145.24	
				ISP SUPPLIES	159.06	
				OFFICE SUPPLIES FOR SPECIAL EDUCATION DEPT	26.93	
40212566	03/02/2021	OLIVE CITY AUTO PARTS DERODA, INC		S CARBAJAL CLASSROOM SUPPLIES	29.79	542.00
40212567	03/02/2021	P G & E	01-4300	MISC/VARIOUS SUPPLIES	51.54	
40212568	03/02/2021	P G & E		TRANS PARTS/SUPPLIES	31.40	82.94
40212569	03/02/2021	PITNEY BOWES PURCHASE POWER POSTAGE	01-5503	R FARM 3914 ELECTRIC/GAS		242.62
40212570	03/02/2021	PITNEY BOWES GLOBAL FIN. SVCS LEASE	19-5503	R RANCH 4916 & 7250 ELECTRIC/GAS		1,324.31
40212571	03/02/2021	PITNEY BOWES, INC SUPPLIES	01-5904	POSTAGE FEES		1,551.46
			01-5620	POSTAGE LEASE		458.46
			01-5904	POSTAGE FEES		78.30

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Board Report

Checks Dated 03/01/2021 through 03/31/2021

Board Meeting Date April 15, 2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
40212572	03/02/2021	PRO PACIFIC FRESH	13-4700	CACFP FRUIT/VEGETABLES	523.65	
40212573	03/02/2021	SAN DIEGO COE	01-5800	NSLP FRUIT/VEGETABLES	1,359.98	1,883.63
40212574	03/02/2021	SAV-MOR FOODS	01-4300	SPRING SEMESTER TEACHER INDUCTION PROGRAM		3,750.00
40212575	03/02/2021	SIERRA PACIFIC INDUSTRIES	14-4300	OPEN PO FOR SAVMOR CLASSROOM ACTIVITIES		98.29
40212576	03/02/2021	SUNRISE ENVIRONMENTAL	01-4300	WEIGHT ROOM SIDING		4,323.08
40212577	03/02/2021	SYSO SACRAMENTO, INC.	13-4700	CONCRETE CLEANER		500.55
40212578	03/02/2021	TEHAMA CO DEPT OF AGRICULTURE DIVISION OF WEIGHTS & MEASURES	01-5800	NSLP FOOD		1,015.22
40212579	03/02/2021	THE DANIELSEN COMPANY	13-4300	R FARM - SCALE CERTIFICATION OF REGISTRATION		131.10
			13-4700	NSLP SUPPLIES	13.82	
				CACFP FOOD	107.16	
				NSLP FOOD	1,303.50	1,424.48
40212580	03/02/2021	THE MUSIC CONNECTION	01-4300	ITEMS FOR BAND AND MUSICIANSHIP		489.38
40212581	03/02/2021	UC REGENTS	01-5800	20/21 MATH DEVELOPMENT CONTRACT		4,583.33
40212582	03/02/2021	W.W. GRAINGER, INC.	01-4300	CUSTODIAL SUPPLIES	124.97	
				MISC/VARIOUS M&O SUPPLIES	138.09	
				TOOL SUPPLIES (INSURANCE)	445.29	708.35
40212583	03/02/2021	WALBERG, INC.	01-5800	CONCRETE MIXER		166.24
40213055	03/11/2021	AMAZON CAPITAL SERVICES, INC	01-4200	ISP ENG. LIT. NOVEL GRADES 9-12	91.63	
			01-4300	18V BATTERIES	152.21	
				EMERGENCY BACK UP BATTERY	70.04	
				GOPHER GAS	147.72	
				HEALTH OFFICE ITEMS	51.52	513.12
40213056	03/11/2021	ARAMARK	01-5500	CUSTODIAL LAUNDRY SVC	200.37	
				TRANS LAUNDRY SVC	37.32	
			01-5508	UNIFORMS M&O	155.17	
40213057	03/11/2021	AT&T	13-5500	CAFE LAUNDRY SERVICE	63.45	456.31
40213058	03/11/2021	BIG TIME PEST CONTROL BULLERT ENTERPRISES	01-5901	CALNET 3 -TELEPHONE SVC		337.38
40213059	03/11/2021	BSN SPORTS, LLC	01-5505	CUHS PEST CONTROL		200.00
40213060	03/11/2021	CASBO	01-4300	SOCCER NET CLIPS & STRAPS		167.96
			01-5200	20/21 CASBO CONF-LENGTAT/FEARS REGISTRATION		1,060.00
40213061	03/11/2021	CDW GOVERNMENT	01-4300	PROJECTOR SCREEN DOC CAM ETC FOR ATP REORDER		18.32
40213062	03/11/2021	CITY OF CORNING	01-5502	COR 154,155,194 CUHSD WATER/SEWER	3,254.00	
				COR 157 TRANS WATER/SEWER	60.72	

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905 - Corning Union High School

Generated for JESSICA MARQUEZ (JMARQUEZ), Mar 22 2021 3:02PM

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Checks Dated 03/01/2021 through 03/31/2021

Board Meeting Date April 15, 2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
40213062	03/11/2021	CITY OF CORNING	01-5502	COR 37,176 CENT WATER/SEWER	445.54	3,760.26
40213063	03/11/2021	CORNING LUMBER COMPANY	01-4300	CONSTRUCTION TECH SUPPLIES	66.14	
40213064	03/11/2021	CRYSTAL CREAMERY	13-4700	MISC/VARIOUS SUPPLIES	63.21	129.35
40213065	03/11/2021	ENVOY PLAN SERVICES C/O TSA CONSULTING GROUP, INC.	76-9519	NSLP DAIRY		1,300.98
40213066	03/11/2021	HAPPY VALLEY FRESH FRUIT CO. WESTABY ENTERPRISES	13-4700	TSA 403B FEES		50.40
40213067	03/11/2021	HELMERICKS CONSTRUCTION CHARLES D. HELMERICKS	01-6200	NSLP PRODUCE		108.00
40213068	03/11/2021	HUNT & SONS, INC		WATER GRANT PROJECT		867.50
40213069	03/11/2021	MCCOY'S HARDWARE & FARM SUPPLY	01-4311	TRANS FUEL-GASOLINE	3,530.92	
40213070	03/11/2021	MID-VALLEY VETERINARY HOSPITAL	01-4312	TRANS FUEL-DIESEL	3,504.15	7,035.07
40213071	03/11/2021	MJB WELDING SUPPLY	01-4300	R FARMHOUSE	15.97	
40213072	03/11/2021	MT. SHASTA SPRING WATER CO.INC		SUPPLIES - INSTRUCTIONAL MATERIALS		
40213073	03/11/2021	NICHOLS-MELBURG & ROSSETTO AIA & ASSOCIATES, INC		VARIOUS SUPPLIES	478.89	
40213074	03/11/2021	OLIVE CITY AUTO PARTS DERODA.INC	19-4300	RANCH -VARIOUS MATERIALS/SUPPLIES	13.57	508.43
40213075	03/11/2021	P G & E	01-5800	FARM CALL/ CONSULTATION		55.67
40213076	03/11/2021	PRO PACIFIC FRESH	01-5600	REPAIR OF EQUIPMENT	4.16	
40213077	03/11/2021	SAV-MOR FOODS	01-5800	CYLINDER EXCHANGE	449.27	453.43
40213078	03/11/2021	THE DANIELSEN COMPANY	01-5800	OFFICE WATER 119115	27.90	
40213079	03/11/2021	VALLEY TRUCK & TRACTOR		TRANS - WATER SERVICE	70.57	98.47
40213080	03/11/2021	W.W. GRAINGER, INC.	21-6210	BOND - PROJ 17-2828 MODULARS		41,470.55
40213081	03/11/2021	WASTE MANAGEMENT		MISC/VARIOUS SUPPLIES	124.30	
			01-4300	TRANS PARTS/SUPPLIES	29.06	153.36
			01-5503	TRANS ELECTRIC/GAS 1749-6	283.21	
			01-5504	TRANS ELECTRIC/GAS 1749-6	244.32	527.53
			13-4700	CACFP FRUIT/VEGETABLES	264.11	
				NSLP FRUIT/VEGETABLES	582.37	846.48
			01-4300	OPEN PO FOR SAVMOR CLASSROOM ACTIVITIES		105.10
			13-4300	NSLP SUPPLIES	61.76	
			13-4700	NSLP FOOD	352.94	414.70
			01-4300	GROUPS EQUIP PARTS		46.89
			01-4300	MISC/VARIOUS M&O SUPPLIES		889.98
			01-5506	CENT DISPOSAL 4-02058-55008	535.13	
				CUHS DISPOSAL 13-88262-43003	855.36	
				CUHS DISPOSAL 4-02058-65006	135.61	1,526.10

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Checks Dated 03/01/2021 through 03/31/2021

Board Meeting Date April 15, 2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
40213082	03/11/2021	WAXIE SANITARY SUPPLY	01-4300	CUSTODIAL SUPPLIES		345.54
40213209	03/17/2021	A-Z BUS SALES	01-4300	TRANS PARTS/SUPPLIES		139.97
40213210	03/17/2021	AERIES SOFTWARE INC EAGLE SOFTWARE	01-5200	AERIES VIRTUAL CONFERENCE MARCH 2021 VERNER		150.00
40213211	03/17/2021	AMAZON CAPITAL SERVICES, INC	01-4200	SSR BOOKS	170.72	
			01-4300	DISPENSER KEYS	41.04	
				PENCIL SHARPENER FOR VAN	39.13	
				ATTENHOVEN		
				TABLETS AND CASES FOR SPED STUDENTS	1,535.30	1,786.19
40213212	03/17/2021	ARAMARK	01-5500	CUSTODIAL LAUNDRY SVC	178.22	
				TRANS LAUNDRY SVC	37.32	
			01-5508	UNIFORMS M&O	160.97	
40213213	03/17/2021	BAKER DISTRIBUTING COMPANY	13-5500	CAFE LAUNDRY SERVICE	63.45	439.96
40213214	03/17/2021	BIG TIME PEST CONTROL BULLERT ENTERPRISES	01-4300	HVAC/ELECTRICAL ITEMS		180.03
			01-5505	CENT PEST CONTROL	50.00	
				RFARM PEST CONTROL	50.00	
				TRANS PEST CONTROL	50.00	150.00
40213215	03/17/2021	CDW GOVERNMENT	01-4300	DISTRICT PRINTER INK	174.34	
				PROJECTOR SCREEN DOC CAM ETC FOR ATP REORDER	157.65	
			01-4400	PROJECTOR SCREEN DOC CAM ETC FOR ATP REORDER	674.83	1,006.82
40213216	03/17/2021	CITY OF CORNING POLICE DEPT.	01-5800	20/21 SCHOOL RESOURCE OFFICER		3,945.87
40213217	03/17/2021	COASTAL BUSINESS SYSTEMS, INC.	01-4300	STAPLES FOR COPY MACHINES / OFFICE		123.04
40213218	03/17/2021	CORNING LUMBER COMPANY	01-4300	CONSTRUCTION TECH SUPPLIES	83.67	
				MISC/VARIOUS SUPPLIES	8.84	92.51
40213219	03/17/2021	COUGAR CONCRETE PUMPING, INC.	01-5800	JV DUGOUTS		650.00
40213220	03/17/2021	CRYSTAL CREAMERY	13-4700	NSLP DAIRY		957.06
40213221	03/17/2021	DUBUQUE BANK & TRUST COMPANY	01-7438	SOLAR LOAN PAYMENT	8,308.77	
40213222	03/17/2021	ENVOY PLAN SERVICES C/O TSA CONSULTING GROUP, INC.	01-7439	SOLAR LOAN PAYMENT	31,691.23	40,000.00
			76-9519	TSA 403B FEES	50.40	50.40
40213223	03/17/2021	EWING IRRIGATION	01-4300	GROUNDS SUPPLIES		321.66
40213224	03/17/2021	GAYNOR TELESYSTEMS, INC	01-4400	CAMERA INSIDE POLE BARN		1,272.62
40213225	03/17/2021	GLENN COUNTY OFFICE OF ED	01-8096	18/19 ANNUAL	1,125.00-	
				19/20 ANNUAL	57.00	
				20/21 P-1 50%	7,858.50	6,790.50

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Checks Dated 03/01/2021 through 03/31/2021

Board Meeting Date April 15, 2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
40213226	03/17/2021	GOLD STAR FOODS, INC	13-4700	NSLP FOOD		1,507.24
40213227	03/17/2021	HAPPY VALLEY FRESH FRUIT CO. WESTABY ENTERPRISES	13-4700	NSLP PRODUCE		112.00
40213228	03/17/2021	HUE & CRY INC.	01-5507	ALARM/FIRE SERVICE		1,388.59
40213229	03/17/2021	HUNT & SONS, INC	01-4311	TRANS FUEL-GASOLINE	498.49	
			01-4312	TRANS FUEL-DIESEL	575.03	1,073.52
40213230	03/17/2021	JOHNSTONE SUPPLY	01-4300	AIR CLEANERS	26,659.03	
				HVAC SUPPLIES	201.66	
			01-4400	AIR CLEANERS	4,854.14	31,714.83
40213231	03/17/2021	LAUREL AG AND WATER - LODI	19-4300	ORCHARD - MATERIALS/SUPPLIES		56.83
40213232	03/17/2021	LOZANO SMITH, LLP	01-5801	ATTORNEY - LEGAL FEES		7,308.04
40213233	03/17/2021	MCCOY'S HARDWARE & FARM SUPPLY	01-4300	RANCH SUPP/MATERIALS	52.28	
				VARIOUS SUPPLIES	14.13	66.41
40213234	03/17/2021	NUTRIEN AG SOLUTIONS	01-4300	ORCHARD - CHEMICALS/FERTILIZER		1,460.52
40213235	03/17/2021	OFFICE DEPOT	01-4300	OFFICE SUPPLIES FOR SPECIAL EDUCATION DEPT	21.07	
				SUPPLIES FOR SPAN/ELD DEPT	180.62	201.69
40213236	03/17/2021	OLIVE CITY AUTO PARTS DERODA, INC	01-4300	MISC/VARIOUS SUPPLIES		235.09
40213237	03/17/2021	PITNEY BOWES PURCHASE POWER POSTAGE	01-5620	POSTAGE LEASE		193.04
40213238	03/17/2021	PRO PACIFIC FRESH	13-4700	CACFP FRUIT/VEGETABLES	232.26	
				NSLP FRUIT/VEGETABLES	418.64	650.90
40213239	03/17/2021	SAV-MOR FOODS	01-4300	OPEN PO FOR SAVMOR CLASSROOM ACTIVITIES		15.85
40213240	03/17/2021	STATE OF CALIF./DEPT FOOD & AG	19-5800	BRAND RENEWAL FEE 2020		70.00
40213241	03/17/2021	THE DANIELSEN COMPANY	13-4700	NSLP FOOD		1,856.29
40213242	03/17/2021	U.S. TELEPACIFIC DBA TPC COMMUNICATIONS	01-5901	TELEPHONE SERVICE 149142		426.42
40213243	03/17/2021	VALLEY IND. COMMUNICATIONS	01-5900	COMMUNICATIONS - ROUND MTN & SOUTHFORK		225.00
40213244	03/17/2021	WAXIE SANITARY SUPPLY	01-4300	CUSTODIAL SUPPLIES		105.36
40213245	03/17/2021	WESTERN READY MIX CONCRETE	01-5800	MIX CONCRETE		863.36
Total Number of Checks					111	247,883.70

Fund Summary

Fund	Description	Check Count	Expensed Amount
01	GENERAL	88	168,779.90
13	CAFETERIA SPEC REV	20	31,662.71

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Checks Dated 03/01/2021 through 03/31/2021

Board Meeting Date April 15, 2021

Check Number	Check Date	Pay to the Order of	Fund-Object	Comment	Expensed Amount	Check Amount
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Fund Summary

Fund	Description	Check Count	Expensed Amount
14	DEFERRED MAINTENANCE	1	4,323.08
19	FOUNDATION SPECIAL	5	1,546.66
21	BUILDING FUND	1	41,470.55
76	WARRANT/PASS-THRU	2	100.80
Total Number of Checks		111	247,883.70
Less Unpaid Sales Tax Liability			.00
Net (Check Amount)			247,883.70

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**Corning Union High School
Interdistrict Transfers
Districts of Choice**

Updated 3/19/21

Incoming

2020-2021 School Year

Ayers	Kamryn	9th	Los Molinos	1	Established 6/22/20
Ayers	Kamryn	9th	Los Molinos	1	Established 6/22/20
Baeta	Martin	11th	Red Bluff	1	Established 7/1/20
Brown II	Christopher	10th	Red Bluff	1	Established 3/19/21
Brown	Kristin	10th	Red Bluff	1	Established 3/19/21
Birrueta	Ana	12th	Red Bluff	1	Established 9/24/20
Birrueta	Dulce	10th	Red Bluff	1	Established 9/25/20
Brady	Karson	9th	Red Bluff	1	Established 2/23/20
Brooksher	James	9th	Red Bluff	1	Established 5/11/20
Callahan	Angelica	10th	Orland	1	Denied 8/18/20 Due to limited space- COVID- Denied again 11/30/20
Castillo	Javier	10th	Red Bluff	1	Established 7/1/20
Castillo	Lilyana	9th	Red Bluff	1	Established 7/1/20
Cerna	Maria	11th	Los Molinos	1	Established 7/22/20
Chambers	Christopher	9th	Chico Unified	1	Denied 9/25/20 per CUHSD no space.
Eckenrod	Rylie	10th	Red Bluff	1	Established 12/8/20
Felton	Ryley	11th	Hamilton	1	Established 2/22/21
Fuller	Jason	10th	Red Bluff	1	Established 7/31/20
Gonzalez Munoz	Andrea	12th	Orland	1	Established 2/15/21
Gradney	Riley	9th	Red Bluff	1	Established 7/22/20
Guadalupe	Vanessa	11th	Red Bluff	1	Established 2/8/21
Hernandez	Mia	11th	Red Bluff	1	Established 2/23/2
Houchihns	Anthynie	9th	Red Bluff	1	Established 5/13/20
Hopping	Carson	11th	Los Molinos	1	Established 2/15/21
Hopping	Savannah	10th	Los Molinos	1	Established 2/15/21
Jones	Tristan	10th	Orland	1	Established 2/11/21
Kerby	Nikolai	10th	Chico Unified	1	Denied per CUHSD 9/29/20
Maldonado	Cornelio	11th	Red Bluff	1	Established 2/8/21
Mackintosh	Melissa	11th	Red Bluff	1	Established 6/3/20
Mackintosh	Nicolas	9th	Red Bluff	1	Established 6/3/20
Moyer	Keely	10th	Red Bluff	1	Established 2/2/21
Mendoza	Antonio	11th	Red Bluff	1	Established 8/18/20
Ochs	Cade	10th	CUHSD	1	Established 2/15/21
Ochs	Camryn	12th	CUHSD	1	Established 2/15/21

**Corning Union High School
Interdistrict Transfers
Districts of Choice**

Palominos	Maria Araceli	12th	Los Molinos	1	Established 12/17/20	
Raines	Konstance	9th	Red Bluff	1	Established 5/15/20	
Reid	Emily	9th	Red Bluff	1	Established 8/18/20	
Rodriguez	DaYana	10th	Red Bluff	1	Denied per CUHSD 2/1/21	
Sanchez Valdovinos	Maria	11th	Los Molinos	1	Denied per CUHSD 10/13/20	
Safford	Arthur	9th	Los Molinos	1	Established 3/10/21	
Safford	Wyatt	9th	Los Molinos	1	Established 3/10/21	
Santos	Valdimir	10th	Red Bluff	1	Established 2/5/21	
Taylor	Stevie	10th	Red Bluff	1	Established 8/5/20	
Valdovinos	Anna	10th	Red Bluff	1	Established 11/10/20 check progress 12/20/20	
Vergara	Stefani	11th	Red Bluff	1	Established 9/24/20	
Weber	Julia	10th	Chico Unified	1	Established 10/19/20	
Williams	Devin	9th	Los Molinos	1	Established 5/13/20	

2020-21 School Year -

Updated 3/19/21

[illegible]

**Corning Union High School
Interdistrict Transfers
Districts of Choice**

Palominos	Maria Araceli	12th	Los Molinos	1	Established 12/17/20
Raines	Konstance	9th	Red Bluff	1	Established 5/15/20
Reid	Emily	9th	Red Bluff	1	Established 8/18/20
Rodriguez	DaYana	10th	Red Bluff	1	Denied per CUHSD 2/1/21
Sanchez Valdovinos	Maria	11th	Los Molinos	1	Denied per CUHSD 10/13/20
Safford	Arthur	9th	Los Molinos	1	Established 3/10/21
Safford	Wyatt	9th	Los Molinos	1	Established 3/10/21
Santos	Valdimir	10th	Red Bluff	1	Established 2/5/21
Taylor	Stevie	10th	Red Bluff	1	Established 8/5/20
Valdovinos	Anna	10th	Red Bluff	1	Established 11/10/20 check progress 12/20/20
Vergara	Stefani	11th	Red Bluff	1	Established 9/24/20
Weber	Julia	10th	Chico Unified	1	Established 10/19/20
Williams	Devin	9th	Los Molinos	1	Established 5/13/20

Corning Union High School
Interdistrict Transfers
Districts of Choice

Incoming

Updated: 3/19/21

2021-2022 School Year

Last Name	First	Grade	To	Code	Reason / Date
Baez	Luis	10th	Orland	1	Renewal from 2020-21 school year Established 5/19/20
Brown II	Christopher	11th	Red Bluff	1	Established 3/19/21
Brown	Kristin	11th	Red Bluff	1	Established 3/19/21
Hayes	Gracelyn	9th	Los Molinos	1	Established 3/17/21
Reid	Emily	10th	Red Bluff	1	Renewal from 2020-21 school year Established 8/14/20
Ochs	Cade	10th	Los Molinos	1	Renewal from 2020-21 school year Established 8/14/20
Ochs	Camryn	12th	Los Molinos	1	Renewal from 2020-21 school year Established 8/14/20

2021-22 School Year -

Updated:3/17/21

[illegible]

Corning Union High School District

Human Resources Report

Board Meeting Date: 4/15/2021

<u>Action</u>	<u>Type</u>	<u>Name</u>	<u>Position</u>	<u>Effective</u>	<u>Background</u>
Change	Position	Borer, Nathaniel	CCR, Life Work Prep Teacher	7/1/2021	Transfer from Skills Center Teacher to CCR/Life Work Prep Teacher- Replace Albee
Replace- Vacancy Vidales	Probationary	Trammell, Sarah	Art Teacher	7/1/2021	New Position 7 hours per day 182 days per year Class I, Step 3 to be Class II, Step 3 (pending transcripts)
Replace- Vacancy Nate Borer	Probationary	Jimenez, Pedro	Skills Center Teacher	7/1/2021	New Position 7 hours per day 182 days per year Class III, Step 10
Replace- Vacancy Adema	Probationary	Dodge, James	Social Science Teacher	7/1/2021	New Position 7 hours per day 182 days per year Class 0, Step I
Replace- Vacancy Reed	Probationary	Carrillo, Anthony	Social Science Teacher	7/1/2021	New Position 7 hours per day 182 days per year Class I, Step I
Replace- Vacancy Lance Alldrin	Probationary	Martinez, Carly	Centennial Counselor	7/1/2021	New Position 7 hours per day 182 days per year Class IV , Step 9
Change	Position	Troughton, Charlie	Associate Principal III	7/1/2021	Transfer from CUHS Principal to Associate Principal 210 days, Step 15
Change	Position	Armstrong, Jason	CUHS Principal	7/1/2021	Transfer from Associate Principal to CUHS Principal 220 days, Step 10
Extra Duty/Stipend/Temporary/Coaching Authorizations					
<u>Effective</u>	<u>Type</u>	<u>Employee</u>	<u>Assignment</u>	<u>Terms</u>	<u>Additional Information</u>
7/1/2021	Stipend	Felciano, Heather	Summer School Principal	\$2,000 flat amount plus the hourly summer school	Summer School Hourly Teacher Rate per CITA Contract
7/1/2021	Stipend	Jimenez, Pedro	Masters Degree	Monthly	Per CITA Contract - Article 11.6.9
4/1/21	Stipend	Dickerson, Tahnee	Skill Stipend	Annually	Classified Contract Article 8.1.5

Quarterly Report on Williams Uniform Complaints
Education Code 35186(d)

District: Select District : Corning Union High School District

Person completing this form: Charlie Troughton Title: Principal

Quarterly Report Submission Date: Select Date

Date for information to be reported publicly at governing board meeting: 01/20/21

Please check the box that applies:

☒ No complaints were filed with any school in the district during the quarter indicated above.

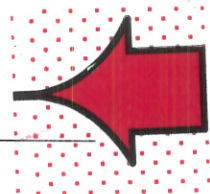
☐ Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

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

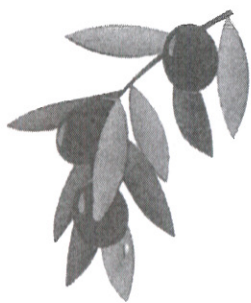
Select Name: Jared Caylor
Print Name of District Superintendent

Signature of District Superintendent

Date



**SIGN
HERE**



CORNING UNION HIGH SCHOOL DISTRICT

Jared Caylor, Superintendent

Board Members: William Mache, James Bingham, J. Scott Patton, Todd Henderson, and Larry Glover

Surplus Equipment/Obsolete Equipment and/or Furniture Form

Date 03/05/21

Site Corning High School

Form Completion Instruction (In description block provide the following)

- Textbooks: Title, Publisher, copyright date, quantity and reason for withdrawal.
- Equipment: Name, estimated value, quantity and reason for surplus.

Description	Recommended Disposition
Liberty — See attached list	Dispose
None of the books listed are used any longer in the history-social science classes or the other CTE courses	

____ For additional items, check here and attach list.

Supervisor Approval: _____

Signature

Date

Site Administrator: _____

Signature

Date

Superintendent Approval _____

Signature

Date

Board Meeting Date 4/15/21

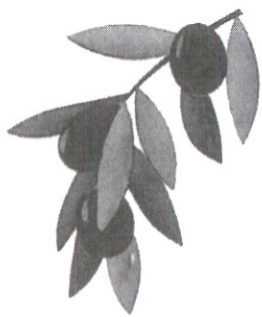
Approved ☒

Denied ☐

Disposition:

Textbooks to Abandon (surplus) from Corning High School---F Wing Storage Room

<u>Voices of Freedom</u> - Volume One Supplement - ISBN# = 978-0-393-93566-0	Quantity - 37
<u>Voices of Freedom</u> - Volume Two Supplement - ISBN# = 978-0-393-93568-4	Quantity - 37
<u>Liberty, Equality, Power</u> - Vol 1 - 6th edition - ISBN# = 978-1-133-94773-8 -	Quantity - 40
The American Pageant - 12th Edition - ISBN# = 0-618-24732-7	Quantity -- 17
The American Nation, Holt Rinehart Winston, copyright 2001;	Quantity-- 25
World History, The Modern World; copyright 2007; Glencoe;	Quantity--- 30
Miscellaneous U.S. History Sample textbooks; various publishers;	Quantity ---10
Interpersonal Communication - ISBN# = 978-0-07-340675-6	Quantity - 9
Medical Terminology - ISBN# = 978-1-4511-7606-3	Quantity - 2
Computer Workbook - ISBN# = 978-0-76387-192-5	Quantity - 6
Computer Textbook - ISBN# = 978-0-76386-884-0	Quantity - 6
Editing Book - ISBN# = 978-07-293798-5	Quantity - 8



CORNING UNION HIGH SCHOOL DISTRICT

Jared Caylor, Superintendent

Board Members: William Mache, James Bingham, J. Scott Patton, Todd Henderson, and Larry Glover

Surplus Equipment/Obsolete Equipment and/or Furniture Form

Date 3/18/21

Site CUHS Wood Shop

Form Completion Instruction (In description block provide the following)

- Textbooks: Title, Publisher, copyright date, quantity and reason for withdrawal.
- Equipment: Name, estimated value, quantity and reason for surplus.

Description	Recommended Disposition
Delta Mortiser machine	sell \$20.00
Delta Drill Press	sell \$50.00
Delta 14" Band Saw	sell \$100
Rockwell/Delta lathe	sell \$200

____ For additional items, check here and attach list.

Supervisor Approval: [Signature] 3/18/21
Signature Date

Site Administrator: [Signature] 3/19/21
Signature Date

Superintendent Approval _____
Signature Date

Board Meeting Date 4/15/21

Approved ☒

Denied ☐

Disposition:



CORNING UNION HIGH SCHOOL DISTRICT

Jared Caylor, Superintendent

Board Members: William Mache, James Bingham, J. Scott Patton, Todd Henderson, and Larry Glover

Surplus Equipment/Obsolete Equipment and/or Furniture Form

Date 3/25/21

Site Corning Union High

Form Completion Instruction (In description block provide the following)

- Textbooks: Title, Publisher, copyright date, quantity and reason for withdrawal.
- Equipment: Name, estimated value, quantity and reason for surplus.

Description	Recommended Disposition
Surplus of Dishes (pictures)	Donate / Toss
Book listed on paper	Toss (Discard)
Sewing items (pictures)	Up for bid
	\$200 total or \$25 per machine (if someone wants machine only)

☒ For additional items, check here and attach list.

Supervisor Approval:

Charlie Taylor 03/26/21
Signature Date

Site Administrator:

Signature Date

Superintendent Approval

Jared Caylor 3/26/21
Signature Date

Board Meeting Date 4/15/21

Approved ☐

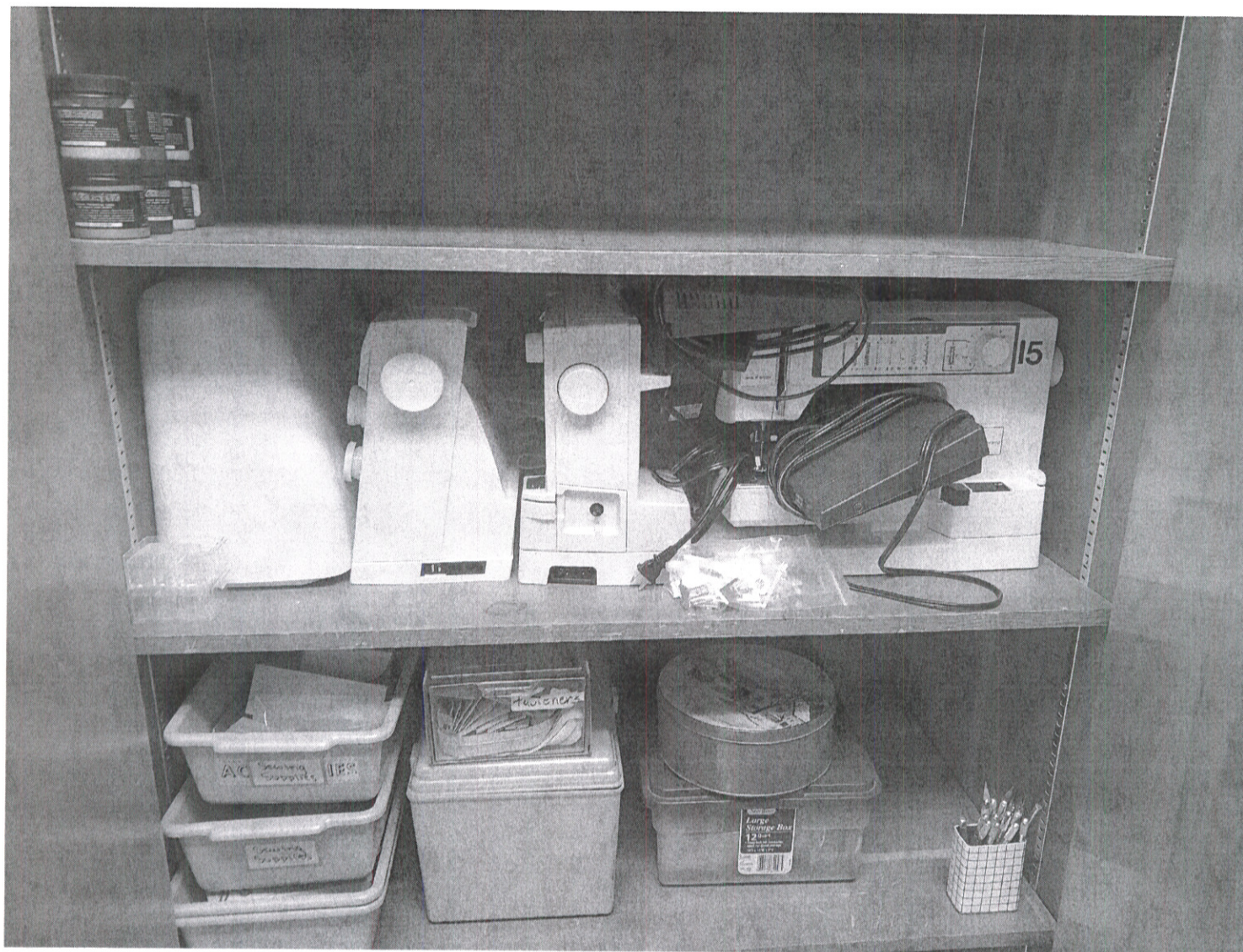
Denied ☐

Disposition:

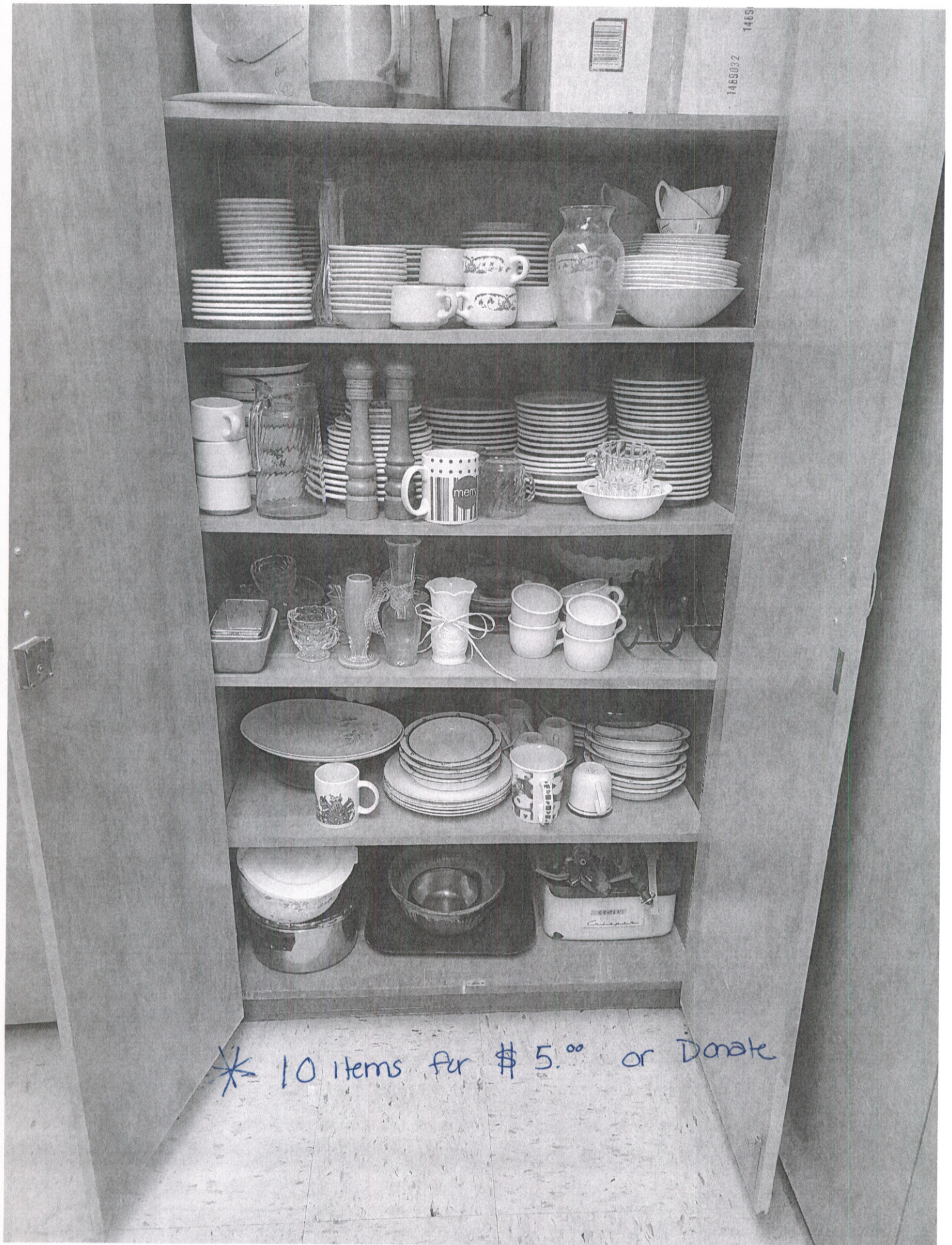
- Hungry Planet Curriculum Guide - 2007
- 8 pyramid power cards games & Instructions + 2 posters - 1993
- 14 get hurt in the Kitchen posters - 1991
- Nutrient Density what is it? Teachers guide - 1984
- Dietary Guidelines and Your Diet - 1988
- Take a cook on the wild side video kit - 1999
- Food Pyramid bingo - 1996
- Handbook of food preparation - 2010
- 3 Rush hour recipe books - FACS Teachers - 2005
- International Cuisine - Professional Home economists
- Countertop cooking - FACS & Home Economics Teachers - 2009
- Homemade cookies cook book - 1975
- Light Salad meals - Better Homes and Gardens - 1987
- Super Snacks - Better Homes and Gardens - 1987
- Foods for Health
- Food Power - A guide to improving Performance - 1987
- Sweet Surprises - Home Economics Teachers - 1998
- Family Favorites - Professional Home Economists
- Desserts for the Nineties - Home Economics Teachers
- Country cooking for our growing church - 1985
- The Science Cookbook - 1981
- Around the world with Activity - 1986
- Box of Activity + Eating Magazines
- The Safe food book - 1985 (18)
- Home Ec Level 4 Food your choice 1970's)
- A Change of Plate Mouldle pics 1991
- Nutrition, Food and culture posters 1982
- Child development through the ages posters
- Discovering Food & Nutrition Teacher resources
- Discovering Food & Nutrition Student workbook
- Nutrition & wellness text book
- Glencore Health text book
- Child development posters

Interior Design & Decoration - 1951
Antique Roadshow Book
Album of American furniture
Better homes Ideas Magazine
Remodeling Ideas file
Better homes Style magazine
The House book 1993
How to decorate your house 73
Fashion! Text book 2006
Fashion! Teacher Resources Portfolio (2)
Wool Fiber in the making
Cotton's Journey From seed to you Box
A Change of Plate Box
Agriculture Binder
Mirror Resource Guide
California Artichoke poster
We're Smartichokes Book
Food Safety Poster (2)
Farm Facts
Beef info folder
Kiwi poster
Godd Peanut Teachers Guide
Info on Peanuts (2 packets)
Prune Poster and packet
Folder with Rice information
Sugar Consumer Guide
Lesson Plans - Census of Ag
Old Oven Manuals
Fashion! Student Guide
Food Production Competency Guide 2007
Culinary Essentials 2006
The developing child 2006
Child development early stages through age 12
2020

- Box of fabric -11
- The confident Consumer
- discovering life skills
- Developing consumer attitudes
- successful sewing
- Fabric Science Stuntch kit
- A place of Your Own
- enviromental interiors
- embroidery
- Clothing Student workbook
- \$ identity
- instructor's guide for successful sewing
- Sewing knits
- instructor's guide, Fashion!
- Student activity guide for Fashion!
- Nutrition Curriculum Activities Kit
- Food Pyrimad poster(2)
- A Lot of Yarn
- Sewing machines
- Food around the world poster
- Christmas decorations
- Improving Adolescent Literacy
- Intro to Culinary Arts
- Abundance of Sewing items (Pictures)
- Sewing machines (Pictures)



\$200⁰⁰ total or \$25 each machine



RESOLUTION No. 434
BEFORE THE BOARD OF TRUSTEES OF THE
CORNING UNION HIGH SCHOOL DISTRICT

RESOLUTION REGARDING DESIGNATION OF A SPECIFIC BRAND OR TRADE NAME IN
INVITATIONS TO BID AND REQUESTS FOR PROPOSAL PURSUANT TO PUBLIC
CONTRACT CODE SECTION 3400

WHEREAS, the Corning Union High School District (“District”) intends to provide for the installation of new intercom, clock, and bell schedule equipment at Corning Union High School and Centennial High School (“New Equipment”); and

WHEREAS, the District previously installed similar equipment from a manufacturer of intercom, clock, bell schedule, and related equipment, Valcom, Inc., for its Corning Union High School and Centennial High School site (“Existing Equipment”); and

WHEREAS, Public Contract Code section 3400(c) provides that the District may make a finding that is described in invitations for bids or requests for proposals for a construction project that a particular material, product, thing or service is designated by specific brand or trade name if doing so meets one or more particular purposes; and

WHEREAS, the purposes identified in Public Contract Code section 3400(c) include the purpose of matching other products in use on a particular District public improvement either completed or in the course of completion; and

WHEREAS, it is in the best interest of the District to have a uniform intercom, clock, and bell schedule system for all of its school sites to provide for the centralization of the system in the District’s main office and allow for District-wide communications, including in emergencies; and

WHEREAS, maximizing uniformity among certain products, materials things and services and related use of a particular brand or trade name results in greater efficiency and cost savings to the District because the District is able to (1) match and/or integrate with products already in use, reducing the need for replacement of existing products; (2) stock a single model of replacement products or parts; (3) minimize inventory storage of parts; (4) make more cost effective purchases due to larger quantities; (5) standardize and reduce the cost of installation and use; (6) standardize maintenance, repair and cleaning; (7) reduce and make more uniform training for District staff on installation and use; (8) stockpile units for rapid replacement; (9) utilize standardized connections, such as cabling requirements for system peripheral devices; and (10) determine interior finishes at the outset of project design, minimizing architectural design and redesign costs; and

WHEREAS, Valcom is the sole manufacturer of such New Equipment that may be configured to work with the Existing Equipment and no other equipment is available that is likely to meet the District’s needs in this respect; and

NOW THEREFORE BE IT RESOLVED that the Board of Trustees of the Corning Union High School District hereby finds, determines, and orders as follows:

1. The foregoing recitals are adopted as true and correct.

2. The specification of intercom, clock, and bell schedule system equipment and related goods from Valcom in invitations to bid or requests for proposals is consistent with the purpose set forth in Public Contract Code section 3400(c)(2) and will help the District achieve the above-stated benefits of product uniformity.

3. Each invitation to bid or request for proposal that identifies particular materials, products, things or services by specific trade or brand name pursuant to the authority of this Resolution shall describe the findings set forth herein applicable to such particular materials, products, things or services.

4. The District’s Superintendent or designee is authorized and directed to take such further actions as may be necessary or convenient to carry out said purchase.

5. This Resolution shall take effect immediately upon its adoption.

* * * * *

This Resolution was adopted at a duly called meeting of the Corning Union High School District held on April 15, 2021.

AYES: _____
NOES: _____
ABSENT: _____

William Mache
President, Board of Trustees
Corning Union High School District
Tehama County, California

I, James Bingham, Clerk of the Board of Trustees of the Corning Union High School District, do hereby certify that the foregoing Resolution was regularly introduced, passed, and adopted by the Board of Trustees at its meeting held on April 15, 2021.

James Bingham
Clerk, Board of Trustees
Corning Union High School District
Tehama County, California

**CORNING UNION HIGH
SCHOOL DISTRICT
COUNTY OF TEHAMA
CORNING, CALIFORNIA**

AUDIT REPORT

JUNE 30, 2020



Chavan & Associates, LLP

Certified Public Accountants

1475 Saratoga Ave, Suite 180

San Jose, CA 95129

**CORNING UNION HIGH SCHOOL DISTRICT
TEHAMA COUNTY**

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**CORNING UNION HIGH SCHOOL DISTRICT
TEHAMA COUNTY**

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**FINANCIAL
SECTION**



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Corning Union High School District
Corning, 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 Corning Union High School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's 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 District'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 District'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 the District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of pension plan contributions, schedule of proportionate share of net pension liabilities, schedule of OPEB contributions, and schedule of changes in net OPEB liability, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, as required by the Governmental Accounting Standards Board; organization schedule, schedule of average daily attendance, schedule of instructional time, schedule of charter schools, schedule of financial trends and analysis, and reconciliation of the Annual Financial and Budget Report to the audited financial statement, as required by the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*; and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, schedule of average daily attendance, schedule of instructional time, and reconciliation of the Annual Financial and Budget Report to the audited financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, schedule of average daily attendance, schedule of instructional time, and the reconciliation of the Annual Financial and Budget Report to the audited financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The organization schedule, schedule of charter schools and schedule of financial trends and analysis included have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Chavan and Associates, LLP
Certified Public Accountants

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C & A LLP

March 25, 2021
San Jose, California

Management's Discussion and Analysis

Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

This discussion and analysis of Corning Union High School District's (the District's) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the fiscal year 2020 are as follows:

- Total net position increased by \$387,746 (7%) from June 30, 2019 to June 30, 2020, mainly due to an increase in federal and state grants and LCFF sources.
- The District recorded deferred outflows of resources of \$4,138,948 and deferred inflows of resources of \$1,841,112 as required by GASB 68 and GASB 75 for pension and other postemployment benefit accounting and reporting. Deferred outflows of resources are technically not assets but increase the Statement of Net Position similar to an asset and deferred inflows of resources are technically not liabilities but decrease the Statement of Net Position similar to liabilities. See Note 1 in the notes to financial statements for a definition.
- The District had \$17,126,855 in government-wide expenses which is 98% of total government-wide revenues. Program specific revenues in the form of operating grants and contributions and charges for services accounted for \$3,937,350 (23%) of the total revenues of \$17,514,601.
- General revenue of \$13,577,251, which includes property taxes, unrestricted federal and state grants and LCFF sources, was 78% of total revenues in both 2020 and 2019.
- The fund balances in all funds decreased by \$1,244,902, which is a 12% decrease from 2019, mostly due increased capital outlay expenditures in the Building Fund.
- Total governmental fund revenues and expenditures totaled \$17,514,602 and \$18,759,504, respectively.

Using the Annual Report

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand Corning Union High School District as a financial whole, an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the government-wide financial statements and provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Corning Union High School District, the General Fund is by far the most significant fund.

Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Overview of the Financial Statements

The full annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, the Management Discussion and Analysis. These three sections together provide a comprehensive financial overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, Government-wide and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.
- Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information section provides further explanations and provides additional support for the financial statements.

Government-wide Financial Statements - Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, and required educational programs.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins with the Balance Sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds are the General Fund, the Building Fund and the Foundation Special Revenue Fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. 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 future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. The District did not have any proprietary funds.

Fiduciary Funds

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

Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

The District as a Whole

Recall that the Statement of Net Position provides a perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2020 compared to June 30, 2019:

Table 1 - Summary of Net Position				
	Governmental Activities			
	2020	2019	\$ Change	% Change
Assets				
Current and Other Assets	\$ 10,701,609	\$ 12,216,966	\$ (1,515,357)	-12%
Capital Assets	17,492,488	15,349,035	2,143,453	14%
Total Assets	\$ 28,194,097	\$ 27,566,001	\$ 628,096	2%
Deferred Outflows	\$ 4,138,948	\$ 3,617,366	\$ 521,582	13%
Liabilities				
Current Liabilities	\$ 1,666,370	\$ 1,927,869	\$ (261,499)	-14%
Long-Term Liabilities	23,204,340	22,595,839	608,501	3%
Total Liabilities	\$ 24,870,710	\$ 24,523,708	\$ 347,002	1%
Deferred Inflows	\$ 1,841,112	\$ 1,426,182	\$ 414,930	23%
Net Position				
Net Investment in Capital Assets	\$ 9,901,705	\$ 8,856,476	\$ 1,045,229	12%
Restricted	501,913	900,974	(399,061)	-44%
Unrestricted	(4,782,395)	(4,523,973)	(258,422)	-6%
Total Net Position	\$ 5,621,223	\$ 5,233,477	\$ 387,746	7%

Current and other assets decreased by 12% mostly because of cash from unspent bond proceeds used for capital projects during the year. Accordingly, capital assets increased by 14% from capital outlay related to bond spending or expenditures incurred on facility improvement programs. Current liabilities decreased by 14% mostly from liabilities being paid in the Building Fund related to facilities improvements.

Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

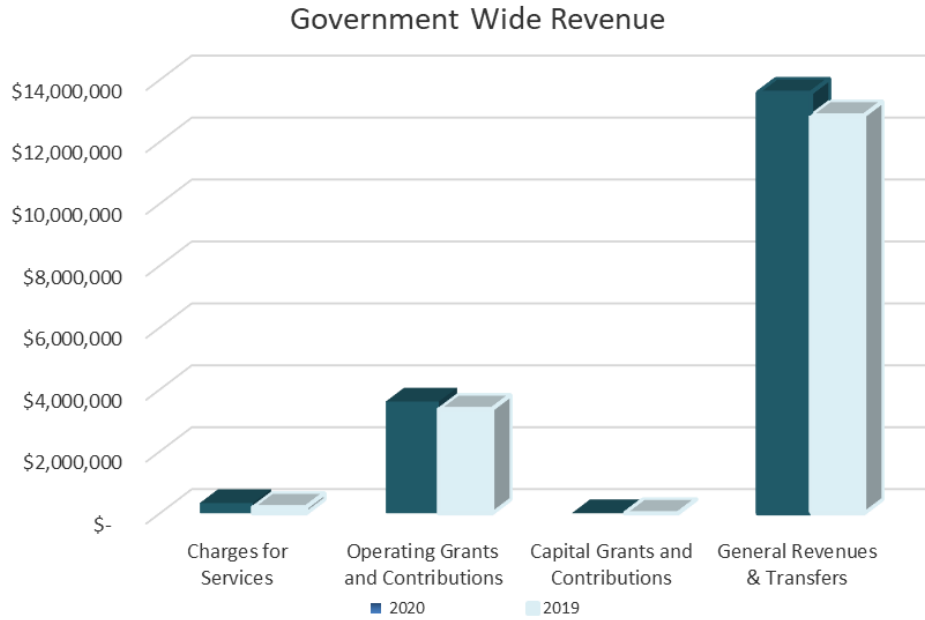
Table 2 compares the components of changes in net position for the fiscal year 2020 versus 2019:

Table 2 - Change in Net Position				
	<u>Governmental Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 329,781	\$ 195,904	\$ 133,877	68%
Operating Grants and Contributions	3,607,569	3,366,523	241,046	7%
General Revenues & Transfers	13,577,251	12,846,406	730,845	6%
Total Revenues	17,514,601	16,408,833	1,105,768	7%
Program Expenses				
Instruction	9,284,675	7,725,553	1,559,122	20%
Instruction-Related Services	1,119,786	1,069,879	49,907	5%
Pupil Services	2,454,658	2,461,992	(7,334)	0%
General Administration	1,306,209	1,209,416	96,793	8%
Plant Services	1,953,339	1,739,258	214,081	12%
Ancillary services	503,542	448,443	55,099	12%
Community services	59,889	62,864	(2,975)	-5%
Other outgo	121,472	92,139	29,333	32%
Interest on Long-term Debt	323,285	380,747	(57,462)	-15%
Total Expenses	17,126,855	15,190,291	1,936,564	13%
Change in Net Position	387,746	1,218,542	(830,796)	-68%
Beginning Net Position	5,233,477	3,941,648	1,291,829	33%
Prior Period Adjustments	-	73,287	(73,287)	-100%
Ending Net Position	\$ 5,621,223	\$ 5,233,477	\$ 387,746	7%

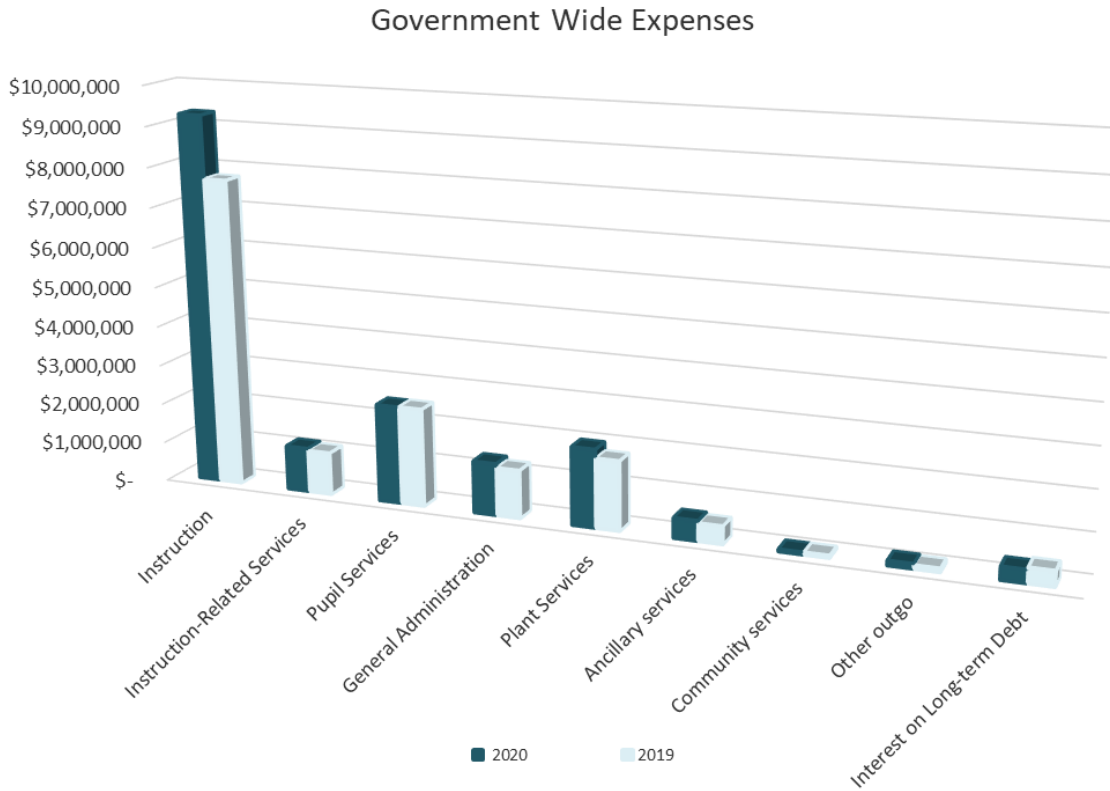
Direct instruction expenses increased by 20% because of additional Covid-related costs. General Revenues increased by 6% because of increased federal and state funding.

Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

The following chart compares government-wide revenue by category for 2020 and 2019:



The next chart compares government-wide expenses by category for 2020 and 2019:



Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

Governmental Activities

Direct Instruction, Instruction-Related Services, and Pupil Services represent 75% of total expenses in 2020 versus 74% in 2019. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 2 shows the total cost of services while Table 3 shows the net cost of services and identifies the cost of these services supported by revenues.

Table 3 - Net Cost of Services					
Function	2020	2019	Increase (Decrease)	Percent	
Instruction	\$ 7,205,636	\$ 5,949,127	\$ 1,256,509	21.1%	
Instruction-Related Services	769,784	704,034	65,750	9.3%	
Pupil Services	1,379,337	1,334,207	45,130	3.4%	
General Administration	1,192,363	1,037,735	154,628	14.9%	
Plant Services	1,717,437	1,687,349	30,088	1.8%	
Ancillary services	488,715	427,316	61,399	14.4%	
Community services	59,889	62,864	(2,975)	-4.7%	
Other outgo	53,059	44,485	8,574	19.3%	
Interest on Long-term Debt	323,285	380,747	(57,462)	-15.1%	
Total Net Cost of Services	\$ 13,189,505	\$ 11,627,864	\$ 1,561,641	13.4%	

The District's Funds

Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

Table 4 - Change in Fund Balances				
Funds	2020	2019	Increase (Decrease)	Percent
General Fund	\$ 4,357,274	\$ 3,996,059	\$ 361,215	9.0%
Foundation Fund	4,031,725	3,907,100	124,625	3.2%
Building Fund	41,826	1,541,012	(1,499,186)	-97.3%
Nonmajor Governmental Funds	704,133	935,689	(231,556)	-24.7%
Total Fund Balances	\$ 9,134,958	\$ 10,379,860	\$ (1,244,902)	-12.0%

Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

Capital Assets

Table 5 shows June 30, 2020 capital asset balances compared to June 30, 2019:

Table 5 - Summary of Capital Assets Net of Depreciation				
	2020	2019		
Capital Asset	Net Capital Assets	Net Capital Assets	Increase (Decrease)	Percent
Land	\$ 357,500	\$ 357,500	\$ -	0.0%
Work-in-Progress	4,268,290	1,921,157	2,347,133	122.2%
Buildings	7,824,745	8,085,654	(260,909)	-3.2%
Site Improvements	3,780,657	4,035,463	(254,806)	-6.3%
Vehicles and Equipment	1,261,296	949,261	312,035	32.9%
Totals	\$ 17,492,488	\$ 15,349,035	\$ 2,143,453	14.0%

See Note 5 for additional information related to the changes in capital assets.

Long Term Debt

Table 6 reports the balance and changes of long-term liabilities during the fiscal year 2020.

Table 6 - Long-term Liabilities					
Type	2020	2019	Increase (Decrease)	Percent	
General obligation bonds	\$ 5,335,000	\$ 5,520,000	\$ (185,000)	-3.4%	
Bond premiums	253,073	262,083	(9,010)	-3.4%	
Capital leases	18,910	110,223	(91,313)	-82.8%	
Direct borrowing - note payable	2,278,699	2,403,348	(124,649)	-5.2%	
Direct borrowing - line of credit	217,726	316,521	(98,795)	-31.2%	
Net pension liabilities	13,342,347	12,031,943	1,310,404	10.9%	
Total OPEB liability	1,711,613	1,913,548	(201,935)	-10.6%	
Compensated absences	46,972	38,173	8,799	23.1%	
Total	\$ 23,204,340	\$ 22,595,839	\$ 608,501	2.7%	

See Notes 6, 7, 8, 9, 12 and 13 to the financial statements for additional information.

Corning Union High School District
Management's Discussion and Analysis
June 30, 2020

General Fund Budgetary Highlights

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revised its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May Revise figures and updated 45 days after the State approves its final budget. In addition, the District revised its budget at First and Second Interim. The original budget presented in the required supplementary information section includes only new revenues for 2020. During the budget revision process the District accounts for prior year ending balances by budgeting to use the carryover. Budgeted revenue increased by \$918,851 from adopted to final and budgeted expenditures increased by \$545,469 from adopted to final during the year.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- District enrollment is no longer declining.
- Special education costs continue to increase.
- There may be unpredictable increases in fuel and electric costs.
- Increase in legal costs due to personnel, negotiations, and special education matters.
- Continued increases to CalSTRS and CalPERS retirement costs.
- Annual minimum wage increases.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, parents, 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 regarding this report or need additional financial information, contact:

Christine Fears, Chief Business Official
Corning Union High School District
643 Blackburn Avenue
Corning, CA 96021
Phone: 530.824.8000

Basic Financial Statements

CORNING UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets	
Current Assets:	
Cash and investments	\$ 8,055,062
Accounts receivable	2,602,517
Other assets	44,030
Total Current Assets	<u>10,701,609</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	4,625,790
Capital assets, net of depreciation	12,866,698
Total Noncurrent Assets	<u>17,492,488</u>
Total Assets	<u><u>\$ 28,194,097</u></u>
 Deferred Outflows of Resources	
Pension adjustments	\$ 4,100,551
OPEB adjustments	38,397
Total Deferred Outflows of Resources	<u><u>\$ 4,138,948</u></u>
 Liabilities	
Current Liabilities:	
Accounts payable	\$ 1,394,776
Accrued salaries and benefits	165,757
Unearned revenue	6,118
Accrued interest	99,719
Total Current Liabilities	<u>1,666,370</u>
Long-term Liabilities:	
Due within one year	242,890
Due beyond one year	22,961,450
Total long-term Liabilities	<u>23,204,340</u>
Total Liabilities	<u><u>\$ 24,870,710</u></u>
 Deferred Inflows of Resources	
Pension adjustments and changes	\$ 1,554,859
OPEB Adjustments	286,253
Total Deferred Inflows of Resources	<u><u>\$ 1,841,112</u></u>
 Net Position	
Net investment in capital assets	\$ 9,901,705
Restricted for:	
Capital projects	339,493
Cafeteria program	77,874
Educational programs	84,546
Total restricted net position	<u>501,913</u>
Unrestricted	<u>(4,782,395)</u>
Total Net Position	<u><u>\$ 5,621,223</u></u>

The notes to financial statements are an integral part of this statement.

**CORNING UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
	Expenses	Services	Grants and	Changes in
			Contributions	Net Position
Governmental activities				
Instruction	\$ 9,284,675	\$ 83,266	\$ 1,995,773	\$ (7,205,636)
Instruction-related services:				
Supervision of instruction	254,151	11,014	220,979	(22,158)
Instruction library, media and technology	133,441	-	2,505	(130,936)
School site administration	732,194	-	115,504	(616,690)
Pupil services:				
Home-to-school transportation	656,318	-	2,549	(653,769)
Food services	669,402	117,211	600,514	48,323
All other pupil services	1,128,938	42,554	312,493	(773,891)
General administration:				
All other general administration	1,306,209	9,960	103,886	(1,192,363)
Plant services	1,953,339	54,312	181,590	(1,717,437)
Facility acquisition and construction				
Ancillary services	503,542	-	14,827	(488,715)
Community services	59,889	-	-	(59,889)
Transfers to other agencies	121,472	11,464	56,949	(53,059)
Interest on long-term debt	323,285	-	-	(323,285)
Total governmental activities	<u>\$ 17,126,855</u>	<u>\$ 329,781</u>	<u>\$ 3,607,569</u>	<u>(13,189,505)</u>
General revenues:				
Taxes and subventions:				
Taxes levied for general purposes				2,727,859
Taxes levied for debt service				101,279
Federal and state aid not restricted to specific purposes				9,860,059
Interest and investment earnings				358,480
Interagency revenues				224,390
Miscellaneous				305,184
Total general revenues				<u>13,577,251</u>
Change in net position				387,746
Net position beginning				<u>5,233,477</u>
Net position ending				<u>\$ 5,621,223</u>

The notes to financial statements are an integral part of this statement.

CORNING UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Foundation Special Revenue Fund	Building Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 3,217,127	\$ 4,049,826	\$ 145,482	\$ 642,627	\$ 8,055,062
Accounts receivable	2,469,571	-	-	132,946	2,602,517
Due from other funds	72,376	-	-	2,901	75,277
Prepaid	-	-	-	44,030	44,030
Other assets	-	-	-	-	-
Total Assets	<u>\$ 5,759,074</u>	<u>\$ 4,049,826</u>	<u>\$ 145,482</u>	<u>\$ 822,504</u>	<u>\$ 10,776,886</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,227,024	\$ 5,414	103,656	\$ 58,682	\$ 1,394,776
Accrued salaries and benefits	165,757	-	-	-	165,757
Due to other funds	2,901	12,687	-	59,689	75,277
Unearned revenue	6,118	-	-	-	6,118
Total Liabilities	<u>1,401,800</u>	<u>18,101</u>	<u>103,656</u>	<u>118,371</u>	<u>1,641,928</u>
Fund balances:					
Nonspendable:					
Revolving fund	1,000	-	-	500	1,500
Prepaid expenditures	-	-	-	44,030	44,030
Restricted for:					
Educational programs	84,546	-	-	-	84,546
Debt service	-	-	-	160,129	160,129
Cafeteria programs	-	-	-	77,874	77,874
Capital projects	-	-	41,826	339,493	381,319
Assigned for:					
Site repairs	-	-	-	80,377	80,377
Adult education	-	-	-	1,730	1,730
Maintenance projects	68,000	-	-	-	68,000
Cafeteria refrigeration	40,000	-	-	-	40,000
Retiree benefit	116,000	-	-	-	116,000
OPEB trust account	100,000	-	-	-	100,000
Safety - fence	90,000	-	-	-	90,000
Safety - updated bell system	100,000	-	-	-	100,000
Safety - intercom and security	93,683	-	-	-	93,683
Bus purchase	500,000	-	-	-	500,000
Vehicle fleet	130,000	-	-	-	130,000
Future textbook adoption	65,000	-	-	-	65,000
STRS/PERS increases	145,000	-	-	-	145,000
Technology	85,000	-	-	-	85,000
Agricultural education	-	4,031,725	-	-	4,031,725
Educational programs	811,517	-	-	-	811,517
Unassigned:					
Economic uncertainties	1,861,061	-	-	-	1,861,061
Unappropriated	<u>66,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,467</u>
Total Fund Balances	<u>4,357,274</u>	<u>4,031,725</u>	<u>41,826</u>	<u>704,133</u>	<u>9,134,958</u>
Total Liabilities and Fund Balances	<u>\$ 5,759,074</u>	<u>\$ 4,049,826</u>	<u>\$ 145,482</u>	<u>\$ 822,504</u>	<u>\$ 10,776,886</u>

The notes to financial statements are an integral part of this statement.

**CORNING UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total fund balances - governmental funds		\$ 9,134,958
Amounts reported for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$30,972,655 and the accumulated depreciation is \$13,480,167.		17,492,488
To recognize accrued interest at year end which is not reported in the governmental funds		(99,719)
Deferred outflows of resources include amounts that will not be included in the calculation of the District's net pension liability of the plan year included in this report such as current fiscal year contributions as recorded in the fund statements.		4,100,551
The differences from pension plan assumptions in actuarial valuations are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows of resources in the Statement of Net Position.		(1,554,859)
Deferred outflows of resources include amounts that will not be included in the calculation of the District's net OPEB liability of the plan year included in this report such as current fiscal year contributions as recorded in the fund statements.		38,397
The differences from OPEB plan assumptions in actuarial valuations are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows of resources in the Statement of Net Position.		(286,253)
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 consists of:		
General obligation bonds	\$ 5,335,000	
Capital leases	18,910	
Note payable	2,278,699	
Long-term line of credit	217,726	
Unamortized bond premiums	253,073	
Net pension liabilities	13,342,347	
Total OPEB liability	1,711,613	
Compensated absences (vacation)	46,972	(23,204,340)
Total net position - governmental activities		<u>\$ 5,621,223</u>

The notes to financial statements are an integral part of this statement.

CORNING UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Foundation Special Revenue Fund	Building Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
LCFF sources	\$ 12,103,193	\$ -	\$ -	\$ 210,000	\$ 12,313,193
Federal	1,051,495	-	-	594,663	1,646,158
Other state	1,619,018	6,074	-	167,754	1,792,846
Other local	1,096,350	265,053	10,643	390,359	1,762,405
Total revenues	15,870,056	271,127	10,643	1,362,776	17,514,602
Expenditures:					
Instruction	8,220,239	13,009	-	30,908	8,264,156
Instruction-related services:					
Supervision of instruction	235,220	-	-	-	235,220
Instruction library, media and technology	124,969	-	-	-	124,969
School site administration	574,733	12,798	-	92,347	679,878
Pupil services:					
Home-to-school transportation	526,721	-	-	-	526,721
Food services	1,199	-	-	625,703	626,902
All other pupil services	1,052,630	-	-	4,633	1,057,263
General administration:					
All other general administration	1,184,574	-	-	34,178	1,218,752
Plant services	1,529,864	78,445	-	58,880	1,667,189
Facility acquisition and construction	1,069,209	-	1,509,829	328,558	2,907,596
Ancillary services	464,040	-	-	-	464,040
Community services	-	42,250	-	-	42,250
Transfers to other agencies	121,472	-	-	-	121,472
Debt service:					
Principal	314,757	-	-	185,000	499,757
Interest and fees	89,214	-	-	234,125	323,339
Total expenditures	15,508,841	146,502	1,509,829	1,594,332	18,759,504
Net change in fund balances	361,215	124,625	(1,499,186)	(231,556)	(1,244,902)
Fund balances beginning	3,996,059	3,907,100	1,541,012	935,689	10,379,860
Fund balances ending	\$ 4,357,274	\$ 4,031,725	\$ 41,826	\$ 704,133	\$ 9,134,958

The notes to financial statements are an integral part of this statement.

CORNING UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total net change in fund balances - governmental funds	\$ (1,244,902)
--	----------------

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital assets additions	2,912,324	
Depreciation expense	(768,871)	2,143,453

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Payment on line of credit	98,795	
Repayment of note payable	124,649	
Payment on capital leases	91,313	
Repayment of bond principal	185,000	499,757

In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources. (945,375)

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt. The difference between premiums or discounts recognized in the current period and amortized over future periods is: 9,010

In the statement of activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year vacation earned exceeded the amounts used by: (8,799)

In governmental funds, actual contributions to OPEB plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year OPEB expense as noted in the plan's valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources. (56,442)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized 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. (8,956)

Changes in net position of governmental activities	\$ 387,746
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The notes to financial statements are an integral part of this statement.

**CORNING UNION HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Foundation Private- Purpose Trust Fund	Student Body Agency Fund	Total
Assets			
Cash on hand and in banks	\$ 87,016	\$ 223,814	\$ 310,830
Cash in county treasury	1,785	-	1,785
Investments	244,555	-	244,555
	<u>\$ 333,356</u>	<u>\$ 223,814</u>	<u>\$ 557,170</u>
Total Assets	<u>\$ 333,356</u>	<u>\$ 223,814</u>	<u>\$ 557,170</u>
Liabilities			
Due to student groups	\$ -	\$ 223,814	\$ 223,814
	<u>\$ -</u>	<u>\$ 223,814</u>	<u>\$ 223,814</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 223,814</u>	<u>\$ 223,814</u>
Net Position			
Restricted - held in trust for scholarships	\$ 333,356	\$ -	\$ 333,356
	<u>\$ 333,356</u>	<u>\$ -</u>	<u>\$ 333,356</u>
Total Net Position	<u>\$ 333,356</u>	<u>\$ -</u>	<u>\$ 333,356</u>

The notes to financial statements are an integral part of this statement.

**CORNING UNION HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Foundation Private-Purpose Trust Fund
Additions	
Investment earnings	\$ 17,084
Deductions	
Financial assistance to students	<u>16,750</u>
Changes in net position	334
Net position beginning	<u>333,022</u>
Net position ending	<u><u>\$ 333,356</u></u>

The notes to financial statements are an integral part of this statement.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

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

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees. The District’s combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements using the criteria established by GASB. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit’s reporting entity for general purpose financial reports is the ability of the governmental unit’s elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit’s power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2020, the District is financially accountable for the Corning Union High School Master Endowment Trust (the Trust) and has included the Trust’s financial information in the Foundation Special Revenue Fund as a blended component unit. The Trust is a tax-exempt corporation under Internal Revenue Code, Section 501(c)(3) and was formed to manage the bequest of Rodgers Ranch to the District. The purpose of the Trust is to maintain Rodgers Ranch, promote agriculture education at the District, and to provide scholarships to District students. The scholarship portion of the Trust is reported as a private-purpose trust fund, and the remaining portion of the Trust is reported as the Foundation Special Revenue Fund in the District’s financial statements. Individually prepared financial statements are not available for the Trust. The District does not have any other component units and is not a component unit of any other reporting entity.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include the reconciliation with brief explanations to better identify the relationship between the government wide statements and the statements for the governmental funds.

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

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 governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus except for agency funds, which have no measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the 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 under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid apportionments, the California Department of Education has defined available for district as collectible within one year.

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

Deferred Outflows/Deferred Inflows:

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred outflow of resources related to the recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the District's benefit plans liability reported which is in the Statement of Net Position.

Unearned Revenue:

Unearned revenue arises when assets, such as cash, are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements, such as qualified expenditures, are met are recorded as liabilities from unearned revenue.

Unavailable Revenue:

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources as unavailable revenue.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However,

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major, nonmajor, and fiduciary funds as follows:

Major Governmental Funds:

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

The *Building Fund* is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

The *Foundation Special Revenue Fund* is used to account for resources received from gifts or bequests pursuant to California Education Code, Section 41031, under which both earnings and principal may be used for purposes that support the District's own programs.

Non-major Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund. The District maintains the following non-major special revenue funds:

- The *Adult Education Fund* is used to account for resources committed to adult education programs maintained by the District.
- The *Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's food service programs.
- The *Deferred Maintenance Fund* is used for the purpose of major repair or replacement of District property.

Capital Projects Funds are used to account for resources restricted, committed or assigned for capital outlays. The District maintains the following non-major capital projects funds:

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

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

- The *County School Facilities Fund* was established to receive apportionments from the State Schools Facilities Fund authorized by the State Allocation Board for new school facility construction, modernization projects and facility hardship grants.
- The *Special Reserve Fund for Capital Projects* exists primarily to account for resources accumulated for capital outlay.

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

- The *Bond Interest and Redemption Fund* is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of the funding of general obligation bonds issued by the District.

Fiduciary Funds:

Fiduciary Fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The District maintains the following fiduciary funds:

- *Agency Funds* are used to account for assets of others for which the District acts as an agent. The District maintains an agency fund for the student body accounts. The student body funds are used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body. The amounts reported for student body funds represent the combined totals of all schools within the District.
- *Private-Purpose Trust Funds* are used to account for assets held by the District as trustee pursuant to formal agreements with donors and under which neither principal nor income may be used for purposes that support the District's own programs. The Foundation Private-Purpose Trust Fund is used to account separately for gifts or bequests that provide scholarships to students of the District.

F. Budgets and Budgetary Accounting

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

These budgets are revised by the District's governing board and District Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund and major special revenue funds are presented as Required Supplementary Information.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

G. Encumbrances

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

H. Benefit Plans

Pensions:

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* requires that the reported results must pertain to liability and asset information within certain defined time frames. For this period, the following time frames were used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about the District's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions are based on when they are due and payable in accordance with the benefit terms for the measurement period included in the OPEB plan's actuarial reports.

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

I. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Deposit Insurance Corporation.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

All district-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

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

2. Fair Value Measurements

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

3. Stores Inventories and Prepaid Expenditures

Inventories

Inventories consist of supplies and materials. Expenses are recorded as the supplies and materials are consumed. Inventories are valued on the average cost method for purchased supplies and materials. Donated commodities inventory is valued at its fair value at the time of donation. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Prepaids

The District has the option of reporting expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

4. Capital Assets

Capital assets, which include sites, improvement of sites, buildings and improvements, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$25,000 or more and an estimated useful life in excess of one year, except for buildings and improvements for which a higher capitalization threshold of \$50,000 or more is used. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
School buildings	10-50
Portable buildings	25
Site improvements	20
Vehicles	8-20
Equipment	5-20

5. Compensated Absences

The liability for earned but unused vacation leave is recorded as long-term debt for compensated absences in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

6. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts as well as issuance costs if related to prepaid insurance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Issuance costs, not related to prepaid insurance costs, are expensed in the period incurred.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources or uses.

7. Fund Balance Classifications

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's minimum fund balance policy requires a reserve for economic uncertainties, consisting of unassigned amounts, equal to no less than three percent of general fund operating expenditures and other financing uses.

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Non-spendable* fund balance includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* fund balance includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.
- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the District's Board of Trustees or a designee of the District's Board of Trustees.
- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

8. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

of those assets or related debt also are included in the net investment in capital assets component of net position. As of June 30, 2020, capital assets net of accumulated depreciation totaling \$17,492,488 was increased by unspent bond proceeds of \$41,826 and reduced by related debt of \$7,632,609, which excluded premiums attributed to cash reserves for debt service of \$253,073.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Capital Projects restrictions will be used for the acquisition and construction of capital facilities.

Charter School Programs restrictions reflect the cash balances in the charter schools fund that are restricted to the charter school programs.

Cafeteria program restrictions reflect the amounts to be expended for federal and state funded school lunch and breakfast programs.

Educational Programs restrictions reflect the amounts to be expended for federal and state funded educational programs.

Unrestricted net position reflects amounts that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year. A deficit unrestricted net position may result when significant cash balances restricted for capital projects exist. Once the projects are completed, the restriction on these assets are released and converted to capital assets.

9. Local Control Funding Formula and Property Taxes

The Local Control Funding Formula (LCFF) creates base, supplemental, and concentration grants in place of most previously existing K-12 funding streams, including revenue limits general purpose block grants, and most of the 50-plus state categorical programs. The revenue limit was a combination of local property taxes, state apportionments, and other local sources.

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

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the *California Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year. The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue limit sources by the District.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

10. Risk Management

The District is exposed to various risks, including loss or damage to property, general liability, and injuries to employees. The District participates in risk pools under joint powers agreements for property, liability, workers' compensation, health care, and excess liability coverage. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years and there were no significant reductions in insurance coverage from coverage in the prior year.

11. Interfund Transactions

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are eliminated as part of the reconciliation to the government-wide financial statements.

12. Eliminations and Reclassifications

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated and reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

13. Accounting Estimates

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

14. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through the date the financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. In addition to the impact from COVID-19, described in Note 14, management has determined the following subsequent events require additional disclosure:

In July 2020, the District issues \$2,600,000 in 20XX Election, Series X general obligation bonds. The bonds were issued at a premium of \$352,643 and have coupon rates from 4 to 5% through 2049. The bonds were issued to fund future capital projects.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

J. Upcoming Accounting and Reporting Changes

GASB Statement No. 84, *Fiduciary Activities*

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2018 but have been delayed to periods beginning after December 15, 2019, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District is in the process of determining the impact this Statement will have on the financial statements.

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 were initially to be effective for financial statements for periods beginning after December 15, 2019 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District is in the process of determining the impact this Statement will have on the financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*

This Statement addresses interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2019 but have been delayed to periods beginning after December 15, 2020, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

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GASB Statement No. 90, Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61

The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2018, but have been delayed to periods beginning after December 15, 2019, pursuant to GASB Statement No. 95. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District does not believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 91, Conduit Debt Obligations

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2020 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 92, Omnibus 2020

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement were initially to be effective for financial statements for periods beginning after June 15, 2020 but have been delayed to periods beginning after June 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

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GASB Statement No. 93, Replacement of Interbank Offered Rates

This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement were initially to be effective for financial statements for periods beginning after June 15, 2020 but have been delayed to periods beginning after June 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 94, Public-Private Partnerships and Public-Public Partnerships and Availability Payment Arrangements

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are to be effective for financial statements for periods beginning after June 15, 2022. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 2 - CASH AND INVESTMENTS

Summary of Deposits

A summary of deposits as of June 30, 2020, is as follows:

Description	Carrying Amount	Fair Value
Government-Wide Statements:		
Cash on hand and in banks	\$ 103,450	\$ 103,450
Cash in revolving fund	1,500	1,500
Cash with County	4,016,948	4,156,083
Total Cash Deposits	4,121,898	4,261,033
Investments:		
Endowment Trust Fund	3,933,164	3,933,164
Total Investments	3,933,164	3,933,164
Total Cash and Investments	<u>\$ 8,055,062</u>	<u>\$ 8,194,197</u>
Fiduciary Funds:		
Cash on hand and in banks	\$ 310,830	\$ 310,830
Investments	244,555	253,026
Cash with County	1,785	1,847
Total Cash and Investments	<u>\$ 557,170</u>	<u>\$ 565,703</u>

Cash in banks and revolving funds

As of June 30, 2020, the bank balances of the District's accounts totaled \$402,186, which was fully insured by FDIC. FDIC covers up to \$250,000 per issuer, per bank.

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The District has the following recurring fair value measurements as of June 30, 2020:

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

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Cash in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer in accordance with 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.

Policies and Practices

The District is authorized under California Government Code Section 53635 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.

Limitations as they relate to interest rate risk, credit risk, custodial credit risk – deposits, and concentration of credit risk are described below:

1. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains an investment with the Tehama County Investment Pool with a fair value of approximately \$147.7 million and an amortized book value of \$142.8 million.

2. Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the Tehama County Investment Pool is governed by the County's general investment policy. The investment with the Tehama County Investment Pool is rated at least BBB by Standards & Poor's Investor Service.

3. Custodial Credit Risk – Deposits

Custodial credit risk 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 agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

**CORNING UNION HIGH SCHOOL DISTRICT
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4. Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2020:

Receivables	General Fund	Nonmajor Funds	Total
Federal Government	\$ 174,034	\$ 94,390	\$ 268,424
State Government	2,125,381	38,557	2,163,938
Other resources	170,155	-	170,155
Totals	<u>\$ 2,469,570</u>	<u>\$ 132,947</u>	<u>\$ 2,602,517</u>

NOTE 4 - INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables (Due From/To), as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

As of June 30, 2020, interfund receivables and payables were as follows:

Fund	Due From	Due To
General Fund	72,376	2,901
Adult Education Fund	-	32,039
Capital Facilities Fund	2,901	-
Cafeteria Fund	-	27,650
Foundation Fund	-	12,687
Totals	<u>\$ 75,277</u>	<u>\$ 75,277</u>

Interfund transfers consist of operating transfers from funds receiving revenues to funds through which the resources are to be expended. There were no interfund transfers for fiscal year 2019-2020:

CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2020, is shown below:

Capital Assets	Balance June 30, 2019	Additions	Adjustments & Deletions	Balance June 30, 2020
Land - not depreciable	\$ 357,500	\$ -	\$ -	\$ 357,500
Construction in progress - not depreciable	1,921,157	2,347,133	-	4,268,290
Buildings	18,292,413	121,718	-	18,414,131
Site improvements	5,454,105	-	-	5,454,105
Vehicles and equipment	2,035,156	443,473	-	2,478,629
Total capital assets	28,060,331	2,912,324	-	30,972,655
Less accumulated depreciation for:				
Buildings	10,206,759	382,627	-	10,589,386
Site improvements	1,418,642	254,806	-	1,673,448
Vehicles and equipment	1,085,895	131,438	-	1,217,333
Total accumulated depreciation	12,711,296	768,871	-	13,480,167
Total capital assets - net depreciation	\$ 15,349,035	\$ 2,143,453	\$ -	\$ 17,492,488

Depreciation expense was charged to governmental activities as follows:

Governmental Activity	Depreciation Expense
Instruction	464,994
Supervision of instruction	2,985
School site administration	6,225
Home-to-school transportation	93,889
All other general administration	4,834
Plant services	173,126
Ancillary Services	8,043
Community Services	14,775
Total depreciation expense	\$ 768,871

NOTE 6 - SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2020, is shown below:

Description	Balance July 01, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
General obligation bonds	\$ 5,520,000	\$ -	\$ 185,000	\$ 5,335,000	\$ 95,000
Bond premiums	262,083	-	9,010	253,073	9,010
Capital leases	110,223	-	91,313	18,910	12,351
Direct borrowing - note payable	2,403,348	-	124,649	2,278,699	126,529
Direct borrowing - line of credit	316,521	-	98,795	217,726	-
Net pension liabilities	12,031,943	5,532,268	4,221,864	13,342,347	-
Total OPEB liability	1,913,548	208,611	410,546	1,711,613	-
Compensated absences	38,173	8,799	-	46,972	-
Total Long-term Liabilities	\$ 22,595,839	\$ 5,749,678	\$ 5,141,177	\$ 23,204,340	\$ 242,890

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund from local revenues. Capital leases, note payable, and the line of credit are paid out of the General Fund. The retirement incentives, compensated absences, net pension liabilities and other postemployment benefits will be paid by the fund for which the employee worked.

NOTE 7 - GENERAL OBLIGATION BONDS

In November 2016, the District received authorization through Measure K to issue \$8,300,000 of bonds. The bonds are general obligation bonds of the District, and the County is obligated to annually levy ad valorem taxes for the payment of interest on, and the principal of, the bonds. Bond proceeds are to be used to improve the quality of education by repairing and replacing leaky roofs; making health, safety, and security improvements; updating inadequate electrical and technology infrastructure; modernizing and renovating outdated classrooms, restrooms, and school facilities; and replacing temporary portables with permanent classrooms.

On November of 2018, the District issued \$2,700,000 of 2018 Series B General Obligation Bonds, under the Measure K authorization, to finance the acquisition, construction, furnishing and equipping of District facilities. The bonds were issued with \$142,085 in premiums, and issuance costs of \$199,728. The bonds bear fixed interest rates ranging between 3.1% and 4.0% with annual maturities from August 1, 2019 through August 1, 2048.

The outstanding General Obligation Bond debt of the District as of June 30, 2020, is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds		Issued	Redeemed	Bonds	
				Outstanding July 01, 2019				Outstanding June 30, 2020	
2017	2046	2-5%	\$ 3,000,000	\$ 2,820,000		\$ -	\$ 185,000	\$ 2,635,000	
2018	2048	3.1-4%	2,700,000	2,700,000		-	-	2,700,000	
Subtotal			5,700,000	5,520,000		-	185,000	5,335,000	
Bond Premiums			-	262,083		-	9,010	253,073	
Total General Obligation Bonds				\$ 5,782,083		\$ -	\$ 194,010	\$ 5,588,073	

The annual debt service requirements of the bonds as of June 30, 2020 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 95,000	\$ 229,475	\$ 324,475
2022	105,000	225,525	330,525
2023	10,000	223,300	233,300
2024	15,000	222,925	237,925
2025	20,000	222,400	242,400
2026-2030	260,000	1,093,075	1,353,075
2031-2035	580,000	1,025,485	1,605,485
2036-2040	1,025,000	881,021	1,906,021
2041-2045	1,625,000	617,625	2,242,625
2046-2050	1,600,000	160,164	1,760,164
Total Debt Service	\$ 5,335,000	\$ 4,900,995	\$ 10,235,995

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NOTE 8 – CAPITAL LEASES

The District leases equipment under agreements which provide for title to pass upon expiration of the lease period. The cost of the equipment is included in vehicles and equipment on the statement of net position as depreciated capital assets and was \$700,221 At June 30, 2020. At of June 30, 2020, the principal balance outstanding was \$18,910. The amount of interest cost incurred during the year ended June 30, 2020, was \$7,749, all of which was charged to expenses.

Future minimum lease payments are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 12,351	\$ 1,011	\$ 13,362
2022	6,559	456	7,015
Total	<u>\$ 18,910</u>	<u>\$ 1,467</u>	<u>\$ 20,377</u>

NOTE 9 – NOTE PAYABLE

In November 2013, the District was selected to receive a loan under the provisions of California Education Code, Section 17456, totaling \$2,864,000 to be used toward solar panel construction. The loan bears interest at 1.5%. At of June 30, 2020, the principal balance outstanding was \$2,278,699. The amount of interest cost incurred during the year ended June 30, 2020, was \$35,351, all of which was charged to expenses.

Future minimum debt service payments on the note are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 126,529	\$ 33,471	\$ 160,000
2022	148,475	31,525	180,000
2023	170,903	29,097	200,000
2024	173,481	26,519	200,000
2025	194,596	23,868	218,464
2026-2030	1,113,944	70,689	1,184,633
2031-2035	350,771	4,618	355,389
Total	<u>\$ 2,278,699</u>	<u>\$ 219,787</u>	<u>\$ 2,498,486</u>

NOTE 10 - JOINT VENTURES (JOINT POWERS AGREEMENTS)

The District participates in joint ventures under joint powers agreements with the following joint powers authorities (JPAs): Northern California Schools Insurance Group (NCSIG), North Valley Schools Insurance Group (NVSIG), California's Valued Trust (CVT), Schools Excess Liability Fund (SELF), Northern California Regional Liability Excess Fund (ReLiEF), and Tri-County Schools Insurance Group (TCSIG). The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs arrange for and provide property, liability, health care, workers' compensation, and excess liability coverage for their members. Each JPA is governed by a board consisting of representatives from

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the members. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. The District's share of year-end assets, liabilities, or fund equity is not calculated by the JPAs. Separately issued financial statements can be requested from each JPA.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

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

Litigation

The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2020.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2020, the District reported net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for CalPERS and CalSTRS as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERS	\$ 5,213,907	\$ 1,222,430	\$ 52,136	\$ 1,130,487
STRS	8,128,440	2,878,121	1,502,723	1,774,903
Total	\$ 13,342,347	\$ 4,100,551	\$ 1,554,859	\$ 2,905,390

California Public Employees Retirement System (CalPERS/PERS) Pension Plan

General Information about the PERS Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's CalPERS Employee Pension Plan (the Plan), a cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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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 credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

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

	CalPERS	
	Classic	PEPRA
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age: minimum	50	52
Monthly benefits as a % of eligible compensation	(1)	(1)
Required employee contribution rates	7.000%	7.000%
Required employer contribution rates	19.721%	19.721%

(1) Monthly benefit is a product of benefit factor, years of service, and final compensation

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

For the year ended June 30, 2020, the District's contributions were as follows:

	CalPERS
Employer Contributions	<u>\$ 509,312</u>

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
CalPERS	<u>\$ 5,213,907</u>

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The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. 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 employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of measurement dates, June 30, 2019 and 2020, was as follows:

	<u>CalPERS</u>
Proportion - June 30, 2019	0.01755%
Proportion - June 30, 2020	0.01789%
Change - Increase/(Decrease)	<u>0.00034%</u>

For the year ended June 30, 2020, the District recognized pension expense of \$1,130,487 for the Plan.

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

	<u>CalPERS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 248,198	\$ -
Differences between Expected and Actual Experience	378,739	-
Differences between Projected and Actual Investment Earnings	-	48,360
Differences between Employer's Contributions and Proportionate Share of Contributions	-	3,776
Change in Employer's Proportion	86,181	-
Pension Contributions Made Subsequent to Measurement Date	509,312	-
Total	<u>\$ 1,222,430</u>	<u>\$ 52,136</u>

The District reported \$509,312 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	<u>(Inflows) of Resources</u>
<u>Fiscal Year Ending June 30:</u>	<u>CalPERS</u>
2021	\$ 476,659
2022	99,979
2023	64,535
2024	19,809
Total	<u>\$ 660,982</u>

**CORNING UNION HIGH SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Actuarial Assumptions - The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

- (1) Varies by age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2019 based on June 30, 2018 Valuations, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows

**CORNING UNION HIGH SCHOOL DISTRICT
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were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class (a)	Assumed	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
	Asset Allocation		
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

- (a) In the System's CAFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments; Inflation Assets are
included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>CalPERS</u>
1% Decrease	6.15%
Net Pension Liability	\$ 7,515,504
Current	7.15%
Net Pension Liability	\$ 5,213,907
1% Increase	8.15%
Net Pension Liability	\$ 3,304,573

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

California State Teachers' Retirement System (STRS) Pension Plan

General Information about the STRS Pension Plan

Plan Description - The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information.

Benefits Provided - STRS 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 credited service, equal to one year of full-time employment. The cost of living adjustments for the Plan are applied as specified by the retirement Law.

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

	CalSTRS	
	Tier 1	Tier 2
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	60	62
Monthly benefits as a % of eligible compensation	2%	2%
Required employee contribution rates	10.250%	10.205%
Required employer contribution rates	17.100%	17.100%
Required State contribution rates	10.328%	10.328%

Contributions - As part of the annual valuation process, the Normal Cost rate is determined as the basis for setting the base member contribution rate for the following fiscal year. Generally, the base member contribution rate is one-half of the Normal Cost rate within certain parameters. Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2020 the District's contributions were as follows:

	CalSTRS
Employer Contributions	\$ 867,747
State Contributions	584,872
Total	\$ 1,452,619

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
District	\$ 8,128,440
State	4,434,633
Total	\$ 12,563,073

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. 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 employers, actuarially determined. The state contributed 8.49% percent of the members' creditable earnings from the fiscal year ending in the prior calendar year plus an additional \$146,908 as required by SB90. Also, as a result of AB 1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046.

The District's proportionate share of the net pension liability for the Plan as of measurement dates, June 30, 2019 and 2020, was as follows:

	CalSTRS
Proportion - June 30, 2019	0.00800%
Proportion - June 30, 2020	0.00900%
Change - Increase/(Decrease)	0.00100%

For the year ended June 30, 2020, the District recognized pension expense of \$1,774,903 for the Plan, of which, a total of \$584,872 came from state contributions.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

	CalSTRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,028,070	\$ -
Differences between Expected and Actual Experience	20,520	229,050
Differences between Projected and Actual Investment Earnings	-	313,110
Differences between Employer's Contributions and Proportionate Share of Contributions	48,981	206,977
Change in Employer's Proportion	912,803	753,586
Pension Contributions Made Subsequent to Measurement Date	867,747	-
Total	\$ 2,878,121	\$ 1,502,723

The District reported \$867,747 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources CalSTRS
2021	\$ 152,948
2022	(64,132)
2023	49,166
2024	242,955
2025	65,575
Thereafter	61,139
Total	\$ 507,651

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Actuarial Assumptions - The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.10%
Inflation	2.75%
Wage Growth	3.50%
Postretirement Benefit Increases	(1)
Investment Rate of Return	7.10% (2)
Mortality	(3)

- (1) 2% simple for DB (annually), maintain 85% purchasing power level for DB. Not applicable for DBS/CBB
- (2) Net of investment expense but gross of administrative expenses.
- (3) Based on 110% of the MP-2016 Ultimate Projection

Discount Rate - The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return ⁽¹⁾
Global Equity	47.00%	4.75%
Fixed Income	12.00%	1.25%
Real Estate	13.00%	3.55%
Private Equity	13.00%	6.25%
Risk Mitigating Strategies	9.00%	1.75%
Inflation Sensitive	4.00%	3.25%
Cash/Liquidity	2.00%	-0.35%
Total	<u>100.00%</u>	

⁽¹⁾ 20 year average

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>CalSTRS</u>
1% Decrease	6.10%
Net Pension Liability	\$ 12,103,920
Current	7.10%
Net Pension Liability	\$ 8,128,440
1% Increase	8.10%
Net Pension Liability	\$ 4,832,010

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued STRS financial reports.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 13 - POSTEMPLOYMENT HEALTHCARE PLAN (OPEB)

Plan Description and Benefits - The District currently provides retiree medical, dental, and vision benefits. The Plan is a single-employer defined benefit healthcare plan administered by the District. These benefits are offered as a package through California's Valued Trust (CVT). Certificated, Administrative, and Unrepresented Classified employees may retire with District-paid health benefits after the later of age 55 and completion of at least 10 years of District service, until age 65. Medical, dental and vision coverage, including spousal and dependent coverage, is payable up to the premium in effect in the year of the employee's retirement, subject to the District cap on benefits. Classified employees covered by the CTA-ESP bargaining agreement are eligible for the same benefits as described above for other groups. All CTA-ESP employees are eligible for District-paid retiree health benefits, regardless of hire date.

Employees Covered by Benefit Terms - At June 30, 2020 (the valuation date), the benefit terms covered the following employees:

Active employees	105
Inactive employees	<u>11</u>
Total employees	<u><u>116</u></u>

Contributions - The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions to the OPEB plan during the year were \$104,233. Total benefit payments included in the measurement period were \$127,646. The actuarially determined contribution for the measurement period was \$258,275. The District's contributions were 1.72% of covered employee payroll during the measurement period June 30, 2020 (reporting period June 30, 2020). Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan as of measurement date June 30, 2020.

Actuarial Assumptions - The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2020
Actuarial Cost Method:	Entry-Age, Level % of Pay
Amortization Period:	9.2 years
Actuarial Assumptions:	
Discount Rate	2.20%
Inflation	3.00%
Salary Increases	2.75%
Healthcare Trend Rate	4.00%
Mortality	Pre-retirement: RP-2014 Employee Mortality Table Post-retirement: RP-2014 Health Annuitant Mortality
Retirement	
Certified	Hired 2012 and before, 2020 CalSTRS 2.0%@60 Hired 2013 and after, 2020 CalSTRS 2.0%@62
Classified	Hired 2012 and before, 2020 CalPERS 2.0%@55 Hired 2013 and after, 2020 CalPERS 2.0%@62

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Discount Rate - The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Changes in the Total OPEB Liability - The following summarizes the changes in the total OPEB liability during the year ended June 30, 2020:

Fiscal Year Ended June 30, 2020 (Measurement Date June 30, 2017)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2018	\$ 1,913,548	\$ -	\$ 1,913,548
Service cost	151,567	-	151,567
Interest in Total OPEB Liability	60,362	-	60,362
Balance of changes in assumptions	31,944	-	31,944
Benefit payments	(127,646)	-	(127,646)
Net changes	(201,935)	-	(201,935)
Balance at June 30, 2019	\$ 1,711,613	\$ -	\$ 1,711,613

Covered Employee Payroll	\$ 7,409,678
Total OPEB Liability as a % of Covered Employee Payroll	23.10%
Plan Fid. Net Position as a % of Total OPEB Liability	0.00%
Service Cost as a % of Covered Employee Payroll	2.05%
Net OPEB Liability as a % of Covered Employee Payroll	23.10%

The District's plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

Deferred Inflows and Outflows of Resources - At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 286,253
Change in assumptions	38,397	-
Totals	\$ 38,397	\$ 286,253

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

Year Ended June 30,	
2021	\$ (30,841)
2022	(30,841)
2023	(30,841)
2024	(29,260)
2025	(25,479)
Thereafter	(100,594)
Total	\$ (247,856)

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

OPEB Expense - The following summarizes the OPEB expense by source during the year ended June 30, 2020, for measurement date of June 30, 2020:

Service cost	\$ 151,567
Interest in TOL	60,362
Difference between actual and expected experience	(34,909)
Change in assumptions	4,068
OPEB Expense	<u>\$ 184,088</u>

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2020, for the measurement date of June 30, 2020:

Total OPEB liability ending	\$ 1,711,613
Total OPEB liability beginning	(1,913,548)
Change in total OPEB liability	(201,935)
Changes in deferred outflows	(19,960)
Changes in deferred inflows	405,983
OPEB Expense	<u>\$ 184,088</u>

Sensitivity to Changes in the Municipal Bond Rate - 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 municipal bond rate (used to determine the discount rate) that is one percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	(1% Decrease)	2.20%	(1% Increase)
Total OPEB Liability	\$ 1,823,117	\$ 1,711,613	\$ 1,604,608

Sensitivity to Changes in the Healthcare Cost Trend Rates - The total OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease)	4.00%	(1% Increase)
Total OPEB Liability	\$ 1,522,229	\$ 1,711,613	\$ 1,935,866

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 14 – COVID-19 PANDEMIC IMPACT

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world, with resulting business and social disruption. In response to the pandemic, and in compliance with various state and local ordinances, the District closed physical campuses and transitioned to a distance learning model. On March 13, 2020, the Governor of California issued Executive Order N-26 – 20, guaranteeing state funding to support the continued payment of salaries and benefits to all employees through June 30, 2020.

The operations and business results of the District could be materially and adversely affected in the future, including a reduction in the level of funding and potential impacts from the timing of cash flows. In addition, significant estimates may be materially and adversely impacted by national, state and local events designed to contain the coronavirus. Debt ratings for outstanding issuances may further be impacted. For the 2020-2021 school year, the District is offering instruction in formats consistent with local health guidelines. Throughout the pandemic the District has put into practice a number of safety measures to protect students and employees and will continue to revise them as needed.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive - (Negative)
	Original	Final	Actual (GAAP Basis)	
Revenues:				
LCFF sources	\$ 12,040,510	\$ 12,370,191	\$ 12,103,193	\$ (266,998)
Federal	603,088	679,757	1,051,495	371,738
Other state	990,648	1,492,912	1,619,018	126,106
Other local	(219,088)	(208,851)	1,096,350	1,305,201
Total revenues	13,415,158	14,334,009	15,870,056	1,536,047
Expenditures:				
Certificated salaries	5,125,226	5,234,317	5,272,997	(38,680)
Classified salaries	2,517,469	2,531,350	2,531,201	149
Employee benefits	3,295,295	3,493,487	3,845,042	(351,555)
Books and supplies	622,609	652,801	643,582	9,219
Services and other operating expenditures	918,549	1,271,100	1,530,498	(259,398)
Capital outlay	1,542,800	1,390,061	1,189,567	200,494
Other outgo	476,625	470,926	495,954	(25,028)
Total expenditures	14,498,573	15,044,042	15,508,841	(464,799)
Excess (deficiency) of revenues over (under) expenditures	(1,083,415)	(710,033)	361,215	1,071,248
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(1,083,415)	(710,033)	361,215	1,071,248
Fund balances beginning	3,996,059	3,996,059	3,996,059	-
Fund balances ending	\$ 2,912,644	\$ 3,286,026	\$ 4,357,274	\$ 1,071,248

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. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. Excess expenditure for salaries, benefits, and services were due to unanticipated Covid-related costs. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP)
FOUNDATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive - (Negative)
	Original	Final	Actual (GAAP Basis)	
Revenues:				
Other state	\$ 1,000	\$ 5,380	\$ 6,074	\$ 694
Other local	195,675	237,063	265,053	27,990
Total revenues	196,675	242,443	271,127	28,684
Expenditures:				
Certificated salaries	6,800	6,500	6,500	-
Classified salaries	-	-	34,725	(34,725)
Employee benefits	12,833	19,748	19,747	1
Books and supplies	12,500	14,955	14,481	474
Services and other operating expenditures	15,000	55,061	71,049	(15,988)
Total expenditures	47,133	96,264	146,502	(50,238)
Excess (deficiency) of revenues over (under) expenditures	149,542	146,179	124,625	(21,554)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	149,542	146,179	124,625	(21,554)
Fund balances beginning	3,907,100	3,907,100	3,907,100	-
Fund balances ending	\$ 4,056,642	\$ 4,053,279	\$ 4,031,725	\$ (21,554)

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. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. Excess expenditure for classified salaries and services were due to unanticipated Covid-related costs. The originally adopted and final revised budgets for the Foundation Special Revenue Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CALPERS PENSION PLAN CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

CalPERS	2015	2016	2017	2018	2019	2020
Contractually Required Contributions	\$ 241,786	\$ 244,153	\$ 305,470	\$ 361,758	\$ 449,092	\$ 509,312
Contributions in Relation to Contractually Required Contributions	241,786	244,153	305,470	361,758	449,092	509,312
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,054,082	\$ 2,060,885	\$ 2,199,525	\$ 2,329,264	\$ 2,486,391	\$ 2,582,587
Contributions as a % of Covered Payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%

Notes to Schedule:

Valuation Date: June 30, 2018

Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
4 Years Remaining Amortization Period
Inflation Assumed at 2.5%
Investment Rate of Returns set at 7.15%
CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65% to 7.15% in the District's fiscal year 2018.

The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.

The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.

This schedule provides information about the District's required and actual contributions to CalPERS during the year.

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CALPERS PROPORTIONATE SHARE
OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

CalPERS	2015	2016	2017	2018	2019	2020
District's Proportion of Net Pension Liability	0.01770%	0.01850%	0.01720%	0.01726%	0.01755%	0.01789%
District's Proportionate Share of Net Pension Liability	\$ 2,009,381	\$ 2,726,918	\$ 3,397,011	\$ 4,120,418	\$ 4,679,383	\$ 5,213,907
District's Covered Payroll	\$ 1,857,752	\$ 2,054,082	\$ 2,060,885	\$ 2,199,525	\$ 2,329,264	\$ 2,486,391
District's Proportionate Share of NPL as a % of Covered Payroll	108.16%	132.76%	164.83%	187.33%	200.90%	209.70%
Plan's Fiduciary Net Position as a % of the TPL	83.38%	79.43%	73.90%	71.87%	70.85%	70.05%

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65% to 7.15% in the District's fiscal year 2018.

The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.

The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.

This schedule presents information on the District's portion of the net pension liability of CalPERS in compliance with GASB 68.

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CALSTRS PENSION PLAN CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

CalSTRS	2015	2016	2017	2018	2019	2020
Contractually Required Contributions	\$ 385,295	\$ 465,557	\$ 571,116	\$ 650,464	\$ 762,122	\$ 867,747
Contributions in Relation to Contractually Required Contributions	385,295	465,557	571,116	650,464	762,122	867,747
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,338,908	\$ 4,338,835	\$ 4,539,873	\$ 4,507,720	\$ 4,681,339	\$ 5,074,544
Contributions as a % of Covered Payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%

Notes to Schedule:

Valuation Date: June 30, 2018

Assumptions Used: Entry Age Method used for Actuarial Cost Method

Level Percentage of Payroll Basis

7 Years Remaining Amortization Period

Inflation Assumed at 2.75%

Investment Rate of Returns set at 7.10%

Mortality tables are based on 110% of the MP-2016 Ultimate Projection Scale table issued by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.

The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.

The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.

The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.

This schedule provides information about the District's required and actual contributions to CalSTRS during the year.

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CALSTRS PROPORTIONATE SHARE
OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

CalSTRS	2015	2016	2017	2018	2019	2020
District's Proportion of Net Pension Liability	0.00900%	0.01000%	0.00900%	0.00800%	0.00800%	0.00900%
District's Proportionate Share of Net Pension Liability	\$ 5,259,330	\$ 6,732,400	\$ 7,279,290	\$ 7,398,400	\$ 7,352,560	\$ 8,128,440
State's Proportionate Share of Net Pension Liability Associated with the District	3,175,794	3,560,699	4,143,954	4,376,819	4,209,708	4,434,633
Total	<u>\$ 8,435,124</u>	<u>\$ 10,293,099</u>	<u>\$ 11,423,244</u>	<u>\$ 11,775,219</u>	<u>\$ 11,562,268</u>	<u>\$ 12,563,073</u>
District's Covered Payroll	\$ 4,093,842	\$ 4,338,908	\$ 4,338,835	\$ 4,539,873	\$ 4,507,720	\$ 4,681,339
District's Proportionate Share of NPL as a % of Covered Payroll	128.47%	155.16%	167.77%	162.96%	163.11%	173.63%
Plan's Fiduciary Net Position as a % of the TPL	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.

The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.

The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.

The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.

This schedule presents information on the District's portion of the net pension liability of CalSTRS in compliance with GASB 68.

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF TOTAL OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fiscal Year Ended	2018	2019	2020
Total OPEB liability			
Service cost	\$ 152,452	\$ 147,152	\$ 151,567
Interest	52,070	61,734	60,362
Differences between expected and actual experience	-	-	(321,162)
Changes of assumptions	(53,829)	57,030	31,944
Benefit payments	(86,343)	(88,646)	(127,646)
Implicit subsidy fulfilled	(23,057)	(22,867)	-
Other	-	-	3,000
Net change in Total OPEB Liability	41,293	154,403	(201,935)
Total OPEB Liability - beginning	1,717,852	1,759,145	1,913,548
Total OPEB Liability - ending	<u>\$ 1,759,145</u>	<u>\$ 1,913,548</u>	<u>\$ 1,711,613</u>
Plan fiduciary net position			
Net change in plan fiduciary net position	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability (asset)	\$ 1,759,145	1,913,548	1,711,613
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 6,504,047	\$ 7,211,365	\$ 7,211,365
Net OPEB liability as a percentage of covered employee payroll	27.05%	26.54%	23.73%
Total OPEB liability as a percentage of covered employee payroll	27.05%	26.54%	23.73%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were not changes in benefit terms.

The discount rate decreased from 3.13% to 2.20%, the inflation decreased from 3% to 2.75%, the salary increases decreased from 3% to 2.75%, and the healthcare trend rate decreased from 5% to 4% from June 30, 2019 to June 30, 2020.

**SUPPLEMENTARY
INFORMATION**

**CORNING UNION HIGH SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds			Capital Projects Funds	Debt Service Funds	
	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Nonmajor Funds
Assets						
Cash and investments	\$ 6	\$ 37,103	\$ 129,373	\$ 316,016	\$ 160,129	\$ 642,627
Accounts receivable	35,079	77,291	-	20,576	-	132,946
Due from other funds	-	-	-	2,901	-	2,901
Prepaid	-	44,030	-	-	-	44,030
Total Assets	<u>\$ 35,085</u>	<u>\$ 158,424</u>	<u>\$ 129,373</u>	<u>\$ 339,493</u>	<u>\$ 160,129</u>	<u>\$ 822,504</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 1,316	\$ 8,370	\$ 48,996	\$ -	\$ -	\$ 58,682
Due to other funds	32,039	27,650	-	-	-	59,689
Total Liabilities	<u>33,355</u>	<u>36,020</u>	<u>48,996</u>	<u>-</u>	<u>-</u>	<u>118,371</u>
Fund balances:						
Nonspendable revolving funds	-	500	-	-	-	500
Nonspendable prepaid expenditures	-	44,030	-	-	-	44,030
Restricted debt service	-	-	-	-	160,129	160,129
Restricted for cafeteria programs	-	77,874	-	-	-	77,874
Assigned for site repairs	-	-	80,377	-	-	80,377
Assigned for adult education	1,730	-	-	-	-	1,730
Total Fund Balances	<u>1,730</u>	<u>122,404</u>	<u>80,377</u>	<u>339,493</u>	<u>160,129</u>	<u>704,133</u>
Total Liabilities and Fund Balances	<u>\$ 35,085</u>	<u>\$ 158,424</u>	<u>\$ 129,373</u>	<u>\$ 339,493</u>	<u>\$ 160,129</u>	<u>\$ 822,504</u>

**CORNING UNION HIGH SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds			Capital Projects Funds	Debt Service Funds	
	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Nonmajor Funds
Revenues:						
LCFF Sources	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ 210,000
Federal	25,945	568,718	-	-	-	594,663
Other state	105,705	61,026	-	-	1,023	167,754
Other local	(193)	122,596	(53)	163,515	104,494	390,359
Total revenues	131,457	752,340	209,947	163,515	105,517	1,362,776
Expenditures:						
Instruction	30,908	-	-	-	-	30,908
Instruction-related services:						
School site administration	92,347	-	-	-	-	92,347
Pupil services:						
Food services	-	625,703	-	-	-	625,703
All other pupil services	4,633	-	-	-	-	4,633
General administration:						
All other general administration	1,839	27,650	-	4,689	-	34,178
Plant services	-	2,894	55,986	-	-	58,880
Facility acquisition and construction	-	-	178,986	149,572	-	328,558
Debt service:						
Principal	-	-	-	-	185,000	185,000
Excess (deficiency) of revenues over (under) expenditures	1,730	96,093	(25,025)	9,254	(313,608)	(231,556)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	1,730	96,093	(25,025)	9,254	(313,608)	(231,556)
Fund balances beginning	-	26,311	105,402	330,239	473,737	935,689
Fund balances ending	\$ 1,730	\$ 122,404	\$ 80,377	\$ 339,493	\$ 160,129	\$ 704,133

**STATE AND FEDERAL
AWARD COMPLIANCE
SECTION**

**CORNING UNION HIGH SCHOOL DISTRICT
ORGANIZATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

The Corning Union High School District is located in Tehama County and was established in 1907. There were no changes in the boundaries of the District during the current year. The District is currently operating one high school, one continuation high school, and one adult education program.

Governing Board

Name	Office	Term Expires
William Mache	President	2022
James Bingham	Clerk	2022
Todd Henderson	Member	2020
Ken Vaughn	Member	2020
James Scott Patton	Member	2022

Administration

Jared Caylor
Superintendent

Christine Fears
Chief Business Official

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Total ADA		Classroom Based	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA: Grades nine through twelve	1,017.95	1,017.95	999.09	999.09
ADA Totals	1,017.95	1,017.95	999.09	999.09

On March 16, 2020, the California Legislature passed and, on March 17, 2020, Governor Newsom signed, Senate Bill (SB) 117. This bill is a companion to Governor Newsom's Executive Order N-26-20 and mitigates the effect of lost attendance due to COVID-19 that occurred after February 29, 2020. For the purpose of preventing losses of attendance-based funding as a result of reductions in average daily attendance (ADA) due to COVID-19, this legislation provides that the ADA used for both the second period (P-2) and the Annual period apportionment includes all full school months from July 1, 2019 to February 29, 2020 for all local educational agencies (LEAs).

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Grade Level	Minutes Requirements	2020 Actual Minutes	(Unaudited)	Actual	(Unaudited)	Number of Days Multitrack Calendar	Status
			2020 Original Scheduled Minutes	Number of Days Traditional Calendar	Scheduled Number of Days Traditional Calendar		
Grade 9	64,800	46,695	65,403	128	180	0	In compliance ⁽¹⁾
Grade 10	64,800	46,695	65,403	128	180	0	In compliance ⁽¹⁾
Grade 11	64,800	46,695	65,403	128	180	0	In compliance ⁽¹⁾
Grade 12	64,800	46,695	65,403	128	180	0	In compliance ⁽¹⁾

(1) On March 13, 2020, the California Governor issued an Executive Order regarding the physical closure of schools by local educational agencies (LEAs) in response to the COVID-19 pandemic. Executive Order N-26-20 established a streamlined process for school closures (COVID-19 School Closure Certification) in lieu of the existing process for submitting Requests for Allowance of Attendance Due to Emergency Conditions (Form J-13A).

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts and charter schools, including basic aid districts.

This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

The purpose of this schedule is to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit. There were no charter schools to be reported.

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	(Budget ¹)			
	2021	2020	2019	2018
<u>General Fund</u>				
Revenues and other financial sources	\$ 14,500,839	\$ 15,870,056	\$ 14,759,995	\$ 12,843,854
Expenditures	14,120,488	15,508,841	13,140,121	12,112,220
Other uses and transfers out	-	-	17,039	-
Total outgo	14,120,488	15,508,841	13,157,160	12,112,220
Change in fund balance	\$ 380,351	\$ 361,215	\$ 1,602,835	\$ 731,634
Beginning fund balance adjustment	\$ -	\$ -	\$ 73,287	\$ -
Ending fund balance	\$ 4,737,625	\$ 4,357,274	\$ 3,996,059	\$ 2,319,937
Available reserves ⁽²⁾	\$ 2,070,723	\$ 1,927,528	\$ 1,613,361	\$ 916,391
Designated for economic uncertainty	\$ 1,694,460	\$ 1,861,061	\$ 1,613,361	\$ 916,391
Unassigned fund balance	\$ 376,263	\$ 66,467	\$ -	\$ -
Available reserves as a percentage of total outgo	14.7%	12.4%	12.3%	7.6%
Total long-term debt	\$ 22,961,450	\$ 23,204,340	\$ 22,595,839	\$ 19,624,955
Average daily attendance at P-2	990	1,018	961	919

Average daily attendance has increased by 99 over the past three years. The district anticipates an decrease of 28 ADA.

The general fund balance has increased by \$2,,037,337 over the past three years. For a district this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, other uses (total outgo).

The district has shown an operating surplus in all of the past three years. Total long-term debt has increased by \$3,579,385 over the past three years.

¹ Budget numbers are based on the first adopted budget of the fiscal year 2020/21

² Available reserves consists of all unassigned fund balances in the general fund, which includes the reserve for economic uncertainties.

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

PROGRAM NAME	FEDERAL CATALOG NUMBER	PASS THROUGH NUMBER	PROGRAM EXPENDITURE
U. S. DEPARTMENT OF EDUCATION			
Passed Through California Department of Education			
<i>Special Education Cluster</i>			
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	\$ 101,305
<i>Total Special Education Cluster</i>			101,305
Adult Education: Adult Basic Education & ELA (Section 231)	84.002A	14508	12,745
Adult Education: Adult Secondary Education (Section 231)	84.002	13978	13,200
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	⁽¹⁾ 84.010	14329	457,320
Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Ed.)	84.048	14894	39,905
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	38,716
ESSA: Title III, English Learner Student Program	84.365	14346	20,155
ESEA (ESSA): Title IV, Part A, Student Support and Academic Enrichment Grant Program (SSAE)	84.424	15391	14,100
ESSA: Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	30,573
ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	270,312
ESEA (ESSA): Title V, Part B, Rural & Low Income School Program (aka REAP)	84.358	14356	25,094
TOTAL U. S. DEPARTMENT OF EDUCATION			1,023,425
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through California Department of Education			
<i>Child Nutrition Cluster</i>			
National School Lunch Program	⁽¹⁾ 10.555	13524	343,650
School Breakfast Needy	⁽¹⁾ 10.553	13526	114,148
Nonmonetary Assistance - Food Donation - Commodities	⁽¹⁾ 10.555	n/a	42,872
<i>Total Child Nutrition Cluster</i>			500,670
Child Nutrition: CACFP Claims - Centers and Family Day Care Homes	10.558	13529	68,047
TOTAL U. S. DEPARTMENT OF AGRICULTURE			568,717
U. S. DEPARTMENT OF THE INTERIOR			
Passed Through California Department of Education			
Wildlife Reserve	15.608	N/A	54,016
TOTAL U. S. DEPARTMENT OF THE INTERIOR			54,016
TOTAL FEDERAL PROGRAMS			\$ 1,646,158

⁽¹⁾ Audited as major program

**CORNING UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Foundation Special Revenue Fund	Building Fund	Other Nonmajor Governmental Funds
June 30, 2019 Annual Financial and Budget Report Fund Balances	\$ 4,357,274	\$ 4,031,725	\$ 72,844	\$ 704,133
Adjustments and Reclassifications:				
Accounts Payable	-	-	(31,018)	-
June 30, 2019 Audited Financial Statements Fund Balances	<u>\$ 4,357,274</u>	<u>\$ 4,031,725</u>	<u>\$ 41,826</u>	<u>\$ 704,133</u>

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO STATE AND FEDERAL AWARD COMPLIANCE SECTIONS
FOR THE YEAR ENDED JUNE 30, 2020**

1. PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

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

B. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day and Longer Instructional Year. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206 and whether the Charter School complied with Education Code Sections 47612 and 47612.5.

C. Schedule of Charter Schools

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District's financial statements.

D. Schedule of Financial Trends and Analysis

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

E. Schedule of Expenditures of Federal Awards

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with Uniform Guidance requirements.

F. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

2. RESULTS OF RECONCILIATIONS OF EXPENDITURES PER SCHEDULE OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEMS

There were no material unreconciled differences between the District's records and the schedule of federal grant activity as shown on the Schedule of Expenditures of Federal Awards.

**CORNING UNION HIGH SCHOOL DISTRICT
NOTES TO STATE AND FEDERAL AWARD COMPLIANCE SECTIONS
FOR THE YEAR ENDED JUNE 30, 2020**

3. BASIS OF PRESENTATION – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



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

Board of Trustees
Corning Union High School District
Corning, 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 Corning Union High School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 25, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and



Chavan and Associates, LLP
Certified Public Accountants

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

C & A LLP

March 25, 2021
San Jose, California



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE**

Board of Education
Corning Union High School District
Corning, California

Report on Compliance for Each Major Federal Program

We have audited Corning Union High School District's (the District) compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The 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 the 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 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 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 compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the 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 the 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 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 District's internal control over compliance.

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

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

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

C & A LLP

March 25, 2021
San Jose, California



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON STATE PROGRAMS**

The Honorable Board of Trustees
Corning Union High School District
Corning, California

Compliance

We have audited the Corning Union High School District's (the District) compliance with the types of compliance requirements described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the District's state programs identified below for the year ended June 30, 2020.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit guide, *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards, and state audit, guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above, that could have a material effect on compliance with the state laws and regulations described in the schedule below, occurred. An audit includes examining, on a test basis, evidence supporting the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies Other than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	N/A
Independent Study	No
Continuation Education	Yes
Instructional Time	Yes



<u>Description</u>	<u>Procedures Performed</u>
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	N/A
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After School Education and Safety Program:	
General Requirements	N/A
After School	N/A
Before School	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	No
Charter Schools:	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study for Charter Schools	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

We did not perform the audit procedures for the Full-time Independent Study and Independent Study-Course Based programs because the ADA was under the level that requires testing.

Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on State Programs for the fiscal year ended June 30, 2020.

C & A LLP

March 25, 2021
San Jose, California

FINDINGS AND RECOMMENDATIONS

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued **Unmodified**

Internal control over financial reporting:

Material weaknesses? Yes **x** No

Significant deficiencies identified not
considered to be material weaknesses? Yes **x** None Reported

Non-compliance material to financial statements noted? Yes **x** No

Federal Awards

Internal control over major programs:

Material weaknesses? Yes **x** No

Significant deficiencies identified not
considered to be material weaknesses? Yes **x** None Reported

Type of auditor's report issued on compliance over major programs **Unmodified**

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR 200.516(a) Yes **x** No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
10.553 & 10.555	Child Nutrition Cluster
84.010	Title I, Part A

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

Auditee qualified as low risk auditee? Yes **x** No

State Awards

Internal control over state programs:

Material weaknesses? Yes **x** No

Significant deficiencies identified not
considered to be material weaknesses? Yes **x** None Reported

Type of auditor's report issued on compliance over state programs: **Unmodified**

**CORNING UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

No findings noted.

Section III – Federal Award Findings and Questioned Costs

No findings noted.

Section IV – State Award Findings and Questioned Costs

No findings noted.

**CORNING UNION HIGH SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

No findings noted.

Section III – Federal Award Findings and Questioned Costs

Finding 2019-001; 50000 – Grant Reimbursements – General Process

Federal Program Information: 10.553, 10.555, 10.556, 10.559 Child Nutrition Cluster

Federal Grantor Agency: Food and Nutrition Services (FNS) of the U.S. Department of Agriculture (USDA)

Pass-Through Grantor Agency: California Department of Education

Criteria or Specific Requirements: Best practices dictate that the District have processes in place to ensure that grant reimbursements are filed timely and available grant funding is utilized to its fullest extent.

Condition: In review of the supporting documentation for School Nutrition Program (SNP) Claim for Reimbursement, we noted the following:

- The claim for July 2018 was not submitted within the 60-day requirement so the District did not receive reimbursement for this federal claim.

Questioned Costs: None.

Context: The District should maintain controls to prevent noncompliance with Uniform Guidance or detect and correct noncompliance with Uniform Guidance in a timely manner.

Effect: The District was unable to receive the revenue from this grant reimbursement.

Cause: The District did not have sufficient monitoring controls in place to allow the District to detect and correct this issue in a timely manner.

Recommendation: We recommend that the District establish procedures to ensure requirements are met with regard to SNP claims for reimbursement. For example, a secondary review of the due dates for claims reimbursements and a periodic review of claims to ensure they are submitted timely.

Corrective Action Plan: The District was aware of the issue and agrees with the recommendation

Status: Implemented.

**CORNING UNION HIGH SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2020**

Finding 2019-002; 50000 – Verification of Free and Reduced Price Applications

Federal Program Information: 10.553, 10.555, 10.556, 10.559 Child Nutrition Cluster

Federal Grantor Agency: Food and Nutrition Services (FNS) of the U.S. Department of Agriculture (USDA)

Pass-Through Grantor Agency: California Department of Education

Criteria or Specific Requirements: Pursuant to *Title 7 part 245.6a of the Code of Federal Regulations* require local educational agencies to perform a verification of applications each year. The sample size is required to be based on the number of approved applications on file as of October 1 of the current school year. The local education agency must complete the verification efforts no later than November 15 of each school year. If a student's eligibility status are determined to be have been changed from free to reduced price due to documents provided by a household, the District must notify the parents as soon as determination has been made and change the students' status ten days after notification. If a household fails to provide documents to complete the verification process by the deadline the students' eligibility for free or reduced price benefits shall be terminated after a ten day advance notification letter to parents.

Condition: During review of the District's verification process we noted the following:

1. The District did not determine the sample size based on the October 1st applications on file.
2. The District did not complete the verification process by the November 15th deadline.
3. In 1 of 1 applications sampled by the District were parents responded, the District did not notify or change students' status from free to reduced timely.
4. In 6 of 6 applications sampled by the District were parents failed responded by the deadline, the District did not notify or change students' status from free/reduced to denied timely.

Questioned Costs: None.

Context: The verification process is required to be done once a year to review income support for students whose eligibility of free or reduced meals was determined based on an application submitted.

Effect: The District is not in compliance of *Title 7 part 245.6a of the Code of Federal Regulations*. The District may be required to return funding for all students whose statuses were not properly changed after verification deadline.

Cause: The District utilizes a point of sale system with an integrated verification module. The District did not fully understand all steps required of the verification module and the deadlines of the verification process.

Recommendation: We recommend the District gain a full understanding of their point of sale verification module and how to use it. We recommend the District's management and staff review the requirements of Title 2 CFR 245.6a to ensure procedures are in place at the District to ensure deadline and procedures are followed each year. We also recommend the District keep all preparation and review documented for review (sign off with dates).

Corrective Action Plan - The District agrees with the auditor's recommendation and will implement policies and procedures during fiscal year 2019-20 to address the causes of the condition(s) noted.

Status: Implemented

Section IV - State Award Findings and Questioned Costs

No findings noted.

**CORNING UNION
HIGH SCHOOL DISTRICT**

MEASURE K BONDS

AUDIT REPORT

For the Year Ended June 30, 2020

* * *



Chavan & Associates, LLP

Certified Public Accountants
1475 Saratoga Ave, Suite 180
San Jose, CA 95129

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
For the Fiscal Year Ended June 30, 2020

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Measure K Citizens' Oversight Committee and
Governing Board Members
Corning Union High School District

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure K Bonds of the Corning Union High School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Corning Union High School District's 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 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 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 District'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 District'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure K Bonds of the Corning Union High School District, as of June 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

As discussed in Note 1, the financial statements present only the Measure K Bonds and do not purport to, and do not, present fairly the financial position of the Corning Union High School District, as of June 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure K Bonds of Corning Union High School District's financial statements. The Schedule of Measure K Bonds Expenditures is presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Measure K Bonds Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated April 6, 2021, on our consideration of the Corning Union High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corning Union High School District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated April 6, 2021 on our consideration of the Measure K Bond's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure K Bonds for the fiscal year ended June 30, 2020 and should be considered in assessing the results of our financial audit.

C & A LLP

April 6, 2021
San Jose, California

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Balance Sheet
June 30, 2020

Assets

Cash and investments	<u>\$ 145,482</u>
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Total Assets	<u><u>\$ 145,482</u></u>
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Liabilities and Fund Balance

Liabilities:

Accounts payable	<u>\$ 103,656</u>
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Total Liabilities	<u>103,656</u>
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Fund balance:

Restricted for capital projects	<u>41,826</u>
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Total Fund Balance	<u>41,826</u>
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Total Liabilities and Fund Balance	<u><u>\$ 145,482</u></u>
------------------------------------	--------------------------

The notes to the financial statements are an integral part of this statement.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020

Revenues:	
Interest earnings	<u>\$ 10,643</u>
Total revenues	<u>10,643</u>
Expenditures:	
Contract services	4,990
Capital outlay	<u>1,504,839</u>
Total expenditures	<u>1,509,829</u>
Net Changes in Fund Balance	(1,499,186)
Fund Balance Beginning	<u>1,541,012</u>
Fund Balance Ending	<u><u>\$ 41,826</u></u>

The notes to the financial statements are an integral part of this statement.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

Corning Union High School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the U. S. Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accountants ("AICPA").

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees.

A committee to the District's Governing Board and Superintendent, called the Citizens' Bond Oversight Committee was established to inform the public concerning the expenditure and uses of the District's bond measure revenues. The committee's legal charge is to actively review and report on the expenditure of taxpayer money for school construction in accordance with voter approved projects.

The financial statements presented are for the Measure K Bonds and are not intended to be a complete presentation of the District's financial position on operations.

C. Basis of Presentation

Fund Financial Statements

Fund financial statements report detailed information about the District. The Measure K Bonds are reported in the District's Building Fund which is a governmental fund and is presented as a major fund in the District's combined financial statements. The Building Fund is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds such as Measure K general obligation bonds.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, are generally included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance for the Measure K Bonds presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid appointments, the California Department of Education has defined available for district as collectible within one year.

Non-exchange transactions, in which the District receives value *without* directly giving equal value in return, include property taxes, grants, and entitlements. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

Unavailable Revenue

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources as unavailable revenue.

Expenditures

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

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object.

F. Encumbrances

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

G. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Deposit Insurance Corporation.

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

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Cash & Cash Equivalents

The District's cash deposits are considered to be cash on hand and cash in banks. Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

3. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

4. Long-Term Obligations

In the Measure K Bonds financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

5. Fund Balance Classifications

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

- Assigned includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent.
- Unassigned includes positive fund balance that has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

6. Accounting Estimates

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

NOTE 2 – CASH AND INVESTMENTS

Summary of Deposits

A summary of deposits as of June 30, 2020, is as follows:

	Carrying Amount	Fair Value
Cash in county treasury investment pool	\$ 145,482	\$ 150,521

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

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

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Cash in County Treasury

The District is 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.

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.

Risk Disclosures

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

- *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 the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the Tehama County Investment Pool with a fair value of approximately \$147.7 million and an amortized book value of \$142.8 million.

- *Credit Risk*

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the Tehama County Investment Pool is governed by the County's general investment policy. The investment with the Tehama County Investment Pool is rated at least BBB by S&P's Investor Service.

- *Concentration of Credit Risk*

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 3 – ACCOUNTS PAYABLE

Accounts payable consisted of the following as of June 30, 2020:

Classroom Modernization	\$ 102,666
Management Fee	990
Total Accounts Payable	<u>\$ 103,656</u>

NOTE 4 – MEASURE K GENERAL OBLIGATION BOND

The following schedule summarizes the District's Measure K general obligation bonds as of June 30, 2020:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2019	Issued	Redeemed	Bonds Outstanding June 30, 2020
2017	2046	2-5%	\$ 3,000,000	\$ 2,820,000	\$ -	\$ 185,000	\$ 2,635,000
2018	2048	3.1-4%	2,700,000	2,700,000	-	-	2,700,000
Subtotal			5,700,000	5,520,000	-	185,000	5,335,000
Bond Premiums			-	262,083	-	9,010	253,073
Total General Obligation Bonds				<u>\$ 5,782,083</u>	<u>\$ -</u>	<u>\$ 194,010</u>	<u>\$ 5,588,073</u>

In November 2016, the District received authorization through Measure K to issue \$8,300,000 of bonds. The bonds are general obligation bonds of the District, and the County is obligated to annually levy ad valorem taxes for the payment of interest on, and the principal of, the bonds. Bond proceeds are to be used to improve the quality of education by repairing and replacing leaky roofs; making health, safety, and security improvements; updating inadequate electrical and technology infrastructure; modernizing and renovating outdated classrooms, restrooms, and school facilities; and replacing temporary portables with permanent classrooms.

On November of 2018, the District issued \$2,700,000 of 2018 Series B General Obligation Bonds, under the Measure K authorization, to finance the acquisition, construction, furnishing and equipping of District facilities. The bonds were issued with \$142,085 in premiums, and issuance costs of \$199,728. The bonds bear fixed interest rates ranging between 3.1% and 4.0% with annual maturities from August 1, 2019 through August 1, 2048.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

The following is a summary of the annual debt service requirements as of June 30, 2020:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 95,000	\$ 229,475	\$ 324,475
2022	105,000	225,525	330,525
2023	10,000	223,300	233,300
2024	15,000	222,925	237,925
2025	20,000	222,400	242,400
2026-2030	260,000	1,093,075	1,353,075
2031-2035	580,000	1,025,485	1,605,485
2036-2040	1,025,000	881,021	1,906,021
2041-2045	1,625,000	617,625	2,242,625
2046-2050	1,600,000	160,164	1,760,164
Total Debt Service	\$ 5,335,000	\$ 4,900,995	\$ 10,235,995

SUPPLEMENTARY INFORMATION

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Schedule of Measure K Bonds Expenditures
For the Fiscal Year Ended June 30, 2020

Expenditures:		
Construction management fees	\$	57,516
Planning costs		1,114
Preliminary tests		4,984
Surveys		863
Attorney fees		10
Land improvements		903,693
Building improvement		448,585
Equipment		5,512
Architect services		62,662
Consulting services		990
Inspection		19,900
Audit fees		4,000
Total Expenditures	\$	<u>1,509,829</u>

The notes to the supplementary information are an integral part of this schedule.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to Measure K Bonds Program Schedules
For the Fiscal Year Ended June 30, 2020

NOTE 1 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000 and changed the required majority for local voter approval of public school and community college general obligation bonds from two-thirds to fifty-five percent of votes. It also required school districts to provide facilities to charter schools operating within their jurisdictions.

On November 8, 2016, the District's voters approved, by more than the required 55% favorable vote, Measure K, authorizing the issuance and sale of general obligation bonds, not to exceed \$8,300,000. On November of 2017, bonds in the amount of \$3,000,000 were issued at a premium of \$123,251. On November of 2018, Series 2018 B were issued for \$2,700,000 respectively. Measure K was used to improve the quality of education by repairing or replacing leaky roofs; make health, safety, and security improvements; update inadequate electrical and technology infrastructure; modernize/renovate outdated classrooms, restrooms, and school facilities; and replace temporary portables with permanent classrooms.

All projects funded by the issuance of Measure K general obligation bonds will be subject to review both by the District's Board of Trustees and by an independent citizens' oversight committee. The District will also provide many public forums to present progress and seek input from community members, parents, and staff.

NOTE 2 - ORGANIZATION

The Corning Union High School District (the "District") is located in Corning, California and was established in 1897. There were no changes in the boundaries of the District during the current year. The District is currently operating one high school, one continuation school, and one adult education program.

The Board of Education for the fiscal year ended June 30, 2020, was comprised of the following members:

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
William Mache	President	2022
James Bingham	Clerk	2022
Todd Henderson	Member	2020
Ken Vaughn	Member	2020
James Scott Patton	Member	2022

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Notes to Measure K Bonds Program Schedules
For the Fiscal Year Ended June 30, 2020

NOTE 3 - CITIZENS' OVERSIGHT COMMITTEE

Duties of the committee include verifying that bond revenues were expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. The committee must also verify that no funds were used for any teacher or administrative salaries or other school operation expenses.

Furthermore, the committee is authorized to receive, and review copies of the annual independent performance audit and the annual independent financial audit required by Article XIII A, Section 1(b)(3)(C) and Article XIII A, Section 1(b)(3)(D), respectively, of the California Constitution.

The committee was formed by the Board trustees as required by state law. The Citizens' Oversight Committee was comprised of the following members during the fiscal year ended June 30, 2020:

<u>Name</u>	<u>Title/Function</u>
Tony Cardenas	Tax Payer Association
Lorenzo Casia	Senior Citizen Representative
Sherry Davis	At Large
Crystal Linnet-Weston	Parent-Teacher Organization
Denea Hope	Parent of Current Student
Brant Mesker	Community Member
Kelley Dodge	Business Community

**SCHEDULE OF FINDINGS
AND RECOMMENDATIONS**

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2020

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Our tests resulted in no findings and recommendations.

CORNING UNION HIGH SCHOOL DISTRICT
Measure K Bonds
Schedule of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2020

There were no prior year findings and recommendations to be reported.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



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

Measure K Citizens' Oversight Committee and
Governing Board Members
Corning Union High School District

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 Measure K Bonds of the Corning Union High School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Corning Union High School District's Measure K Bonds financial statements, and have issued our report thereon dated April 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corning Union High School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corning Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corning Union High 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 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 the Corning Union High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.



However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

C & A UP

April 6, 2021
San Jose, California



**INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE AND COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON THE MEASURE K BONDS PROGRAM**

Measure K Citizens' Oversight Committee and
Governing Board Members
Corning Union High School District

Compliance

We have audited Corning Union High School District's (the "District") compliance with Proposition 39/Measure K Bonds of the November 8, 2016 election, as approved under Proposition 39, and with the performance requirements referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and the enactment of AB 1908 (Chapter 44, Statutes of 2000).

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the District's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with the laws and regulations identified above based on our audit. We conducted our audit of compliance 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 noncompliance with the compliance requirements referred to above that could have a material effect on compliance with the laws and regulations have occurred. An audit includes examining, on a test basis, evidence supporting the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Audit Objectives

Our audit included the following objectives:

1. To obtain reasonable assurance that the proceeds of the sale of the Measure K Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
2. To obtain reasonable assurance that the Governing Board of the District, in establishing the approved projects set forth in the ballot measure, evaluated the remodeling, new construction and renovations of items which will relieve overcrowding, repair local schools and improve student safety conditions of the District.



3. To obtain reasonable assurance that the District complied 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, the enactment of AB 1908 (Chapter 44, Statutes of 2000) and the bond measure. Management is responsible for the District's compliance with these requirements.

Scope and Methodology

To meet the objectives of our performance audit, procedures we performed included, but were not limited to, the following scope and methodology:

1. We documented and tested controls over financial reporting and compliance specific to the Measure K Bonds which included inquiries about separation of duties, account coding, timekeeping, pay rates, and procurement.
2. We selected one contract and verified their compliance with big requirements, and that their invoices were paid within the contract terms and with board approval.
3. We tested payments made to the architectural service companies and reviewed the terms of the contract.
4. We sampled and vouched 80% of the 2019-20 expenditures to supporting documentation to ensure they were valid, allowable, accurate.
5. We verified that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.
6. We verified that the District was in compliance with Assembly Bill 1908 and Ed Code Section 15278, where the District is required to establish a bond oversight committee for Proposition 39 bonds that includes one active member from each of the following sectors: a business organization, senior citizens' organization, bona fide taxpayer's association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association.
7. We verified the Citizens' Oversight Committee met pursuant to Education Code Section 15280.

Results of Procedures Performed

We did not identify any exceptions to the procedures performed above, nor any exceptions to other tests that we conducted related to the Measure K Bonds. Our audit of compliance was made for the purposes set forth in the Objectives section of this report and would not necessarily disclose all instances of noncompliance.



Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Measure K Bonds program for the fiscal year ended June 30, 2020.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing over compliance and the results of that testing based on the standards referred to above. Accordingly, this report is not suitable for any other purpose.

C & A LLP

April 6, 2021
San Jose, California